



Legislation Text

File #: 19-3229, **Version:** 3

Ordinance - Third and Final Reading of an Ordinance Amending Chapter 38 of the Mansfield Code of Ordinances to Establish a Historic Preservation Tax Exemption Program for the City of Mansfield (HLC#19-002)

To consider the proposed ordinance.

The Historic Landmark Commission met on May 9, 2019, and voted 6 to 0 to recommend that the City Council establish a Historic Preservation Tax Exemption Program.

One of the duties of the Historic Landmark Commission (Commission) is to recommend to the City Council programs that promote the preservation of Mansfield's historic resources. As one of these programs, the Commission has recommended that the Council establish a Historic Preservation Tax Exemption program.

This program will serve two purposes. First, the money saved by a property owner participating in the program may be used to make improvements and repairs that extend the life of the historic structure. Second, as investment in an older structure increases, the taxable value of that structure and surrounding properties may also rise.

The draft ordinance has been reviewed by Jeff Law, Chief Appraiser for the Tarrant Appraisal District. Staff has incorporated Mr. Law's recommendations into the ordinance.

The Historic Preservation Tax Exemption Program details are as follows:

Preservation tax incentives will be limited to historic properties that have an "H", Historic Landmark Overlay District designation.

To limit the number of applications that might otherwise conflict with the Downtown Tax Increment Re-Investment Zone program, the Commission has proposed the initial offer of tax incentives to 16 existing landmark structures and 12 officially recognized if the owners agree to a landmark designation. Additional properties may be nominated by the Commission and approved by the Council in the future.

The exemption applies to the property improvement value only and does not include the land value. This may include the primary structure and historically significant accessory structures. Non-contributing accessory buildings such as detached garages, sheds and swimming pools will not qualify for exemption.

Level 1 tax exemption: Level 1: Residential and commercial structures which have obtained an "H", Historic Landmark Overlay District designation shall be eligible for a one-time exemption of twenty-five (25) percent of the assessed improvement value of the structure for a period of ten (10) years.

Level 2 tax exemption: Residential structures with an "H", Historic Landmark Overlay District designation shall be eligible for an exemption of up to one hundred (100) percent of the assessed improvement value of the structure for a period of ten (10) years for exterior restorations or repairs that extend the life of the structure amounting to five thousand dollars (\$5,000.00) or more.

Exterior or structural improvements under Level 2 include: foundation repair, original frame and beam repair, restoration of historic porches roof replacement associated with structural work or major rehabilitation projects and other repairs.

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.

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.

Level 3 tax exemption: Commercial structures with an "H", Historic Landmark Overlay District designation shall be eligible for an exemption of up to fifty (50) percent of the assessed improvement value of the structure for a period of ten (10) years for exterior restorations or repairs that extend the life of the structure amounting to five thousand dollars (\$5,000.00) or more.

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.

See information above

Not applicable

Lisa Sudbury, AICP, Interim Director of Planning
817-276-4227