

## Background – Edmonton's Non-residential Tax Base

The following table describes the relationship between the assessed value of non-residential property and its share of municipal tax revenue. The non-residential tax base provides approximately half of the City's tax revenues.

Table: City of Edmonton Property Assessment (\$000s) and Municipal Tax Revenue

Year	Non-Residential Assessment	Total Assessment	Non-Residential Share of Assessment	Non-Residential Tax Revenue	Total Municipal Tax Revenue	Non-Residential Share of Tax Revenue
2009	32,915,112	132,072,265	25%	422,204,453	826,725,589	51%
2010	31,871,561	121,312,731	26%	450,499,599	886,345,543	51%
2011	32,346,147	130,942,609	25%	478,764,948	952,158,705	50%
2012	32,243,565	131,963,277	24%	514,010,364	1,026,523,047	50%
2013	35,581,672	140,044,430	25%	544,431,872	1,110,660,739	49%
2014	38,965,432	149,252,793	26%	603,183,281	1,230,117,183	49%
2015	41,210,628	161,846,047	25%	656,294,764	1,335,286,632	49%

Note: The municipal tax figures for 2009 and 2010 have been adjusted to include the business tax levy, transferred to the non-residential base over the four-year period of 2008 to 2011.

Non-residential uses' net-positive contribution to the City's finances makes growing the non-residential tax base an imperative to support Council's city-building initiatives and provide services to citizens. In addition to property tax revenues, these uses also provide employment and prosperity to the Edmonton region.

Edmonton has a strong industrial base principally based on transportation, warehousing, manufacturing, and energy sector construction and servicing. There are nearly 5,000 companies in Edmonton's 68 industrial neighbourhoods employing over 107,000 people.

Edmonton offers an attractive business climate, including a favorable tax regime, access to employees, urban services and amenities. Over the last five years the City has initiated some targeted efforts and actions to influence and grow the industrial tax base. However, when compared with the Edmonton Census Metropolitan Area (CMA), property tax revenues to the City of Edmonton from industrial uses are proportionally lower than they are in many neighbouring communities.

Since the 1990s, neighbouring municipalities have actively pursued and nurtured industrial development through initiatives like Alberta's Industrial Heartland. Much of the region's new heavy industrial facilities have located in rural areas, and neighbouring municipalities have proactively developed new business parks.

Over the past several years, City Council has been provided with significant industry and stakeholder input regarding the competitive state of Edmonton's industrial and non-residential economy. Through the development of The Way We Prosper and recent Council discussions relating to the Edmonton Energy and Technology Park, Maple Ridge and Winterburn industrial areas, Council has indicated support for a more clearly articulated non-residential strategy.

If Edmonton is to maintain and grow the industrial portion of its non-residential tax base, it must address several key challenges. These challenges, and a new Industrial Transformation Roadmap that aims to address them, are described in more detail in the body of this report and in Attachment 4 – Edmonton's Industrial Transformation Roadmap and Proposed Priority Action Plan.