

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary **RCA #**

SUBJECT: Ordinances approving Historic Site Tax Exemptions for Historic or Protected Landmarks for the five (5) properties located at: 3003 Chevy Chase Dr; 3414 Del Monte Dr; 2910 Lazy Lane Blvd; 2504 Brentwood Dr; 2603 Milam St; which meet 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

SIGNATURE  **Council Districts affected:**
G and H

For additional information contact: **Date and identification of prior authorizing Council Action:**

Gwendolyn Tillotson Phone (832) 393-0937
Ketan Inamdar Phone: (832) 393-0840

Ord. No. 2007-0658, Res. No. 1999-0002,
Res. No. 2004-0019, Res. No. 2008-0026, Res. No. 2013-0032, Res. No. 2014-0039

RECOMMENDATION: (Summary)
That City Council adopt ordinances approving Historic Site Tax Exemptions for Historic or Protected Landmarks for the five (5) properties located at: 3003 Chevy Chase Dr; 3414 Del Monte Dr.; 2910 Lazy Lane Blvd; 2504 Brentwood Dr.; 2603 Milam St; which meet 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 EXPLNATION:

Section 44-5 of the Code of Ordinances provides an incentive for historic preservation in the form of a tax exemption for Historic or Protected Landmarks. Prior City Council designation of the property as a Historic or Protected Landmark is a prerequisite to granting an 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 50% of appraised value of the improvements 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 owners of the following Historic Landmarks 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 on Harris County Appraisal District's 2014 property valuation and the City's current property tax rate, and the estimated maximum amount that would be exempt over 15 years:

Historic Landmark	Base Yr. Improvement Value (HCAD)	Total Restoration Expenditure	Estimated Yr. One Exemption	Max. Estimated Exemption over 15 Yr.
3003 Chevy Chase Dr.	\$235,708	\$470,472	\$3,799	\$56,985
3414 Del Monte Dr.	\$1,972,725	\$1,066,776	\$6,732	\$100,980
2910 Lazy Lane Blvd.	\$1,091,940	\$2,766,885	\$10,997	\$164,955
2504 Brentwood Dr.	\$546,924	\$851,240	\$7,878	\$118,170
2603 Milam St.	\$90,499	\$143,798	\$2,540	\$38,100

Since the properties have been designated as Historic or Protected Landmarks, and meet all other criteria, it is recommended that City Council grant each of the properties 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
David Feldman, City Attorney
Deidra Penny, First Assistant City Attorney

REQUIRED AUTHORIZATION

Finance Department:  **Other Authorization:**

Planning & Development Department:  **Director**