



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/30/2021

District C

Item Creation Date: 11/16/2021

MYR- RCA - 1110 W. Gray St. -2021 HSTE

Agenda Item#: 24.

Summary:

ORDINANCE providing for an Ad Valorem Tax Exemption on a historical site located at **1110 WEST GRAY STREET** in Houston, Texas; containing findings and other provisions relating to the foregoing subject; providing for the revocation of such Tax Exemption and the recapture of taxes upon the occurrence of stated events - **DISTRICT C - KAMIN**

Background:

SUBJECT: Ordinance approving a Historic Site Tax Exemption for property in a Historic District for the property located at: 1110 W. Gray St., 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: 1110 W. Gray St., which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

SPECIFIC EXPLANATION:

Since the property has been designated as a historic landmark, 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

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 historic landmark 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 2022 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. |
|------------------------|-------------------------------|-----------------------------------|----------------------------|-------------------------------|--|
| 1110 W. Gray St. | Quality Laundry Building | \$127,164 | \$1,700,672 | \$13,247 | \$198,700 |

Since the property has been designated as a historic landmark, 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.

DocuSigned by:

Andrew F. Icken, Chief Development Officer

Prior Council Action:

Res. No. 2019-0098

Contact Information:

Gwendolyn Tillotson

Phone: (832.393.0937)

ATTACHMENTS:

DESCRIPTION

PCA 2019-0098
Cover Letter
1110 W. Gray Ord
HSTE Memo Rev

Type

Backup Material
Signed Cover sheet
Ordinance/Resolution/Motion
Backup Material