
Sec. 66-57.1. Incentives.

(a) *Purpose.* To promote and protect the rich heritage of the city, and to encourage the designation of structures as historic landmarks, and the designation of historic districts this section of the city's historic preservation ordinance provides a tax relief for the stabilization, rehabilitation, and renovation of property(s) that are designated by the city as historic landmarks or located within a local historic district.

(b) *Rehabilitation tax relief.* ~~From the date of passage of this section, the owner of property (structure and land) having historic, architectural, and cultural significance, and so designated by the city's historic landmark commission, planning commission, and city council, as a historical landmark or located within a local historic district shall be eligible to apply for relief in property taxes for a period of five years. Said property, whether owned by the same individual or not, shall be eligible for such relief an additional five years. The total period of time that any one property shall be eligible to receive such tax relief shall be ten years, whether such relief is granted for two consecutive five-year periods or separate terms. For a property to be considered for a consecutive five-year period, an application shall be made during the fourth year of the original request. Whether the application is for consecutive or future periods each request shall be considered separately and must qualify as outlined below. Upon the expiration of a relief period, the property shall be placed on the tax rolls at the new appraised value and taxed accordingly. Provided, however, that should an application be received and approved during the fourth year of the first request no new appraised value will be assessed or taxed.~~ In accordance with the provisions of this section, a building that is individually designated as a local historic landmark or located within the boundaries of a locally designated historic district which is substantially rehabilitated and is approved by the chief appraiser of the Comal or Guadalupe Appraisal District, shall have an assessed value for ad valorem taxation as follows:

- 1) Properties shall have the assessed value for the city portion of the ad valorem taxation for a period of ten (10) tax years equal to the assessed value at the time of certification.
- 2) This exemption shall begin on the first day of the first tax year following final approval by city council.

(c) *Application Process.*

(1) *Certification.* An application for tax relief pursuant to this section shall be submitted to the city's historic preservation officer prior to the rehabilitation work taking place. The historic preservation officer shall request action from the historic landmark commission. Each application for certification shall be signed and sworn to by the owner of the property and shall:

- A. Include current pictures of the interior and the exterior of the structure, as applicable to the scope of work that is proposed.
- B. Include a written scope of work and, where applicable, a complete set of plans for the structure's restoration.
- C. Include an itemized statement of estimated costs for the scope of work.

(2) *Verification.* Once rehabilitation work is complete, the property owner shall submit an application to the city's historic preservation officer to complete the request for tax relief. The historic preservation officer shall request a recommendation to city council from the historic landmark commission. Each application for verification shall be signed and sworn to by the owner of the property and shall:

- A. Include current color pictures of the interior and exterior of the structure, as applicable to work that was performed, showing the completed rehabilitation work.
- B. Include an itemized statement or list of final costs for the restoration work that was completed.

An application for tax relief pursuant to this section shall be made prior to the first of July of the tax year in which the relief would be granted. Application shall be made to the city's historic landmark commission with a recommendation to the city council for final action. If requested, the historic preservation officer may assist the owner in filing for such relief. A structure must be designated as a historic landmark as provided for in section 66-54 or located within a local historic district as provided for in section 66-55.

(1) ~~Qualification for tax relief.~~ The owner of a property, applying for tax relief, shall be entitled to such, provided that the improvement(s), renovation(s), or restoration(s) to the structure is at least ten percent of the value of the property value reflected on the tax rolls of the Comal or Guadalupe Appraisal District office. The tax relief shall commence after the first of January in the tax year immediately following the year in which the work is completed.

The tax relief shall be determined in the following manner. The Comal or Guadalupe Appraisal District shall cause said improvement(s), renovation(s), or restoration(s) to the structure to be appraised on or before December 31 the year the work was completed. This new appraised value less the present property value shall be shown on the tax rolls of the Comal or Guadalupe Appraisal District as the new property value. However, said improvement(s), renovation(s), or restoration(s) shall not cause the value of the property to be less than the present value prior to completion of the work.

