Good afternoon, everyone. As you'll recall from the original study, the purpose of the Return on Investment Analysis was to project the levels of new assessed value and new employment that could be expected in the City as a result of water and wastewater infrastructure extensions into the Innovation Corridor that would unlock new development potential north of I-75.

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This updated analysis used the same methodology as the 2021 study. First we allocated anticipated buildout by use types (commercial vs industrial vs residential) based on the land use requirements of the study area. Then we projected the assessed value and calculated annual property tax revenue to the City at full buildout. We used this buildout to also estimate impact fees that would generated. And then finally we projected new job creation as a result of the new commercial and industrial development in the study area.

Overall, in the updated analysis, we show an increase in value and revenue that is driven by higher development density than in prior scenarios on certain sub-areas as well as additional parcels being added to the study area.

We updated the analysis to include additional development areas that would be served by this infrastructure investment and reran the numbers. To summarize,

- The 2021 accepted study calculated up to $290 in new assessed value (or return on investment) for each $1 invested in utility extensions
- In the updated study, we looked at two scenarios. Under the status quo scenario, which reflects current zoning in the study area, we can expect up to $383 return on investment, which is an increase over the 2021 analysis.
- Under the second scenario where the west side of Toledo Blade Blvd is rezoned as MX-2 as shown on the map previously, the ROI bumps up to $430 per $1 of infrastructure investment.

However, in both scenarios in the new analysis, the job count is considerably lower than what we projected as the high end of the range in the original 2021 study. This is because there is much more residential development as a share of total development. So, while assessed values and revenues went up because there is more total development being captured, the job counts went down because less of the development is non-residential.

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So what are the implications of this analysis?

We want to continue driving home a major takeaway from the original study, which is that intentional land use regulations are necessary to encourage non-residential development.

If land is not explicitly zoned for commercial activities, developers are likely to pursue residential development because that is where market demand and financial returns are strongest.

Finally, this updated analysis compares the ROI of the district under status quo zoning and a rezone of a portion of the study area to MX-2. Under current zoning, which limits development in this area to low density residential, this parcel is a missed opportunity for non-residential development. Rezoning as MX-2 will substantially increase the potential for commercial and industrial development from essentially zero under current zoning. This is a key area in a prime location right off I-75 for the City to promote economic development. There is significant opportunity here for new value creation and new job growth for North Port.