

HISTORIC TAX EXEMPTION CASE STUDY

The following is a project based on the restoration of the 1894 Old Post Office. The example is based on the current tax rate of 0.69 cents per \$100 of building valuation.

Property: Old Post Office (c. 1894) located at 130 North Main Street. The building is an Officially Recognized historic resource of Mansfield.

Project: The owner is seeking to remove two of the 1980s slipcovers from the 2nd floor. The third, on the north side of the building, currently has a mural the owner is obligated to keep.

The scope of this type of project includes:

- Inspection by a qualified contractor to determine if the slipcovers can be removed without damaging the historic masonry. If it cannot be removed without further damage to the building, it should remain in place.
- If the slipcover can be removed, the contractor would repoint any deteriorated brick mortar joints;
- Repair cracks in bricks and plaster;
- Repair any penetrations; and
- Restore upper level windows.



Tax Exemptions: To obtain historic tax exemptions, the owner must voluntarily designate the building as a Mansfield Historic Landmark. The owner has two tax exemption options:

- Level 1: Residential and commercial properties with an "H" designation are eligible to receive a one-time, 25% exemption of the City's ad valorem taxes for a period of 10 years; OR
- Level 3: Property owners of commercial buildings with an "H" designation that make qualifying exterior improvements during the exemption period and that have a combined cost of \$5,000 or more may receive up to a 50% exemption for a period of 10 years.
- Exemptions apply only to the improvement value, not the land value.

Staff has calculated an estimated tax savings for each of the exemption options. The exemptions will not cover the full amount of the restoration and will be spread out over 10 years. Staff also encourages the restoration of the storefront as well.