

Corporate Planning & Financial Services Report to
Executive Committee
2025 April 15

ISC: UNRESTRICTED
EC2025-0274

Designated Historical Resource Property Tax Cancellations and Sub-class

PURPOSE

The purpose of this report is to recommend the approval of a Council Policy to govern a new property tax cancellation program, offering a 15 per cent reduction in the municipal property taxes paid by designated Municipal Historic Resource (MHR) properties and to provide an update on the feasibility of property assessment sub-classes for MHR properties.

PREVIOUS COUNCIL DIRECTION

In October 2024, Council approved [Notice of Motion EC2024-1116](#), which directed:

- the creation of a policy to administer and recommend annual cancellations of 15% of the municipal property tax responsibility for privately owned designated MHR properties;
- an amendment to the 2023-2026 Service Plans and Budgets of \$600,000 in 2025 and an additional \$100,000 in 2026 to fund the cancellation program; and
- the identification of options for property assessment sub-classes for MHR properties.

RECOMMENDATIONS:

That Executive Committee recommend that Council:

1. Approve the proposed Council Policy in Attachment 2 to create a property tax cancellation pilot program for designated historic resource properties in the 2025 and 2026 taxation years;
2. Cancel municipal property taxes for designated Municipal Historic Resource (MHR) properties as specified in Table 1 of Attachment 3;
3. Cancel municipal property taxes for properties subject to legal agreements to become designated as MHR properties, as specified in Table 2 of Attachment 3; and
4. Not further pursue property assessment sub-classes for MHR properties.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2025 APRIL 15:

That Council:

1. Approve the proposed Council Policy in Attachment 2 to create a property tax cancellation pilot program for designated historic resource properties in the 2025 and 2026 taxation years;
2. Cancel municipal property taxes for designated Municipal Historic Resource (MHR) properties as specified in Table 1 of Attachment 3;
3. Cancel municipal property taxes for properties subject to legal agreements to become designated as MHR properties, as specified in Table 2 of Attachment 3; and
4. Not further pursue property assessment sub-classes for MHR properties.

Opposition to Recommendations: Councillor Wyness

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning and Financial Services concurs with this report.

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HIGHLIGHTS

- The proposed municipal property tax cancellation pilot program will support [The City's 2008 Heritage Strategy \(LUP007\)](#) goal to support identification, protection and management of Calgary's Historic resources and will acknowledge the costs to private property owners associated with the maintenance of The City's built heritage and encourages eligible property owners to pursue the designation of their property as an MHR.
- Administration is recommending against the use of sub-classes for this purpose due to legislative constraints on non-residential sub-classes, the maximum tax rate ratio, IT systems limitations, and complicating the property tax system, further outlined in Attachment 4.
- Pursuant to Council direction provided in C2024-1097, Administration will bring forward recommendations for base funding in the 2027-2030 Service Plans and Budgets for an ongoing tax cancellation program for MHRs.

DISCUSSION

Municipal Historic Resource (MHR) designation is a legislative process under the *Alberta Historical Resources Act*. MHR designations serve the goals and benefits of The City's 2008 Heritage Strategy outlined above, as well as the Climate Strategy's goal to re-use and retrofit existing buildings.

From the existing list of MHR properties, Administration reviewed the details of each MHR property and the designation to determine the value of the tax cancellations, consistent with criteria outlined in the proposed Council Policy (Attachment 2).

Certain properties that are in the process of becoming designated as MHRs are subject to a private legal agreement between the property owner and The City. These legal agreements protect against the demolition or renovation of these properties until MHR designation can be completed. Where completion of the MHR designation process is waiting on The City (rather than the property owner), these properties are included in the recommendations list for tax cancellations (Attachment 3, Table 2) under the proposed program.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|---|--|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

Heritage Calgary was informed of this work. Following approval of the program by Council, Administration will send program information to eligible property owners. Tax cancellations will also appear on recipients' annual property tax bills or a statement when the cancellation is processed.

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IMPLICATIONS

Social

Conservation of The City's built heritage supports the cultural identity of The City and of specific communities that are home to historical properties.

Environmental

Preservation of existing structures reduces environmental impact by reducing material and energy usage from demolition and construction, and through the reuse of embedded energy and carbon in existing building materials.

Economic

Not applicable.

Service and Financial Implications

Existing operating funding - one-time

\$450,000 in one-time operating funding was approved for these 2025 tax cancellations. A breakdown of costs per property is included in Attachment 3 and costs are summarized below:

Class	Properties <i>(Split-class properties counted twice)</i>	2025 Taxable Assessed Value	2025 Tax Cancellation Value <i>(15% of 2025 Municipal Portion)</i>
Residential	74	\$117,984,130	\$68,500.40
Non-Residential	62	\$104,221,927	\$280,978.67
Total	109	\$222,206,057	\$349,479.07

9 MHR-designated properties have active Assessment Review Board (ARB) complaints and final tax cancellations for those properties may vary because of an ARB decision. 21 MHR-designated properties are excluded as they are exempt from taxation.

One-time funding of \$550,000 was approved for 2026 cancellations, to be processed next year. Actual costs from 2025 and 2026 will inform a budget submission for 2027-2030 Service Plans and Budgets for base operating funding for this program.

RISK

- The cost of this program may grow over time, as additional properties become designated as MHRs. The cost will also increase proportionately with municipal tax rates.
- Not approving the recommendations means MHR properties will not receive this incentive to recognize the costs of their MHR status, or to pursue MHR designation. This may lead to a loss of The City's built heritage over time, as properties that may have pursued designation are instead demolished or redeveloped.

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ATTACHMENTS

1. Background and Previous Council Direction
2. Proposed Designated Historical Resource Property Tax Cancellation Council Policy
3. 2025 Historical Resource Property Tax Cancellations
4. Designated Historical Resource Property Sub-class Analysis
5. Presentation
6. Heritage Calgary Letter of Support

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor, Acting CFO/General Manager	Corporate Planning & Financial Services	Approve
Debra Hamilton, General Manager	Planning & Development Services	Inform
Eddie Lee, City Assessor/Director	Assessment & Tax	Approve
Kathy Davies Murphy, Director	City & Regional Planning	Consult

Author: Policy & Strategy, Assessment & Tax

City Clerks: C. Doi / A. Lennox