

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: Ordinance approving a Historic Site Tax Exemption for property in a Historic District for the property located at: 1121 Key Street, which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

Category #

Page 1 of 1

Agenda Item#

FROM: (Department or other point of origin):

Origination Date

Agenda Date

Andy Icken

Chief Development Officer

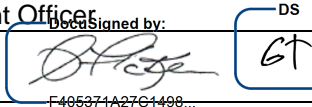
Signed by:

DS

10/05/2023

11/01/2023

SIGNATURES



Council Districts affected:

H

For additional information contact:

Gwendolyn Tillotson

Phone: (832) 393-0937

Date and identification of prior authorizing Council Action:

Res. No. 2000-0028

RECOMMENDATION: (Summary)

That City Council adopt an Ordinance approving a Historic Site Tax Exemption for the property located at: 1121 Key Street, which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

Amount of Funding: No funding required.

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund Other
(Specify)

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 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 2024 property valuation and the City's TY2024 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.
1121 Key St.	N/A	\$271,696	\$61,481	\$319	\$4,788

Since the property has been designated as a potentially contributing historic site, 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.

REQUIRED AUTHORIZATION

Finance Department:

Planning & Development Department:

Other Authorization: