

Revenue and Tax Policy Benchmarks and 2018 Tax Rates



Purpose

- To provide updated benchmark measures related to the City's Revenue and Tax Policy
- To seek direction on 2018 tax rates



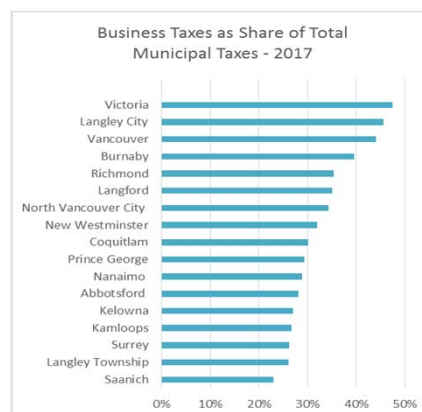
Council Direction

- Policy updated in 2015 to maintain the current share of property tax distribution among property classes
- Report back on benchmarks annually



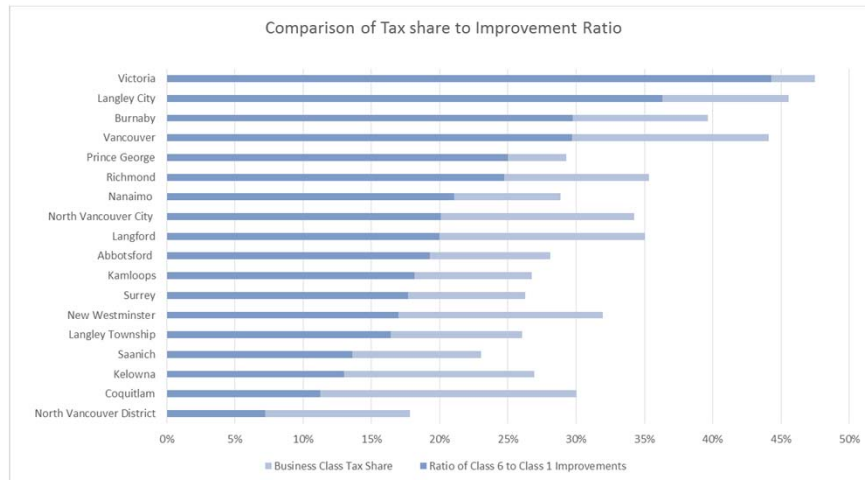
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Share of Taxes



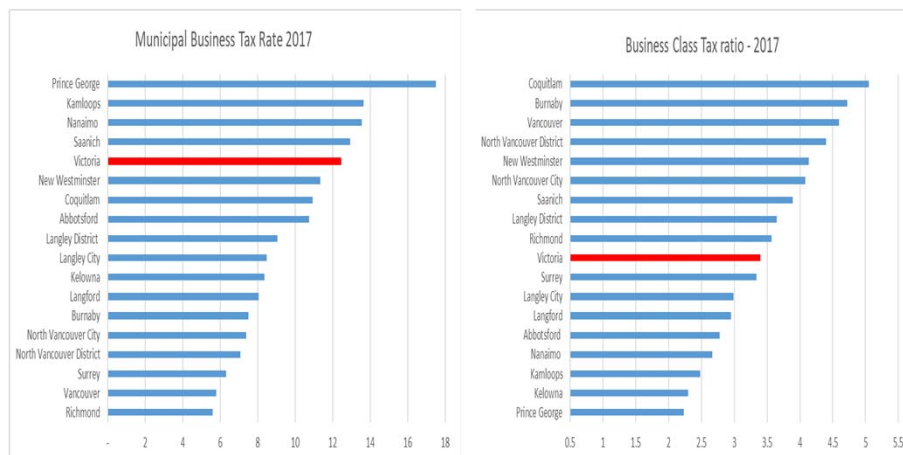
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Share of Taxes



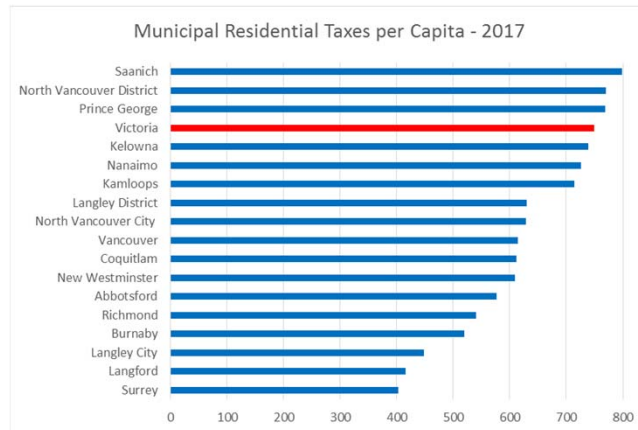
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Business Tax Ratio and Rate



