

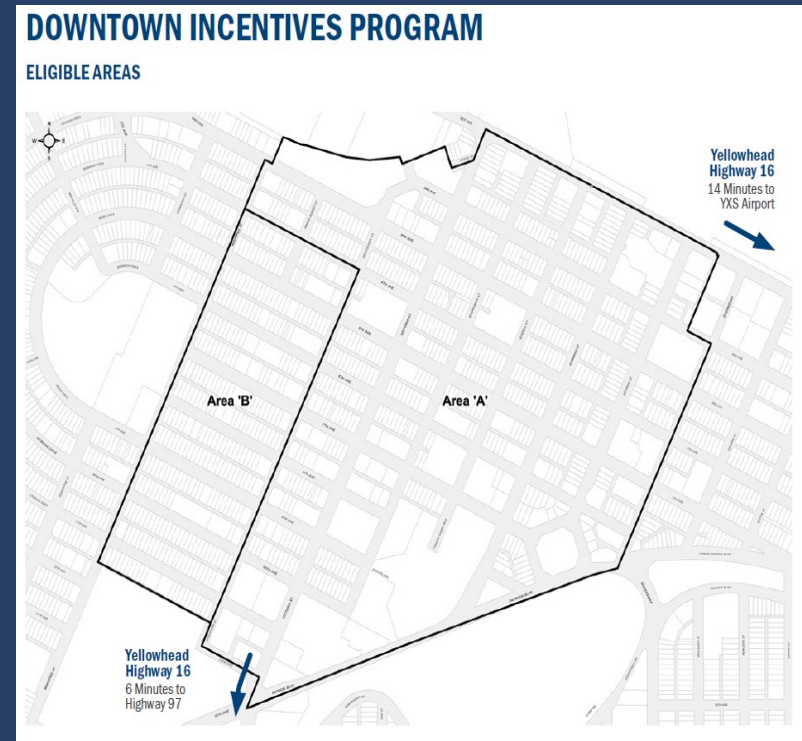


CITY OF  
PRINCE GEORGE

# DOWNTOWN INCENTIVE PROGRAM REVIEW & RECOMMENDATIONS

# DOWNTOWN INCENTIVE PROGRAM OVERVIEW

- 10 year RTE
- Early benefit Option
- Housing grant (\$10k/door)
- Low DCCs
- Parking exemption
- Flexible zoning

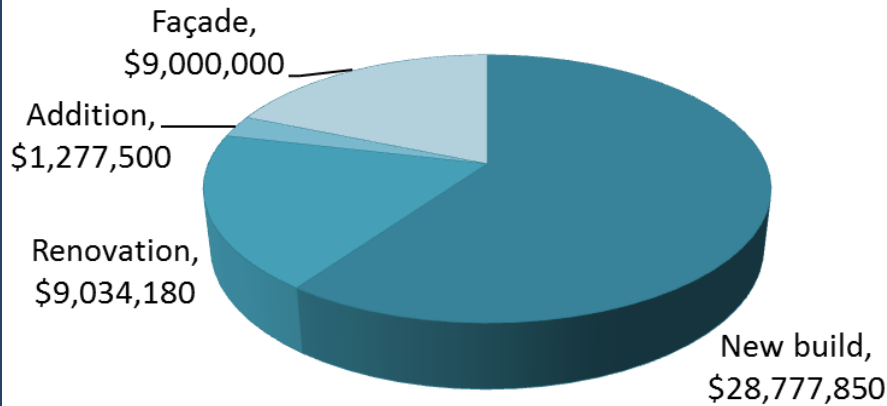


# FOCUS OF STUDY: 23 REVITALIZATION TAX EXEMPTION PROJECTS

RTE Projects	Number of Projects
Residential Class 1	3
Commercial Class 6	20
RTE – Early Benefit Option	10
RTE (taken over 10 years)	13
New Build	7
Renovation	12
Addition	2
Façade	2

# RTE PROJECT VALUES & ASSESSMENTS

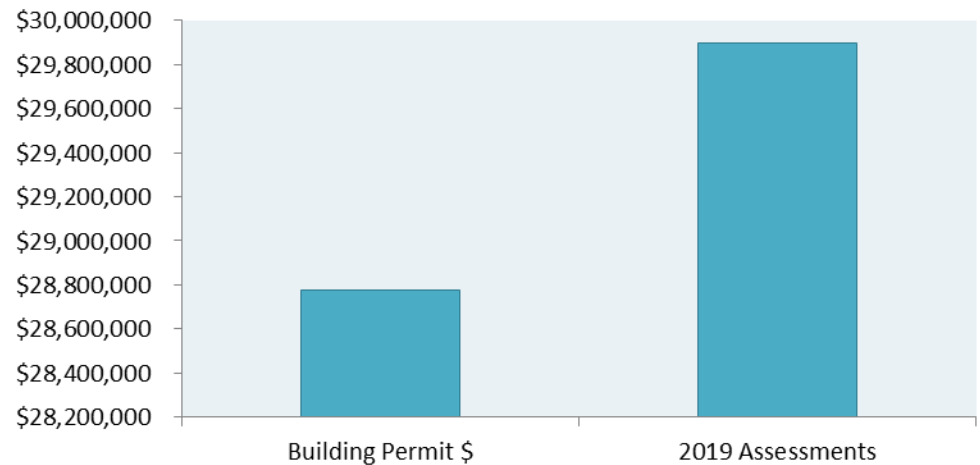
**Development Class  
(Building Permit Total Value \$48.1m)**



