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.* 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 and that 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's portion of the ad valorem taxation for a period of ten tax years egual 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.

(3) As noted in subsection (1) above, the exemption will be in place for a period of ten years. Following the expiration of the rehabilitation tax relief incentive, the exemption noted below in section (e) for locally designated historic properties both in a district or an individual landmark will continue to apply.

(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 reguest 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 reguest for tax relief. The reguest shall be presented to the historic landmark commission and they will make a recommendation to city council. 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 itemized list of final costs for the restoration work that was completed.

c. Include copies of all associated building permits and certificates of alteration that may have been required for the rehabilitation work.

(3) *City council approval.* Final approval of the rehabilitation tax relief shall be granted by city council and requires two separate readings.

(4) *Retroactive certification and verification.* In cases where rehabilitation work is completed prior to requesting the incentive, applicants may still apply, provided that the work was completed no more than three years from the time a completed application for certification and verification are submitted to the historic preservation officer. The process outlined in subsection (1) and (2) of this section shall be followed. Once the complete applications for certification and verification are received, the historic preservation officer will schedule them to be heard by the historic landmark commission at the earliest available meeting. It is at the discretion of the commission to recommend approval or denial of the incentive to city council.

(d) *Qualification for rehabilitation 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 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 and approved by city council.

(1) *Eligible costs.* Eligible costs may include the following items:

a. Expenditures associated with the components of the structure/building 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. Expenditures associated with site work that is deemed necessary to prevent future damage to the structure, such as grading and drainage work. Additionally, site elements that are original or found to be contributing to the historic significance of the property may also be considered eligible and are at the discretion of the historic landmark commission.

c. Architectural, design, consulting, engineering, and similar services directly related to the successful completion of the project.

d. Construction management and labor, materials, and reasonable overhead.

e. Subcontracted services.

f. Development fees including those related to local permitting and plan review outlined in appendix D of the city's Code of Ordinances.

g. Construction period interest and taxes.

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

a. The cost of acguiring 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. 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 local historic districts and local historic landmarks.* For properties located within a city designated historic district or for properties that are designated as local historic landmarks, property owners will gualify 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 local historic district or local historic landmark. A separate form provided by the Comal and Guadalupe Comal Appraisal District must be submitted annually by the property owner to the appraisal district in which the property is located.

(f) *Building permit fees waived.* Upon approval of a certificate of alteration, the property owner will present said certificate to the city. All building permit fees will be waived with the exception of the permit application fee and all related inspection fees.

(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; Ord. No. 2026-13, § 1, 2-23-26)