

Document 6 - Economic Development CIP Program Performance and Financial Review

Projected and actual data from existing and expired Economic Development CIPs indicates that the aggregate total estimated tax revenue to the City from Council approved CIP applications/projects in the 10 years following project completion, has increased from \$9,673,853 to \$41,247,488, an increase of 350 per cent. This additional property tax revenue is offset by the payment of Tax Increment Equivalent Grant (TIEG) incentives to program applicants of \$11,107,901 resulting in an estimated net City tax revenue increase over the 10-years following CIP project completion of \$21,366,149.

Commercial, industrial, and institutional property taxes help to offset the residential property tax burden. If increased tax revenues can be generated from business growth, residential property tax increases can be minimized without impacting services and new revenue can be generated to support City priorities. Attracting new companies and stimulating growth of existing companies is a proven way of doing this.

Estimated net new City revenue increases to \$33,070,257 after adding \$11,704,108 in estimated building charges, development fees, and application fees from approved Economic Development CIP projects.

To date, the Economic Development CIP program has received 19 applications with 18 applications approved by Council and 12 projects completed. One application was not approved by Council, and one project was cancelled.