Assessed values indicate return on investment

7 new builds contributed over 50% of investment

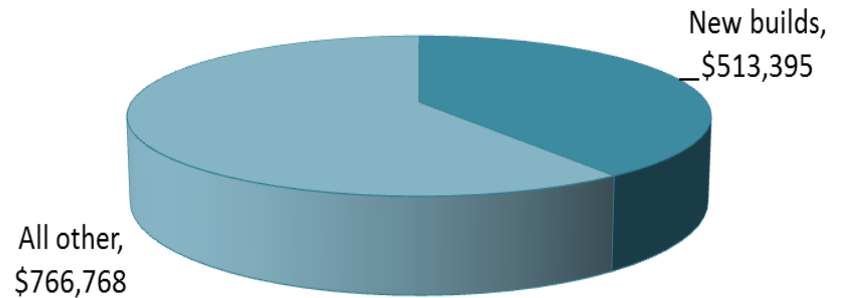
**New Build RTE Projects**



# RTE PROJECTS AND MUNICIPAL TAX

Based on assessments, RTE projects contributed to tax base and municipal tax revenue

**Municipal Tax Annual Revenue from RTE Projects (2019 Assessments, Total \$1,280,163)**



# RTE AND DEVELOPMENT OBJECTIVES

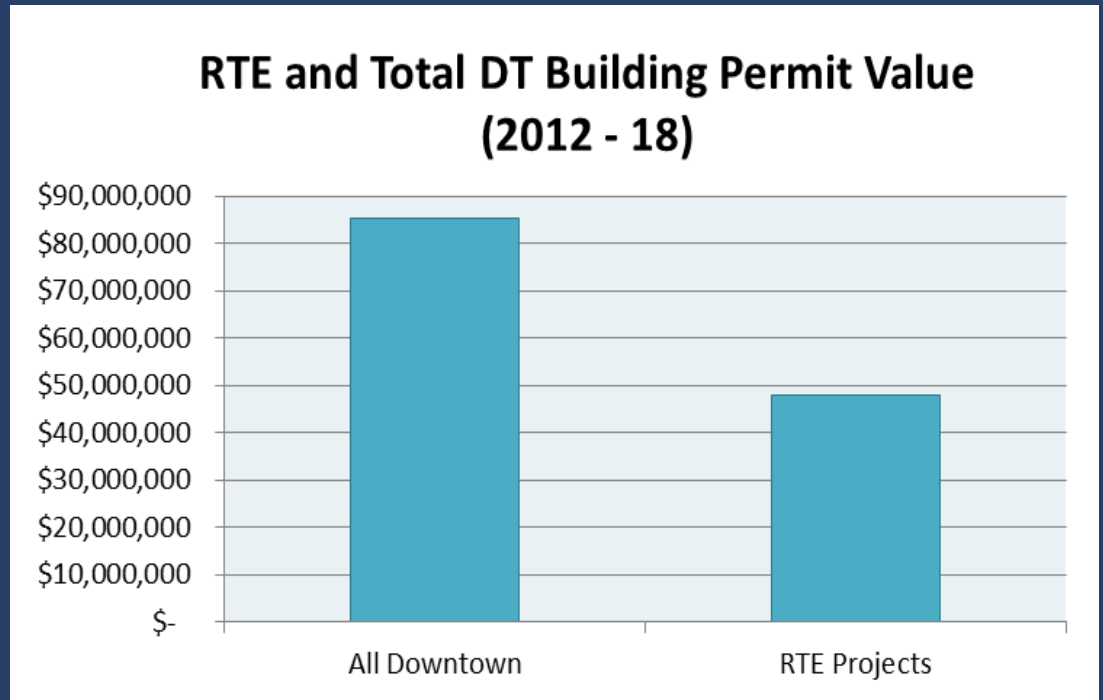
- Of the 23 projects, all but three were for commercial development.
- The largest project is a hotel that brings tourists and business travelers into the downtown.
- The three mixed use/residential projects contributed a small portion to the total building permit value, and about 15 units of housing.
- Impact of Parkhouse Condominiums not included (all 4 phases make residential 35% total, \$76m building permit value).

