

Appendix C - Community Tax Incentive Policy - Financial Cap Examples

Dollar Cap									
Applicant	2018			2019 (3% Mill Rate Increase)			2020 (3% Mill Rate Increase)		
	Cap:	\$1,000,000		Cap:	\$1,000,000		Cap:	\$1,000,000	
	Taxes	Exempt \$	Owner Pays	Taxes	Exempt \$	Owner Pays	Taxes	Exempt \$	Owner Pays
A	\$ 300,000	\$ 300,000	\$ -	\$ 309,000	\$ 300,000	\$ 9,000	\$ 318,270	\$ 280,192	\$ 38,078
B	\$ 400,000	\$ 400,000	\$ -	\$ 412,000	\$ 400,000	\$ 12,000	\$ 424,360	\$ 373,589	\$ 50,771
C	\$ 300,000	\$ 300,000	\$ -	\$ 309,000	\$ 300,000	\$ 9,000	\$ 318,270	\$ 280,192	\$ 38,078
D							\$ 75,000	\$ 66,027	\$ 8,973
Total	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,030,000	\$ 1,000,000	\$ 30,000	\$ 1,135,900	\$ 1,000,000	\$ 135,900
	Cap Exceeded by:		\$ -	Cap Exceeded by:		\$ 30,000	Cap Exceeded by:		\$ 135,900
Pro's:	<ul style="list-style-type: none"> - Static cost - Financial predictability for City - Transparent to public 								
Con's:	<ul style="list-style-type: none"> - Applicant may pay mill rate increases - Prorating required when Cap exceeded - Multi-year agreements less desirable therefore applicants required to apply annually - Less financial stability for applicants 								

Percent Cap									
Applicant	2018			2019 (3% Mill Rate Increase)			2020 (3% Mill Rate Increase)		
	Cap:	\$1,000,000		Cap:	\$1,030,000		Cap:	\$1,060,900	
	Taxes	Exempt \$	Owner Pays	Taxes	Exempt \$	Owner Pays	Taxes	Exempt \$	Owner Pays
A	\$ 300,000	\$ 300,000	\$ -	\$ 309,000	\$ 309,000	\$ -	\$ 318,270	\$ 297,256	\$ 21,014
B	\$ 400,000	\$ 400,000	\$ -	\$ 412,000	\$ 412,000	\$ -	\$ 424,360	\$ 396,341	\$ 28,019
C	\$ 300,000	\$ 300,000	\$ -	\$ 309,000	\$ 309,000	\$ -	\$ 318,270	\$ 297,256	\$ 21,014
D							\$ 75,000	\$ 70,048	\$ 4,952
Total	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,030,000	\$ 1,030,000	\$ -	\$ 1,135,900	\$ 1,060,900	\$ 75,000
	Cap Exceeded by:		\$ -	Cap Exceeded by:		\$ -	Cap Exceeded by:		\$ 75,000
Pro's:	<ul style="list-style-type: none"> - Financial predictability for the City - Transparency to public - Indexed to changes in City's levy including growth and mill rate increases - Less likely that applications will be prorated - Aligns with similar policies in other municipalities 								
Con's:	<ul style="list-style-type: none"> - Cost to City increases as levy base grows - Prorating required when Cap exceeded - Multi-year agreements less desirable therefore applicants required to apply annually 								