

**REQUEST FOR COUNCIL ACTION**

RCA #

**TO: Mayor via City Secretary**

**SUBJECT:** Ordinance approving a Historic Site Tax Exemption for property in the Designated Historic District for the property located at: 402 Marshall St.; which meets the relevant eligibility requirements of Section 44-5 of the Code of Ordinances.

**Category #**

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**Agenda Item#**

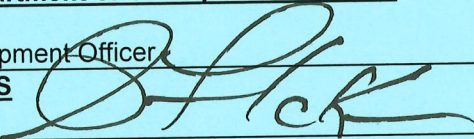
**FROM: (Department or other point of origin):**

Andy Icken  
Chief Development Officer

**Origination Date**

**Agenda Date**

**SIGNATURES**



**Council Districts affected:**

C

**For additional information contact:**

Gwendolyn Tillotson  
Carnell Emanuel

**Phone:** (832) 393-0937  
**Phone:** (832) 393-1060

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

Ord. No. 2015-967, Res. No. 1997-47

**RECOMMENDATION: (Summary)**

That City Council adopt an Ordinance approving Historic Site Tax Exemptions for property in Designated Historic Districts for the property located at: 402 Marshall 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 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 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 2017 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. |
|------------------------|-------------------|-----------------------------------|-------------------------------|-----------------------------|--------------------------------------|
| 402 Marshall St.       | Westmoreland      | \$ 297,204                        | \$600,233                     | \$2,997                     | \$44,955                             |

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**

|                            |   |                             |
|----------------------------|---|-----------------------------|
| <b>Finance Department:</b> | <b>Planning &amp; Development Department:</b> | <b>Other Authorization:</b> |
| <b>Director</b>            | <b>Director</b>                               |                             |