# RTE PROJECTS: DIRECT IMPACT SUMMARY

- New private investment into the downtown of Prince George (as measured by building permits)
- Increasing market values with demonstrated ROI for developers (based on assessed values)
- Contribution towards targeted development objectives
- Growth of municipal tax revenues due to assessed values

# INDIRECT IMPACTS: TOTAL INVESTMENT IN THE DOWNTOWN

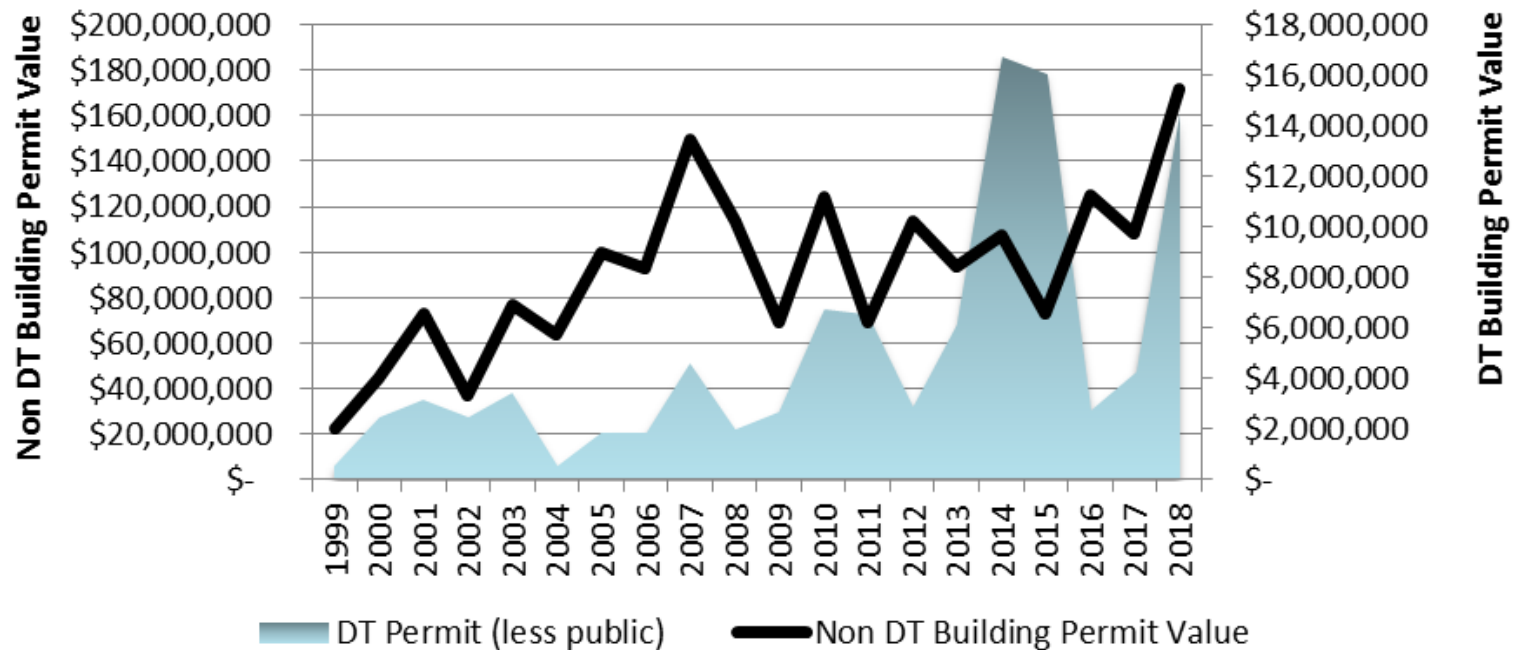
- Downtown investment nearly twice that of RTE projects
- Public Projects (WIDC, WIRL, RCMP)





# INVESTMENT: DOWNTOWN & CITY WIDE COMPARISON

## Investment by Area in Prince George (\$ Building Permits, 1999 - 2018)



# INDIRECT IMPACT: GROWTH IN ASSESSED VALUES

Assessed Values (BC Assessment)	2005	2011	2019	Average Annual Growth (2005-2011)	Average Annual Growth (2011-2019)
Downtown	\$198,033,400	\$292,716,202	\$505,600,936	8%	9%
Prince George	\$5,012,585,274	\$8,629,828,808	\$12,294,541,778	12%	5%

# **COST/BENEFIT ANALYSIS OF RTE (23 PROJECTS)**

Cost: estimated cost of lost municipal tax revenue is \$10.5 million

Benefit 1: One method is to evaluate impact on municipal tax revenue from new builds only

(7 projects)

Benefit 2: Another method is to evaluate total incremental tax base and revenue assuming DT assessed values continued to lag PG's

- Result is that an incremental \$11m in municipal tax revenue generated by 2019 since introduction of RTE, cost recovered in 7 years

Benefit outweighs cost in both scenarios

# RECOMMENDATIONS

1. Phase out the 10 year RTE bylaw or reduce its cost to the City
2. Change the current 10 year bylaw to include purpose-built rental housing including student housing so that eligible properties can receive the Municipal Revitalization Provincial Property Tax Exemption

# RECOMMENDATIONS

3. Continue to support an attractive investment environment in the downtown especially for residential with other downtown incentive program elements
4. Partnering to leverage and enhance the City's Downtown Development Incentives
5. Consider an opportunity to be bold and incent place based design and development that sets Prince George apart from other cities

**THANK YOU**