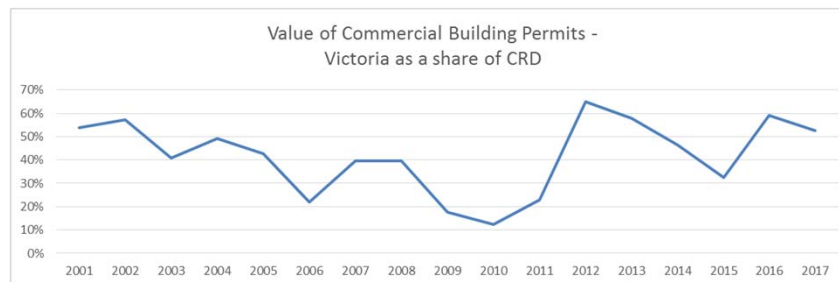
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Business Tax Ratio and Rate



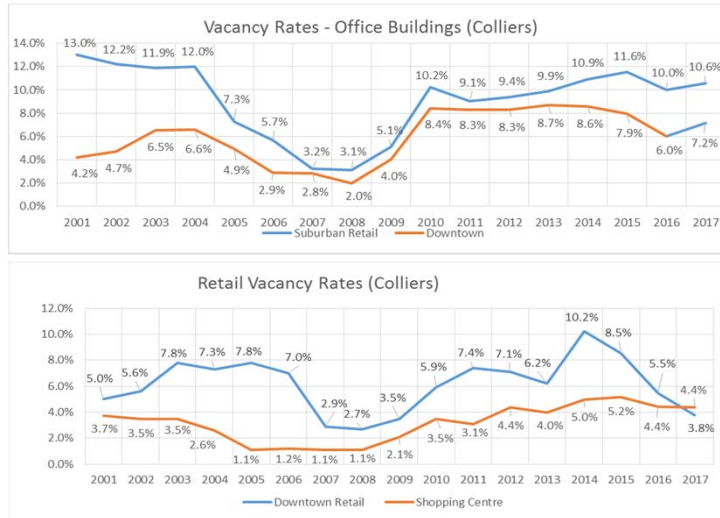
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Building Permits



Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Benchmark: Vacancy Rates



Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Tax Rate Option 1: Equalize tax increase, industrial same as business (current tax policy)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2017 Tax Rates
Residential	1.0000	51.07%	3.2448	2.60%	3.6649
Utility	10.3265	0.45%	33.5070	2.60%	34.8127
Major Industrial	3.6361	0.11%	11.7983	-2.92%	12.4577
Light Industrial	3.6361	0.69%	11.7983	5.62%	12.4577
Business	3.6361	47.48%	11.7983	2.60%	12.4577
Rec/Non Profit	2.4797	0.20%	8.0460	2.60%	7.3998

Average residential property (\$743,000 assessed value) increase of \$61

Typical business property (\$585,000 assessed value) increase of \$175



Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Tax Rate Option 2: Equalize tax increase, for all classes (tax policy prior to 2007)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2017 Tax Rates
Residential	1.0000	51.09%	3.2453	2.62%	3.6649
Utility	10.3275	0.45%	33.5157	2.62%	34.8127
Major Industrial	3.8430	0.11%	12.4716	2.62%	12.4577
Light Industrial	3.5325	0.67%	11.4640	2.62%	12.4577
Business	3.6359	47.48%	11.7995	2.62%	12.4577
Rec/Non Profit	2.4797	0.20%	8.0473	2.62%	7.3998

Average residential property (\$743,000 assessed value) increase of \$61

Typical business property (\$585,000 assessed value) increase of \$176



Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Tax Rate Option 3: Maintain business tax share at 48%, excluding NMC (tax policy 2012-2014 was to reduce to 48%)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2017 Tax Rates
Residential	1.0000	50.55%	3.2111	1.54%	3.6649
Utility	10.3268	0.44%	33.1606	1.54%	34.8127
Major Industrial	3.7150	0.11%	11.9293	-1.84%	12.4577
Light Industrial	3.7150	0.70%	11.9293	6.79%	12.4577
Business	3.7150	48.00%	11.9293	3.74%	12.4577
Rec/Non Profit	2.4797	0.20%	7.9626	1.54%	7.3998

Average residential property (\$743,000 assessed value) increase of \$36

Typical business property (\$585,000 assessed value) increase of \$252



Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Tax Rate Option 4: Hold ratios same as 2017 (tax policy for business ratio 2007-2011)

	<u>Tax Ratio</u>	<u>Tax Share Excluding NMC</u>	<u>Tax Rate</u>	<u>Tax Change</u>	<u>2017 Tax Rates</u>
Residential	1.0000	52.77%	3.3527	6.01%	3.6649
Utility	9.4990	0.43%	31.8469	-2.49%	34.8127
Major Industrial	3.3992	0.10%	11.3964	-6.23%	12.4577
Light Industrial	3.3992	0.67%	11.3964	2.02%	12.4577
Business	3.3992	45.86%	11.3964	-0.89%	12.4577
Rec/Non Profit	2.0191	0.17%	6.7694	-13.68%	7.3998

Average residential property (\$743,000 assessed value) increase of \$141

Typical business property (\$585,000 assessed value) decrease of \$60

