



## OPERATING BUSINESS CASE

<b>YEAR:</b>	2021
<b>INITIATIVE NAME:</b>	Long-term Property Tax Strategy
<b>DEPARTMENT NAME:</b>	Finance

<b>INVESTMENT TYPE:</b>	<input checked="" type="checkbox"/> Service Enhancement/New Program <input type="checkbox"/> Growth Requirement <input type="checkbox"/> Service Requirement
<b>PURPOSE:</b>	<p>Property taxes are the key revenue source for the City of Wetaskiwin. Due to their importance to both residents and local business, it is prudent for the City to periodically evaluate the tax rate, tax structure, tax split, and incentives provided and assess how these items may be affecting the various taxpayers in the community, both in the residential, business and industrial sectors.</p>

<p><b>SCOPE STATEMENT:</b>  <i>Provide the justification for the project. i.e., needs assessment, Council direction, regulatory requirements, safety, efficiency or cost savings, revenue.</i></p>	<p>On July 20, 2020 Administration brought forth a new Tax Incentive Bylaw with a caveat that a proposal could be considered for a comprehensive long-term property taxation strategy.</p> <p>The Long-term Property Tax Strategy will address all tax rates; taxation classes; the residential to non-residential ratio; and other potential development incentive bylaws.</p>
<p><b>PROJECT JUSTIFICATION:</b>  <i>Provide link to the Council strategic plan</i></p>	<p>This project links to Council's Strategic Plan through the 'Building the Economy' pillar:</p> <ol style="list-style-type: none"> <li>1. To build a strong economy and create a competitive tax division between residential and non-residential contributions</li> <li>2. To focus on the City as an excellent place for business and investment, and as a destination for tourism.</li> </ol>
<p><b>SITUATIONAL ANALYSIS:</b>  <i>Provide background information as to how this business case will improve the City's position.</i></p>	<p>A long-term property tax strategy that reflects community feedback and considers the community vision (currently underway) will aid Council in short and long-term decision making to ensure the City is financially sustainable.</p> <p>As this strategy becomes a roadmap for financial decision-making, the greater public will be more informed on how and why certain decisions are made.</p> <p>Lastly, having a focused approach to tax structure and potential incentives will likely increase development in Wetaskiwin. This aligns with Council's strategic priorities and the City's mandate to foster investment and growth in its area.</p>

**CHALLENGE/OPPORTUNITY AND RISK:**

*Provide a list of all assumptions assumed to be true for purpose of the request. Highlight impacts if not approved.*

SWOT Analysis:

Strengths:

- Creates a foundation for long-term financial stability
- Aids Council in decision making through the budget process

Weaknesses:

- Long-term tax strategies may hinder the ability to quickly react to changes in the marketplace. Updates to the strategy may be required.

Opportunities:

- Alignment of decision-making to make certain long-term financial stability
- May create a tax structure that reflects Community's vision (currently underway)
- Potential to develop targeted property tax incentives and additional taxation classes to spur growth

Threats:

- May result in tax structure recommendations that are viewed negatively by certain areas of the community

Impacts if not Approved:

- May result in short-sighted decisions that are not in the best interests of the City's long-term sustainability
- May hinder additional growth based on existing tax structure

**FINANCIAL INFORMATION:**

*If business case relates to FTE, ensure all costs are recorded to included training and development, computer, etc.*

**A. COST:**

**YEAR 1 - 2021**

Total Expense: \$50,000

Net Budget: \$50,000

**YEAR 2 - 2022**

Total Expense: \$ 0

Net Budget: \$ 0

**YEAR 3 - 2023**

Total Expense: \$ 0

Net Budget: \$ 0

**B. SOURCE OF FUNDING**

Choose one:  Tax  
 Grant

	<input type="checkbox"/> Reserves <input type="checkbox"/> Other: _____
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**APPROVAL**

**Developed By:** Robert Osmond 2020-August-5  
Operating Business Case Developer Date

**Approved By:** \_\_\_\_\_ Date  
City Manager