

AGENDA
HISTORIC LANDMARK COMMISSION CITY OF MANSFIELD, TEXAS COUNCIL CONFERENCE ROOM TUESDAY, AUGUST 28, 2018, 5:30 PM

- 1. CALL TO ORDER**
- 2. APPROVAL OF LAST MEETING MINUTES**
- 3. WORK SESSION:**
 - A. Historic Preservation Tax Incentive Program
- 4. COMMISSION ANNOUNCEMENTS**
- 5. STAFF ANNOUNCEMENTS**
- 6. ADJOURNMENT OF MEETING**

I certify that the above agenda was posted on the bulletin board next to the main entrance of City Hall on August 23, 2018, in accordance with Chapter 551 of the Texas Government Code.

Delia Jones, Secretary

- This building is wheelchair accessible. Disabled parking spaces are available. Request for sign interpreter services must be made 48 hours ahead of meeting to make arrangements. Call 817 473-0211 or TDD 1-800-RELAY TX, 1-800-735-2989.

**HISTORIC LANDMARK COMMISSION
CITY OF MANSFIELD**

July 24, 2018

Chairman Smith called the meeting to order at 5:35 p.m. in the City Council Conference Room of City Hall, 1200 East Broad Street, with the meeting being open to the public and notice of said meeting, giving date, place, and subject thereof, having been posted as prescribed by Chapter 551, Texas Government Code.

Present:

Robert Smith	Chairman
David Littlefield	Vice-Chairman
Cynthia Gardner	Commissioner
Brent Parker	Commissioner
Lynda Pressley	Commissioner
Arnaldo Rivera	Commissioner
Mark Walker	Commissioner

Absent:

Justin Gilmore	Commissioner
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Staff:

Lisa Sudbury	Interim Director of Planning
Art Wright	Planner

Approval of Last Meeting Minutes

Chairman Smith called for approval of the minutes of the June 19, 2018, meeting. Commissioner Parker made a motion to approve the minutes as presented. Commissioner Pressley seconded the motion which carried unanimously.

Approval of the Vision and Annual Preservation Goals for 2018 - 2019

Chairman Smith called for a motion on the proposed Vision and Annual Preservation Goals for 2018-2019. Vice-Chairman Littlefield made a motion to approve the Vision and Annual Preservation Goals as presented. The motion was seconded by Commissioner Rivera, which carried by the following vote:

Ayes: 7 – Smith, Littlefield, Gardner, Parker, Pressley, Rivera, Walker
Nays: 0
Abstain: 0

Work Session to Establish a Historic Preservation Incentives Program

Chairman Smith welcomed Mr. Michael Gibson, owner of 203 S. Main Street, to the meeting.

Ms. Sudbury thanked the Commission on behalf of the City management for their participation in the Ralph S. Man Homestead master plan.

Chairman Smith then opened the discussion on preservation incentives to the Commissioners. Commissioner Walker began with a suggestion for an incentive to freeze taxes at a property's current level. He asked if an applicant had to reapply for the tax incentive each year, or if it could be granted for a multi-year period.

Mr. Wright explained how an annual application and a multi-year application worked.

Commissioner Pressley suggested relief on improvements over and above what a property owner pays for the original project.

Chairman Smith suggested a \$5,000.00 abatement for residential.

Mr. Walker suggested a freeze and asked if the property needed to be owner occupied.

Mr. Wright stated that for residential properties it was preferred to be owner occupied, as owners may have more interest in maintaining the property than renters. Mr. Wright explained that the property receiving an incentive should either be a landmark or be eligible for historic landmark status, not just old, and that permanent funding is needed for the preservation program.

Commissioner Rivera stated that he liked the Fort Worth Urban Store Front program as an example.

The Commission discussed the boundaries of the tax incentive zone, to be the properties within the Original Town of Mansfield plat.

Commissioner Gardner stated that incentives could be used for maintenance. Chairman Smith recommended that incentives be available for commercial and residential buildings.

Commissioner Rivera left the meeting at 6:55 p.m.

