

Cost-Benefit Analysis Report for the Selection Scheme and Alternative Scheme of the “Project for the Restoration, Management, and Conservation of National Non-Public Use Cultural Heritage Sites” and Relevant Fundraising and Capital Utilization Descriptions

I. Cost-Benefit Analysis Report for the Selection Scheme and Alternative Scheme

(I) The analysis on the expected benefit of the project is as follows:

1. Quantifiable benefit:

(1) Carry out the management and conservation of all national non-public use cultural heritage sites and restore 17 cultural heritage sites. Calculated based on the fines of NT\$300,000 imposed by local governments when such 17 venues are not being actively repaired or managed and maintained, a total of NT\$5,100,000 may be saved from the national treasury expenditures.

(2) Regarding the activation and utilization methods of income related to national non-public use cultural heritage sites, there are consigned improvement and utilization

methods in place at present. In addition, the Ministry of Finance (MOF) established and announced the “Directions for National Non-public Use Cultural Heritage for Lease by Tender” to introduce the lease by tender in the future on July 19, 2021. Currently, there are three venues under the method of consigned improvement and utilization, including “Wufeng Guangfu New Village Provincial Government Quarters Cultural Scenery,” “Municipal Historic Site Jianguo Brewery” (warehouses 346, 347, and 348), and “Municipal Historic Site Air Force Command Headquarters (initially Taiwan Governor-General Office Industrial Institute).” Benefits of over NT\$4,790,000 were received over the years in aggregate. In addition, a public tender of the additional site, the “Historical Site of Initial Kaohsiung City Council,” was carried out by the Kaohsiung City Government. When national non-public use cultural heritage sites are activated by adopting the improvement and utilization method after restoration, both parties shall negotiate the sharing ratio of the

income based on the status of individual cultural heritage site cases, the activation and utilization method planned by the regulatory authorities of relevant operations, and profits of the related industries and markets. The actual income may differ due to the scale of the target, profitability of the industry category, and the market rental development. Therefore, no single general standardized solution is applicable for the evaluation of various cultural heritage sites' activation benefits. There is insufficient objective information available for evaluation as asset values of cultural heritage sites improved after restoration.

2. Unquantifiable benefits:

- (1) After the restoration of cultural heritage sites, the city's appearance and local environmental conditions can improve, as well as local safety.
- (2) After the restoration of cultural heritage sites, the initial deteriorated status improves and the activation and appropriation intention of outside parties

and governmental agencies also increases. It also improves the preservation quality of cultural heritage sites, creates joyful spaces, and complies with social expectations by combining local cultural spirit and spatial context, and restoring historical memories.

- (3) After the restoration of cultural heritage sites, activation incentives for adoption and lease by tender by cultural heritage groups may be increased to jointly manage, maintain, and activate cultural heritage sites by combining external resources. Thus, it reduces the management burden of the National Property Administration (NPA) of the MOF.
- (II) The purpose of this project is to screen national non-public cultural heritage sites, as well as evaluate the restoration, management and conservation schedule, and budget. Also, work items and project targets should be established on an annual basis to restore, manage, and conserve national non-public use cultural heritage sites. Thus, the intent is to solve the issue of insufficient conservation budget of the NPA for

historical heritage sites for years. In addition, when executing the project in the future, human resource expenses required by the handling agencies will be prepared to coordinate with regulatory authorities for cultural heritage sites to assist in the restoration, so that it can alleviate the burden regarding issues of limited human resources and insufficient expertise faced by the NPA. After the restoration of cultural heritage sites, activation intentions of outside parties may be improved to increase the leverage of matching the activation and utilization opportunities by outside parties. The income arising from activation and utilization not only can reduce the management burden of the NPA, but also can increase the income of the treasury. When the project is unable to be executed due to budget restriction or reduction, the NPA may only maintain current human resources and resource operations. The expected benefits may not be achieved.

II. Fundraising

The “Project for the Restoration, Management, and Conservation of National Non-Public Use Cultural Heritage Sites” was executed according to the approval under the Letter Yuan-tai-cai-zi No. 1100024861 issued by the Executive Yuan on August 16, 2021. It is estimated

that the total budget shall be NT\$615,414,000. The term of the project is six years, from 2022 to 2027. The fundraising methods are as follows:

- (I) For budgets required in 2022, the Executive Yuan approved an amount of NT\$46,656,000, which is prepared under the budgets for the NPA and its subordinated departments.
- (II) For budgets required from 2023 to 2027, they will be prepared within the mid-term expenditure budget estimate quota managed by the Ministry and approved by the Executive Yuan.

III. Capital Utilization

Work Item	Execution Schedule (Year)					
	2022	2023	2024	2025	2026	2027
I. Restoration and re-utilization project (survey and research)						

II. Restoration construction (including planned design and monitoring, responding plan, and work report)						
III. Preparation of management and conservation project						
IV. Regular patrol inspection and conservation of 17 cultural heritage or preservation and conservation of cultural sceneries						

V. Additional human resource expenses required by handling agencies						
VI. Regular cultural heritage preservation and conservation expenses for general cases						