

Potential Mid-Cycle Budget Requests

**Increased City-wide Historic Resource Conservation Grant Program**

**Key Assumptions:**

- Analysis of potential scenarios found that, on average, the program could be reasonably estimated to cost between \$2.0 and \$2.5 million per year and may generate an additional 38 designations within 7 years.
- Typical non-residential matching grants, based on a review of typical conservation construction projects, are between \$200,000 and \$500,000, with larger or more iconic projects requiring \$1 – 1.5 million.
- Typical residential matching grants, based on a review of typical conservation construction projects, are between \$20,000 and \$100,000 with an average of \$60,000.
- Administration found, through a review of past Calgary projects and similar grant programs in other jurisdictions, a \$2.5 million grant program would allow for several typical residential and non-residential projects and a larger (iconic) non-residential project each year.
- A \$2 million increase to the annual budget and funding for the City-wide Heritage Conservation Grant Program results in a 0.115% increase to the mill rate for 2021.

**Base Budget Increase Recommendations (2021)**

- \$2 million increase to the annual base budget and funding for the City-wide Heritage Conservation Grant Program from \$500,000 to \$2.5 million

**Funding Source:**

- Mill Rate (taxes)

**Residential Tax Credit**

**Key Assumptions:**

- The proposed residential tax credit program is intended to provide property owners with a more competitive alternative to redevelopment than existing incentive programs offered for conservation. It would provide owners of residential Municipal Historic Resources with a 75% annual credit on their municipal property tax assessment for up to 15 years, or a maximum \$50,000 per property. The program terms do not require an owner to perform restoration or rehabilitation work.
- Typical residential matching grants, based on a review of typical conservation construction projects, are between \$20,000 and \$100,000 with an average of \$60,000.
- Out of the 741 total sites in Calgary that could be potentially eligible for this program, it is estimated that up to 315 may realistically apply for the residential tax credit.
- Two components make up the total program cost: the value of the provided tax credits and the cost of the new estimated staff resource.
- The funding for 2021 addresses the 31 existing resources, 50 newly designated resources and associated administrative costs.
- The funding for 2022 addresses 50 newly designated resources and associated administrative costs.

- This budget must proceed for 15-years to satisfy the designation agreements, even if no new designations occur after 2022.

**Base Budget Increase Recommendations (2021)**

- \$685,000 increase to the base budget and funding for the Residential Tax Credit Program for 2021.

**Base Budget Increase Recommendations (2022)**

- \$271,000 increase to the base budget and funding for the Residential Tax Credit Program for 2022 from \$685,000 to \$956,000.

**Funding Source:**

- Mill Rate (taxes)

**Non-Residential Tax Credit**

**Key Assumptions:**

- The non-residential conservation tax credit would allow owners of legally-designated non-residential heritage sites to apply to receive reimbursement of up to 50 percent of an approved restoration/rehabilitation project through an annual credit on their municipal property taxes over a period of up to 15 years.
- The credit amount is limited to 50 percent of each year's municipal tax assessment or capped at an overall yearly maximum of \$1 million.
- The 15-year total for this proposed program cannot exceed 15 percent of a property's overall value in combination with other City of Calgary conservation incentives.
- Based on a 17% uptake, (assumed from 2019 owners' survey), there are 38 potential applicants.
- Typical non-residential matching grants, based on a review of typical conservation construction projects, are between \$200,000 and \$500,000, with larger or more iconic projects requiring \$1 – 1.5 million.

**Base Budget Increase Recommendations (2021)**

- \$2.5 million increase to the base budget and funding for the non-residential tax credit program.

**Funding Source:**

- Mill Rate (taxes)