After further discussion, the Commission outlined the following program:

- Eligible historic structures that agree to be designated as a historic landmark may receive a 25% exemption of the assessed value of the structure on the date that landmark status begins for a 10-year period as incentive to preserve the structure.
- If the property owner spends at least \$5,000 on maintenance, repairs, restoration or other qualifying work on a historic residence, there could be an exemption of 100% of the improvement value for a 10-year period.
- If the property owner spends at least \$5,000 on maintenance, repairs, restoration or other qualifying work on a commercial building, there could be an exemption of 50% of the improvement value for a 10-year period.
- If a historic house with a residential use is converted to a commercial use during the exemption period, the 100% exemption will be reduced to 50%.
- If a property owner receiving a tax incentive removes the “H” Historic Landmark designation, the money received from the incentive must be repaid. No repayment is required if the property was destroyed by fire, storm, or other natural act not due to the property owner’s action.

At this point Chairman Smith reviewed the adopted Annual Preservation Goals of the Commission. The discussion moved on to the topic of preservation grants.

Mr. Wright made a presentation on the Historic Mansfield Preservation Grant Program. He stated that the Commission could submit a request for \$10,000.00 from the hotel/motel tax to provide grants to preserve historic homes along the Walking Tour routes sponsored by the Mansfield Historical Museum. Chairman Smith called for a motion on the hotel/motel tax application. Commissioner Walker made a motion to direct Staff to proceed with the application. Commissioner Pressley seconded the motion, which carried by the following vote:

Ayes: 6 – Smith, Littlefield, Gardner, Parker, Pressley, Walker
Nays: 0
Abstain: 0

Chairman Smith directed Staff to schedule another work session in August to finalize a tax exemption program to encourage preservation before scheduling a joint work session with the City Council.

Commission Announcements

None

Staff Comments

Ms. Sudbury briefed the Commission on the Ralph S. Man Homestead master plan that had been presented to City Council on July 23, 2018. Ms. Sudbury was directed to send a copy of the master plan proposal to Commissioners Gilmore and Rivera.

Adjournment

With no further business, Chairman Smith adjourned the meeting at 7:48 p.m.

Robert Smith, Chairman

ATTEST:

Delia Jones, Secretary

HISTORIC LANDMARK COMMISSION COMMUNICATION

Agenda Date: August 28, 2018

Subject: Work Session on the Historic Preservation Tax Incentive Program

COMMENTS AND CONSIDERATIONS

In preparation of the work session, Staff has compiled some information for the Commission's consideration related to the historic preservation tax incentive program. Attached is an outline for the tax incentive program as guide for the Commission's discussion.

Staff has also provided some examples of what the exemptions will look like when applied to selected downtown properties. The examples are based on the City's tax rate of 0.71 cents per \$100.

The Commission should be aware that the City Council is currently in the process of adopting the budget for the next fiscal year. As a result, it is likely that the earliest that the incentive program can begin will be the fiscal year beginning October 1, 2019.

Attachments

Historic Preservation Tax Incentive Program outline

Sample Estimates on selected properties

Original Town of Mansfield plat

Historic Preservation Tax Exemption Program Outline

- Preservation incentives will be limited to historic properties within the limits of the Original Town of Mansfield plat.
- The exemption applies to the property improvement value only and does not include the land value.
- In order to claim a preservation tax exemption, an application must be completed and submitted to the Planning Department before January 1st of the taxing year for which an exemption is requested.
- If the property ownership changes on a currently exempt property (but not the use), the new owner may request extension of the tax exempt status for the remainder of the year that has been approved. A new application will be required to be filed for the following assessment year.
- Level 1 tax exemption: Residential and commercial properties which have received a local Historic Landmark designation are eligible to receive a one-time, 25% exemption of the City's ad valorem taxes for a period of 10 years.
- Level 2 tax exemption: Qualifying exterior improvements to residential properties with a Historic Landmark Designation during the exemption period and having a combined cost of \$5,000 or more may receive a 100% exemption for a period of 10 years
 - Exterior or structural improvements under Level 2 include: foundation repair, original frame and beam repair, restoration of historic porches and roof replacement associated with structural work or major rehabilitation projects.
 - Only projects that retain or restore the historic integrity of the home through the use of proper materials and design, as determined by the Historic Landmark Commission, may qualify for the incentive.
- Commercial tax exemption: Qualifying exterior improvements to commercial buildings with a Historic Landmark Designation during the exemption period and having a combined cost of \$5,000 or more may receive a 50% exemption for a period of 10 years.
 - A change in a residential use to a commercial use will result in a reduction in the exemption from 100% to 50% for the remaining years in the exemption period.
- If a property owner receiving a tax incentive removes the "H" Historic Landmark designation, the money received from the incentive must be repaid. No repayment is

required if the property was destroyed by fire, storm, or other natural act not due to the property owner's action.

