



Distribution #1 at Strategic Council C2019-0352 - NENSHI Non-residential shift scenarios

Risks	Pros	Cons
Utilizes estimated tax room – no requisition in place from Province – tax room may not materialize. Any shortfalls would need to be funded by The City and billed in the following year	Increases perceived equity/fairness for non-residential taxpayers	Grant program details to be developed
Continuation of temporary solution for non-residential may not meet some expectations	Maintains the current service levels and capital projects within the One Calgary approved budget	
	Tax ratio is reduced well below legislated level	
	No reconsideration required for Council decision on 2019 municipal tax rate.	





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Apply Residential tax room of \$27 million to Non-residential in 2019; 0% Non-residential tax rate increase from 2020-2022 by increasing the residential tax rate. Also apply efficiencies of \$20 million per year in 2020-2022 for the benefit of the residential.

	Residential			Blended increase	Non-residential			Ratio	Res / NR Share	Shift to Res from NR	Efficiencies	Non-res Grant program
	Rate	Tax bill (\$)	Tax impact (\$)		Rate	Tax bill (\$)	Tax impact (\$)					
2019: Approved One Calgary Budget Tax room	3.45%	\$1,940	\$65		1.01%	\$87,587	\$10,970	4.47 :1	46 / 54	\$8 million		
	3.22%		\$60		-2.78%		-\$2,417			\$27 million		
2019: Projected	6.67%	\$2,000	\$125	3.45%	-1.77%	\$85,170	\$8,553	4.22 :1	47 / 53	\$35 million		\$35.5 million
2020 - 2022 Projected												
2020: 0% increase in Non-res by increasing the Residential. Also efficiencies to Residential	3.59%	\$2,072	\$72	TBD	0.00%	\$85,170	\$0	4.08 : 1	48 / 52	\$25 million	\$20 million	\$35.4 million
2021: 0% increase in Non-res by increasing the Residential. Also efficiencies to Residential	3.72%	\$2,149	\$77	TBD	0.00%	\$85,170	\$0	3.93 :1	49 / 51	\$27 million	\$20 million	
2022: 0% increase in Non-res by increasing the Residential. Also efficiencies to Residential	3.83%	\$2,231	\$82	TBD	0.00%	\$85,170	\$0	3.78 :1	50 / 50	\$28 million	\$20 million	

The timing and amount of the education requisition is unknown due to the absence of a provincial budget. This scenario is based on the 2018 provincial requisition amount of \$780 million which would result in tax room of \$27 million. If the final 2019 provincial requisition is greater than this estimate there may be no tax room. Shortfalls in this scenario would be taken out of our reserves and recovered in 2020 through the provincial tax rate that year. Other options for estimating a requisition would result in a higher estimate but with lower tax room and potentially less financial risk in 2020.