

TRIGON AND MUNICIPAL PROPERTY TAX

Protecting Competitiveness, Encouraging Investment

For a trading nation like Canada, modern and efficient port infrastructure is essential to a strong economy and high living standards. Our ports must have reasonable cost structures and be able to attract investment and build the infrastructure needed to get our exports to market and to keep pace with competitors on the U.S. Pacific coast.

In 2004, the provincial government took an important step to create a more stable and predictable tax environment for port terminal operators. It capped property taxes paid, while partially compensating municipalities like Prince Rupert through Port Competitiveness Grants.

The strategy has worked – helping to drive significant infrastructure investment and new jobs and other economic benefits – and in 2014 this approach was made permanent.

A 2018 study found that over the preceding 10 years, \$3.2 billion in capital investments by BC port terminal operators generated \$1.8 billion in provincial GDP and more than 17,000 full-time-equivalent years of employment – and more than 90% of those benefits were realized in port communities.

Trigon and Property Tax Payments

For port communities, the tax cap and related grants have considerable upside: municipalities forego some property tax revenue while receiving the offset grant and reaping the benefits of the resulting investment made by what are typically some of their largest local businesses.

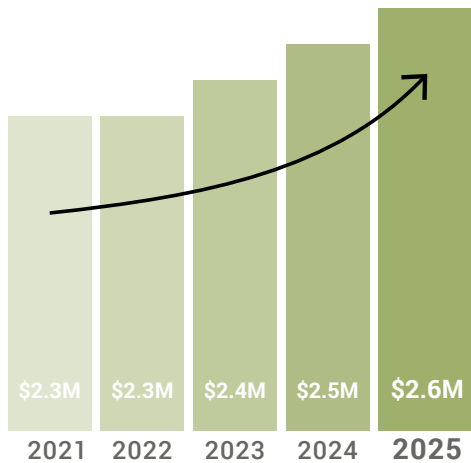
Since privatization in 2019, Trigon has kept its side of that bargain, with capital investments in 2021-2025 of approximately \$170.4 million. This has supported the construction of our new second berth and many other infrastructure and efficiency improvements that will help ensure we are an important part of the local economy for decades to come.

For the City of Prince Rupert, “Major Industry” taxpayers (a predominantly port-related category) are the largest single source of tax revenue. Year-over-year increases in taxes paid by major industry typically exceed inflation, resulting in increased city purchasing power.

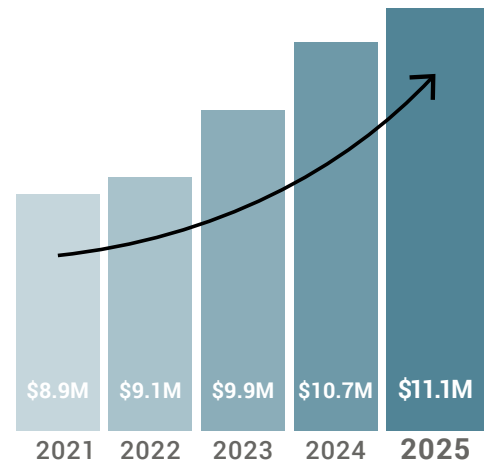
In Brief

- Modern and efficient ports are essential to our economy
- The Province has created property-tax predictability for port terminals
- Trigon in turn is stepping up with large-scale investments
- It and other port terminals more than pay their way on municipal services

Trigon Municipal Taxes Paid



Prince Rupert Total Municipal Taxes from Major Industry

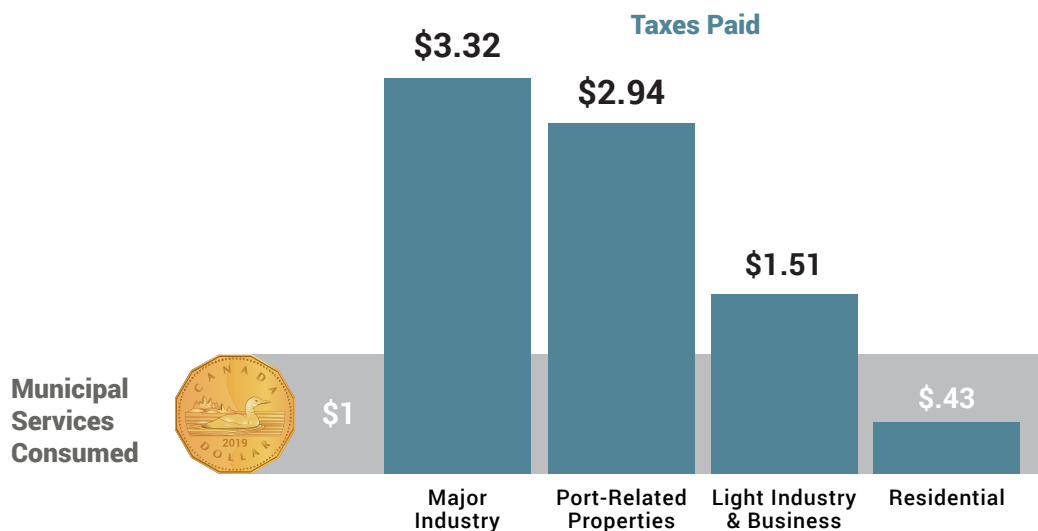


Source: <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden> (Schedule 707)

Port Terminals More Than Pay Their Way

According to a 2019 study, for every dollar's worth of municipal services used, different categories of taxpayers pay a different amount of tax. In Prince Rupert, industrial and port-related businesses pay significantly more and help keep taxes lower for residents.

Services Consumed vs. Taxes Paid



Source: Consumption of Tax-Supported Municipal Services Provided by the City of Prince Rupert, by Taxpayer Group; MMK Consulting, December 2019