- Tax exemptions can have the following effects:
 - Results in initial reduction in City revenue
 - Reduction may be eliminated as property values increase
 - Potential for increased Staff and Commission workload as number of historic properties increase
 - Increased City Council workload

- Alternatively, the Commission may wish to consider a tax freeze for a 10 year period with the following effects:
 - No loss of funds to City
 - Amount of City taxes remains constant for 10 year period
 - At 11th year, Property Owner pays City taxes on current assessed value
 - May have reduced impact due to slow increases in downtown property values
 - Increased staff time
 - Increased Landmark Commission workload
 - Increased City Council workload

25% Tax Exemption - Incentive for Historic Landmark Designation:

	Land Value	Improvement Value	Amount of 25% Tax Exemption	Improvement Value Less 25%	Total Assessed Value	Estimated City Tax (0.71)
309 Elm St.						
Without Exemption	\$ 31,020.00	\$ 100,981.00			\$ 132,001.00	\$ 937.21
With Exemption	\$ 31,020.00	\$ 100,981.00	\$ 25,245.25	\$ 75,735.75	\$ 106,755.75	\$ 757.97
Difference						\$ 179.24
302 E. Broad St.						
Without Exemption	\$ 57,200.00	\$ 78,873.00			\$ 136,073.00	\$ 966.12
With Exemption	\$ 57,200.00	\$ 78,873.00	\$ 19,718.25	\$ 59,154.75	\$ 116,354.75	\$ 826.12
Difference						\$ 140.00
202 W. Oak St.						
Without Exemption	\$ 12,500.00	\$ 19,351.00			\$ 31,851.00	\$ 226.14
With Exemption	\$ 12,500.00	\$ 19,351.00	\$ 4,837.75	\$ 14,513.25	\$ 27,013.25	\$ 191.79
Difference						\$ 34.35
201 W. Kimball St.						
Without Exemption	\$ 17,600.00	\$ 201,413.00			\$ 219,013.00	\$ 1,554.99
With Exemption	\$ 17,600.00	\$ 201,413.00	\$ 50,353.25	\$ 151,059.75	\$ 168,659.75	\$ 1,197.48
Difference						\$ 357.51
Commerical 315 S. Main St.						
Without Exemption	\$ 13,750.00	\$ 236,250.00			\$ 250,000.00	\$ 1,775.00
With Exemption	\$ 13,750.00	\$ 236,250.00	\$ 59,062.50	\$ 177,187.50	\$ 190,937.50	\$ 1,355.66
Difference						\$ 419.34

Tax Exemption Based on Qualifying Project Value:

	Land Value	Improvement Value	Project Value - \$5,000 minimum	Less 100% Project Value	Total Assessed Value	Estimated City Tax (0.71)
309 Elm St.						
Without Exemption	\$ 31,020.00	\$ 100,981.00			\$ 132,001.00	\$ 937.21
With Exemption	\$ 31,020.00	\$ 100,981.00	\$ 5,000.00	\$ 95,981.00	\$ 127,001.00	\$ 901.71
Difference						\$ 35.50
302 E. Broad St.						
Without Exemption	\$ 57,200.00	\$ 78,873.00			\$ 136,073.00	\$ 966.12
With Exemption	\$ 57,200.00	\$ 78,873.00	\$ 10,000.00	\$ 68,873.00	\$ 126,073.00	\$ 895.12
Difference						\$ 71.00
202 W. Oak St.						
Without Exemption	\$ 12,500.00	\$ 19,351.00			\$ 31,851.00	\$ 226.14
With Exemption	\$ 12,500.00	\$ 19,351.00	\$ 5,000.00	\$ 14,351.00	\$ 26,851.00	\$ 190.64
Difference						\$ 35.50
201 W. Kimball St.						
Without Exemption	\$ 17,600.00	\$ 201,413.00			\$ 219,013.00	\$ 1,554.99
With Exemption	\$ 17,600.00	\$ 201,413.00	\$ 20,000.00	\$ 181,413.00	\$ 199,013.00	\$ 1,412.99
Difference						\$ 142.00
Commerical 315 S. Main St.						
Without Exemption	\$ 13,750.00	\$ 236,250.00			\$ 250,000.00	\$ 1,775.00
With Exemption	\$ 13,750.00	\$ 236,250.00	\$ 15,000.00	\$ 228,750.00	\$ 242,500.00	\$ 1,721.75
Difference						\$ 53.25