(d) *Qualification for tax relief.* The owner of a property, applying for tax relief, shall be entitled to such, provided that the cost of the improvement(s), renovation(s), or restoration(s) to the structure is at least ten (10) percent of the improvements value reflected on the tax rolls of the Comal or Guadalupe Appraisal District office of the tax year in which the property was certified by the historic landmark commission.

1. *Eligible costs.* Eligible costs shall include exterior and interior improvements to the frame, walls, floor, ceiling, plumbing, electrical wiring and mechanical items, such as heating and air conditioning systems. Fixtures, decorative items, and/or fencing shall not be eligible for consideration ~~unless such items were original fixtures and/or decorative items of the structure.~~ Materials and labor for repairing, replacing or adding any of the following shall be eligible:
 - a. ~~Structural walls;~~
 - b. ~~Structural subfloors;~~
 - c. ~~Structural ceilings;~~
 - d. ~~Exterior doors;~~
 - e. ~~Exterior paint (consistent with those colors available during the time period the structure was built);~~
 - f. ~~Mechanical equipment;~~
 - g. ~~Windows;~~
 - h. ~~Exterior brick veneers or treatments;~~
 - i. ~~Plumbing;~~
 - j. ~~Electrical wiring;~~
 - k. ~~Roof and gutter where necessary for structural integrity;~~
 - l. ~~Facade items;~~
 - m. ~~Elevators;~~

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- ~~n. Foundations;~~
 - ~~o. Termite damage and treatment;~~
 - ~~p. Security and/or fire protection systems;~~
 - ~~q. Architectural and engineering services if directly related to the eligible costs described above;~~
 - ~~r. Plumbing and electrical fixtures documented as historic fixtures; and~~
 - ~~s. Limited demolition, not more than 15 percent of the original structure, and cleanup related to the eligible costs described above.~~
 - a. Expenditures associated with structural components including foundation, roofing, walls, partitions, floors, ceilings, windows and doors, stairs, elevators, escalators, sprinkler systems, fire escapes, components of central air conditioning, heating, plumbing, and electrical systems, and other components related to the operation or maintenance of the building.
 - b. Architectural and engineering services directly related to the project;
 - c. Construction management and labor, materials, and reasonable overhead;
 - d. Subcontracted services;
 - e. Development fees;
 - f. Construction period interest and taxes;

2. *Ineligible costs.* Ineligible costs include the following:

- ~~a. Overhead;~~
- ~~b. Taxes;~~
- ~~c. Supervisor payroll;~~
- ~~d. Repairs of construction equipment;~~
- ~~e. Tools; and~~
- ~~f. Any other items not directly related to the exterior appearance or the structural integrity or viability of the structure.~~
- a. The cost of acquiring any interest in the property;
- b. The personal labor by the applicant/owner;
- c. Any cost associated with the enlargement of an existing building on site;
- d. Site work expenditures, including any landscaping, sidewalks, paving, decks, outdoor lighting remote from the building, fencing, retaining walls or similar expenditures;
- e. Any cost associated with the rehabilitation of an outbuilding or ancillary structure unless it is certified by the Commission to contribute to the historical significance of the property.

- (e) *Tax exemption for historic districts.* For properties located within a city designated historic district, property owners in the historic district will qualify for an ad valorem tax exemption of 20 percent of the assessed city ad valorem property tax. This tax exemption shall begin on the first day of the first tax year after designation of the historic district.

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- (f) *Building permit fees waived.* Upon approval of a certificate of alteration, the property owner will present said certificate to the ~~building department~~ City. ~~and a~~ All building permit fees will be waived with the exception of the application fee and any inspection fees that still may be assessed.

(Ord. No. 98-25, § I, 9-14-98; Ord. No. 2007-24, § 1, 3-26-07; Ord. No. 2010-64, § 1(Exh. A), 10-11-10)