



2021 Private Construction Projects - Economic Incentive Options - Five Year Timeline

Edmonton

City Council, January 25, 2021

Possible Program for 2021

Previous Motion

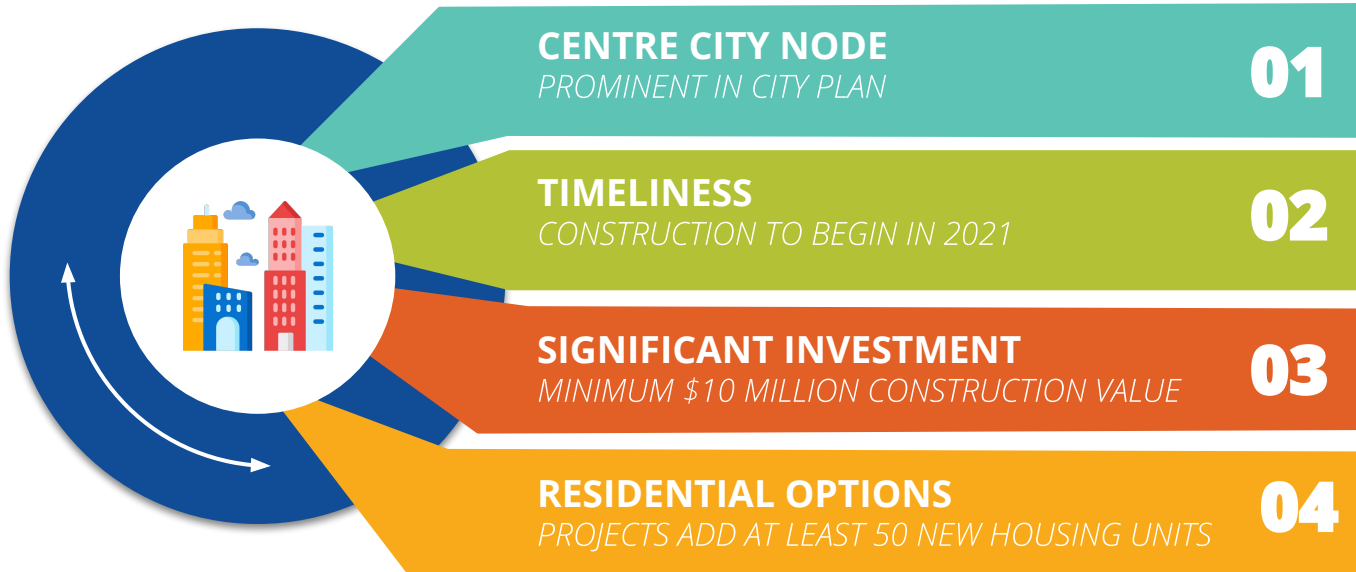
That Administration prepare options for a program of economic incentives in the form of rebates or construction-period progressive/supplemental tax exemptions to support high-impact private construction projects commencing in the 2021 construction season, that might not proceed without incentive support, in the interests of supporting short term job creation and longer term City Plan goals, and provide a report to Committee.

What We Heard

- Definition of High Impact
- Timelines
- Incentive Options
- Demonstration of Need
- Edmonton Market

Defining “High Impact”

Program Criteria



Program Overview

Grant Model

Grants will be established to offset any increase in taxes for the period that result from the construction or retrofit of high impact developments.

Guiding Principles

- Timely access
- Certainty
- Economic Growth

Program Options

Timelines and Funding Models

Option 1 (Status Quo)	Option 2 (four years of grant support)	Option 3 (five years of support, with cap)
<ul style="list-style-type: none">- Council chooses not to use appropriated FSR funds on a economic incentive grant program in 2021- Allows further flexibility to respond to other emerging pandemic issues	<ul style="list-style-type: none">- Tax incentive program would allow grant offset for property taxes for four years, starting in 2022 until 2025- Estimated costs of up to \$22.9 million, based on existing development permits	<ul style="list-style-type: none">- Tax incentive program would allow grant offset for property taxes for five years, starting in 2022 until 2026- Program capped at original estimate of \$22.9 million for four years- Grants approved on a first come, first served basis, provided the project meets all criteria

Risk Management

Ensuring Benefits for Edmonton

TOOL	INDICATORS
Program Impact Statement	<ul style="list-style-type: none">● Anticipated construction costs● Approximate number of jobs created● Net new residential housing units, including square footage● Square footage of any retail commercial area● Social benefits, such as GBA+ or environmental considerations
Controls for Grant	<ul style="list-style-type: none">● Verification of construction investment● Use of grant funding● Ability for City to seek repayment if builder does not provide compliance or verification

? **Questions?**