



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/30/2021

District C

Item Creation Date: 11/17/2021

MYR- RCA -401 Emmerson - 2021 HSTE

Agenda Item#: 15.

Background:

SUBJECT: Ordinance approving a Historic Site Tax Exemption for property in a Historic District for the property located at: 401 Emerson Street, which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

RECOMMENDATION:

That City Council adopt an Ordinance approving a Historic Site Tax Exemption for the property located at: 401 Emerson Street, which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

SPECIFIC EXPLANATION:

Section 44-5 of the Code of Ordinances provides an incentive for historic preservation in the form of a tax exemption for historic sites. Prior City Council designation of the property as a landmark, protected landmark, or as a contributing structure in a historic district is a prerequisite to granting a historic site tax exemption. The property owner must then demonstrate to the Chief Development Officer that restoration and preservation expenditures were made in an amount equal to at least 25% of the appraised value of the improvements and within the time frames prescribed in the Ordinance. The tax exemption amount is then calculated based on the amount spent on restoration, up to 100% of the following year's appraised value of improvements only (not land). **The exemption is for a 15-year period but is capped each year at the exemption amount calculated for year one.**

The owner of the following contributing structure in the historic district submitted a sworn affidavit that meets the criteria set out in the Code of Ordinances. The table below shows the base value of improvement (pre-restoration), the amount of the restoration investment made by the property owner, the approximate dollar amount of the taxes that will be foregone for the first year based upon the Harris County Appraisal District's 2021 property valuation and the City's TY2022 property tax rate, and the estimated maximum amount that would be foregone over 15 years:

| Contributing Structure | Historic Building Description | Base Yr. Improvement Value (HCAD) | Total Eligible Expenditure | Estimated Yr. One Tax Benefit | Max. Estimated Tax Benefit over 15 Yr. |
|------------------------|-------------------------------|-----------------------------------|----------------------------|-------------------------------|--|
| 401 Emerson Street | Sterling-Hamman House | \$212,975 | \$145,840 | \$803 | \$12,050 |

Since the property has been designated as a contributing structure in a historic district, and meets all other criteria, it is recommended that City Council grant this property the exemption from ad valorem taxation provided under Section 44-5 of the Code of Ordinances.

Prior Council Action:

Res. No. 2008-0027

Amount and Source of Funding:

None

Contact Information:

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DS

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ATTACHMENTS:

Description

HSTE Memo

PCA 2008-0027

Type

Backup Material

Backup Material