

**To the Mayor and Members of the City Council****August 20, 2024**

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SUBJECT: HISTORIC PRESERVATION INCENTIVES TO SUPPORT SMALL BUSINESSES

The purpose of this Informal Report is to provide information on various historic preservation financial incentives available to support small local businesses in Fort Worth.

There are several historic preservation financial incentives on the local, state, and federal level to help support small businesses with maintenance and rehabilitation of cultural resources, and in some cases support business operations for historic small businesses. On the local level, the City of Fort Worth offers a Historic Site Tax Exemption (HSTE) to encourage substantial rehabilitation of locally designated historic properties, which freezes assessed property valuations at the pre-renovation values for ten (10) years for the purpose of assessing City taxes. Development Services supports local small business through development process facilitation. The Economic Development department also helps support local small businesses by offering one-on-one consultations at the Business Assistance Center, which holds regular workshops for aspiring small business owners for financial and accounting literature and training, business plan writing, marketing, and other business prep topics. Economic Development partners with Community Development Financial Institutions (CDFIs) and other local financial partners to assist small businesses with low-interest loans and/or grants. During times of need, the Economic Development Department has initiated short-term grant assistance programs, such as during the COVID-19 pandemic and most recently for the Sandman Hotel explosion that impacted several small businesses.

Development Services staff coordinates with other departments such as Economic Development as grants become available to share those opportunities with community partners. In addition, Development Services staff provides technical assistance in preparation of historic preservation grant applications as needed by community partners, such as recent grant applications for Pioneers Rest Cemetery that received a grant award from the Texas Preservation Trust Fund.

On the state level, the Texas Historical Commission (THC) has several financial tools to assist historic small businesses in Fort Worth. These tools include state historic preservation credits (eligible projects can receive up to 25% of rehabilitation costs back via tax credits), grant opportunities through the State's Certified Local Government (CLG) program, and the Texas Preservation Trust Fund. A full list of State preservation financial incentives can be found online: <https://thc.texas.gov/preserve/grants-tax-credits-and-funding>

Lastly, there are significant preservation financial incentives available at the federal level to support historic small businesses. The National Park Service (NPS) offers a 20% tax credit for rehabilitation costs, which can be paired with the State preservation tax credit to rebate small businesses up to 45% of rehabilitation costs for eligible projects. The NPS also has several grant opportunities through the Historic Preservation Fund (HPF). The National Trust for Historic Preservation is another important source of preservation financial incentives at the federal level. The National Trust has several grant programs to assist small businesses. One successful National Trust grant is the Backing Historic Small Restaurants program, which awards funds to help historic small restaurants rejuvenate, innovate, and expand their businesses, ensuring their cherished legacies endure.

For more information on historic preservation financial incentives that can support local small businesses or other rehabilitation projects, please contact Justin Newhart, Planning Manager, Development Services, at 817-392-8037.

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