



Urban Planning and Economy

**Additional Support for Industrial
Development - Fulton Creek
Business Park**

February 15, 2023

Edmonton

Decision



Amend Policy C592 to allow 100% tax uplift repayment for future developments



100% tax uplift repayment for oversized infrastructure to Fulton Creek developer

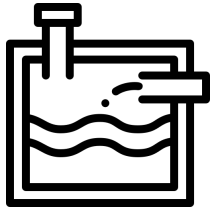


Economic Growth > The City Plan's Big City Move:
Catalyze & Converge and Connect
Edmonton's Strategic Goal: Regional Prosperity



Supports work to refresh Industrial Action Plan

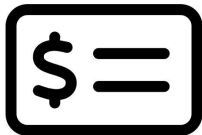
Background



Oversized infrastructure cost recovery is unpredictable and can take years or even decades



50% of the additional tax revenue generated by the development goes to pay the developer for the oversized infrastructure and 75% of the shareable infrastructure cost is recovered by the City from developers



Encourages faster, high-value development and higher long term revenues for the City

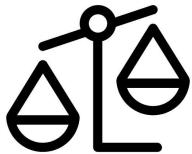
Considerations & Trade Offs



Industrial development is declining, placing a higher burden on the residential tax base



Policy C592 allows the City to further enable industrial development without incurring additional debt



Using tax uplift for industrial development means deferring tax revenues in the short term -- with the intent for more tax revenue in the longer term

What Changes



100% equals faster uplift payments to developers



The City will defer tax revenues in short term to collect full tax revenues sooner



Reduced financial risk for developers enabling more development



Contribute up to 25% of oversized infrastructure



Net contribution typically remains the same but payments will occur faster



Earn interest on recoverable contributions

Scenario Illustration - 50% Tax Uplift Rebate (Current)

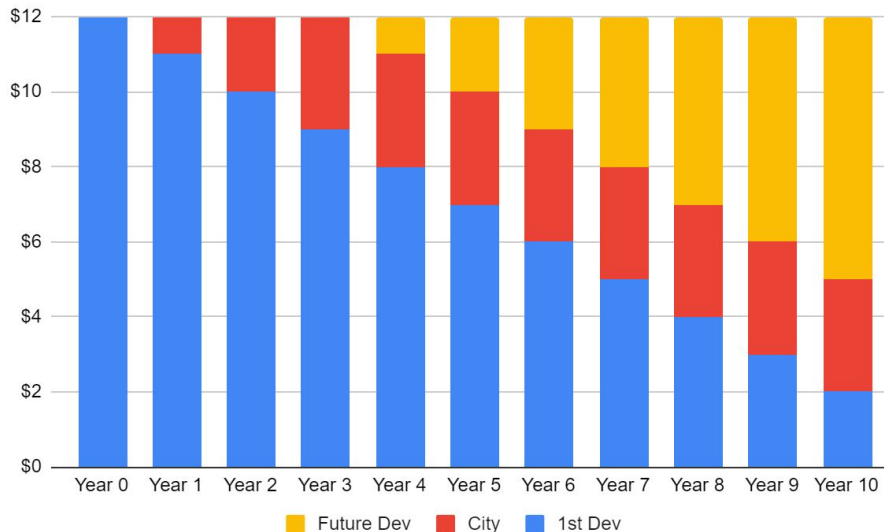
\$12M Total Cost of Public Infrastructure

\$2M 1st Developer cost of shareable infrastructure

\$10M 1st Developer over expenditure (OE)

\$3M City cost of shareable infrastructure (25% of total)

\$2M Tax uplift generated per year (no additional development)



1st Developer
Recovers OE in **year 10**

City Collects \$10M in
tax uplift over 10 years

City Collects 100% of
tax uplift after **year 11**

Scenario Illustration - 100% Tax Uplift Rebate (New)

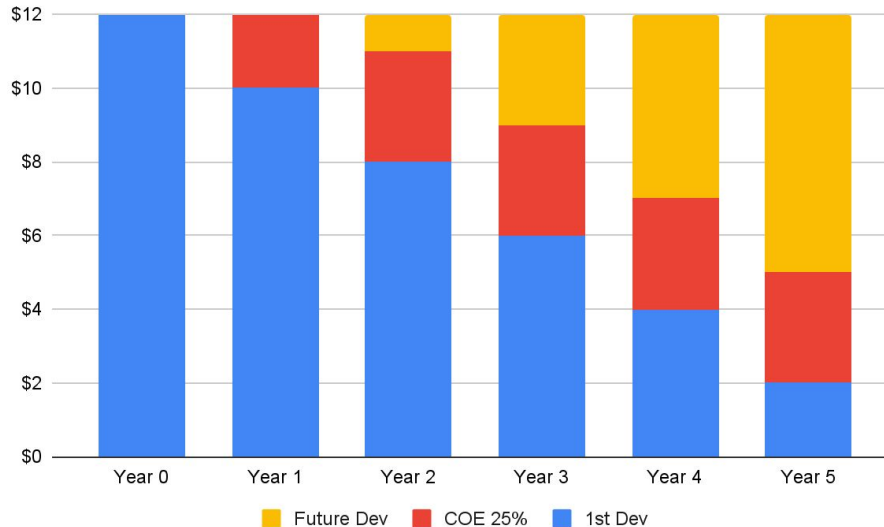
\$12M Total Cost of Public Infrastructure

\$2M 1st Developer cost of shareable infrastructure

\$10M 1st Developer over expenditure (OE)

\$3M City cost of shareable infrastructure (25% of total)

\$2M Tax uplift generated per year (no additional development)



1st Developer
Recovers OE in **year 5**

City Collects \$10M in
tax uplift over 10 years

City Collects 100% of
tax uplift after **year 6**

Scenario Illustration - Additional Development

\$12M Total Cost of Public Infrastructure

\$2M 1st Developer cost of shareable infrastructure

\$10M 1st Developer over expenditure

\$3M COE cost of shareable infrastructure (25% of total)

\$2M Tax uplift generated per year (includes additional development in year 3)

50% Tax Uplift Rebate - Current	100% Tax Uplift Rebate - New
1st Developer Recovers OE in year 5 City collects 100% of tax uplift in year 7	1st Developer Recovers OE in year 4 City collects 100% of tax uplift in year 7

Questions and Thank You