

**REQUEST FOR COUNCIL ACTION**

**TO: Mayor via City Secretary**

**RCA #**

**SUBJECT:** Ordinance approving a Historic Site Tax Exemption for the property in the Designated Historic District for the property located at: 1851 Columbia St.; 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

**SIGNATURES**

**Council Districts affected:**

C

**For additional information contact:**

Gwendolyn Tillotson  
Ketan Inamdar

**Phone:** (832) 393-0937  
**Phone:** (832) 393-0840

**Date and identification of prior authorizing Council Action:**

Ord. No. 2015-967, Res. No. 2008-0004

**RECOMMENDATION: (Summary)**

That City Council adopt an Ordinance approving Historic Site Tax Exemptions for property in Designated Historic Districts for the property located at: 1851 Columbia St.; 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 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 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 ad valorem taxes that would be owed the following year on the 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 sworn affidavits that meet 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 2016 property valuation and the City's current property tax rate, and the estimated maximum amount that would be exempt over 15 years:

Contributing Structure	Historic District	Base Yr. Improvement Value (HCAD)	Total Restoration Expenditure	Estimated Yr. One Exemption	Max. Estimated Exemption over 15 Yr.
1851 Columbia St.	Houston Heights East	\$198,558	\$118,833	\$697	\$10,453

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.

cc: Marta Crinejo, Agenda Director  
Anna Russell, City Secretary  
Ronald C. Lewis, City Attorney  
Sameera Mahendru, Senior Assistant City Attorney

**REQUIRED AUTHORIZATION**

**Finance Department:**

**Planning & Development Department:**

**Other Authorization:**

Director

Director