Tax Exemption Based on Assessed Value - Incentive for Completing Qualifying Project:

	Land Value	Improvement Value	Project Value - \$5,000 minimum	Less 100% Assessed Value	Total Assessed Value	Estimated City Tax (0.71)
309 Elm St.						
Without Exemption	\$ 31,020.00	\$ 100,981.00			\$ 132,001.00	\$ 937.21
With Exemption	\$ 31,020.00	\$ 100,981.00	\$ 5,000.00	\$ 100,981.00	\$ 31,020.00	\$ 220.24
Difference						\$ 716.97
302 E. Broad St.						
Without Exemption	\$ 57,200.00	\$ 78,873.00			\$ 136,073.00	\$ 966.12
With Exemption	\$ 57,200.00	\$ 78,873.00	\$ 5,000.00	\$ 78,873.00	\$ 57,200.00	\$ 406.12
Difference						\$ 560.00
202 W. Oak St.						
Without Exemption	\$ 12,500.00	\$ 19,351.00			\$ 31,851.00	\$ 226.14
With Exemption	\$ 12,500.00	\$ 19,351.00	\$ 5,000.00	\$ 19,351.00	\$ 12,500.00	\$ 88.75
Difference						\$ 137.39
201 W. Kimball St.						
Without Exemption	\$ 17,600.00	\$ 201,413.00			\$ 219,013.00	\$ 1,554.99
With Exemption	\$ 17,600.00	\$ 201,413.00	\$ 5,000.00	\$ 201,413.00	\$ 17,600.00	\$ 124.96
Difference						\$ 1,430.03
Commerical 315 S. Main St.						
Without Exemption	\$ 13,750.00	\$ 236,250.00			\$ 250,000.00	\$ 1,775.00
With Exemption	\$ 13,750.00	\$ 236,250.00	\$ 5,000.00	\$ 118,125.00	\$ 131,875.00	\$ 936.31
Difference						\$ 838.69



The State of Texas
County of Tarrant
Know all
Men by these
Present: That we the
undersigned owning Real
estate in the Town of Mans-
field Tarrant County Texas
hereby adopt the above and
foregoing map or plat of the Town
of Mansfield in Tarrant County Texas and
the streets and alleys therein are hereby ded-
icated to the use of the Public except as therein
Reserved.

A.D. Mann, A.B. Pylee, A.P. Branson
J.S. Smith, W.M. Butler, E.G. Dunn
W.D. Fountain, J.M. Thomas, J.C. Smith
J.H. Harrison, E.F. Christman, O.P. House
E.D. Sims, J.H. Knight, E.L. Bell
J.D. Laffin, C.R. Page, J.A. Stewart, J.W. Miles, John Bratten, J.P. Ellis
J.A. Graves, R.A. Gaudens, P.M. House, W.E. Ralston, M.A. Groment
Wm. Bratten, J.S. Stephens, C.R. Davis, A.G. Batts, Joseph Nugent
W.W. Pylee, J.A. Blessing, Est. Chorn, Jackson Field

MANSFIELD

Tarrant County Texas

Compiled from original plats and
surveys by actual Measurements

By J.T. Goodfellow, C.E. & Co. Sur.
Fort Worth, Texas.

Scale: 200' = 1 inch.

Note: Scale of this map reduced to 1" = 300'

The State of Texas
County of Tarrant
Before me J.H. Alexander J.P. Notary Public in and for Tarrant County Texas personally appeared A.D. Mann, A.B. Pylee, A.P. Branson, J.S. Smith, W.M. Butler, E.G. Dunn, W.D. Fountain, J.M. Thomas, J.C. Smith, J.H. Harrison, E.F. Christman, O.P. House, E.D. Sims, J.H. Knight, E.L. Bell, J.D. Laffin, C.R. Page, J.A. Stewart, J.W. Miles, John Bratten, J.P. Ellis, J.A. Graves, R.A. Gaudens, P.M. House, W.E. Ralston, M.A. Groment, Wm. Bratten, J.S. Stephens, C.R. Davis, A.G. Batts, Joseph Nugent, W.W. Pylee, J.A. Blessing, Est. Chorn, Jackson Field
me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office this 15th day of July 1876. J.H. Alexander J.P.