

**CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Planning and Economic Development

INTRODUCTION DATE: September 28, 2010; Public hearing October 5, 2010

CONTACT PERSON/PHONE: Kathryn Dodson, PhD, Director 541-4670

DISTRICT(S) AFFECTED: ALL

SUBJECT:

Discussion and action on proposed amendment to Title 3 (Revenue and Finance), Chapter 3.04 (Property Taxes), 3.04.035 (Exemption – Historically Significant Sites) of the El Paso City to allow for an exception for a specified period of years on the collection of the City's portion of property taxes on historically significant properties that are renovated.

BACKGROUND/DISCUSSION:

The Historic Tax Incentive has been in existence since 2006. In 2009, amendments were made to clarify the process for receiving the tax exemption. The program has not been utilized as only two applications have met the criteria for the exemption – with property owners citing issues about the relatively small incentive. This amendment proposes to increase the incentive to incite more applications and therefore more rehabilitation of historic properties.

PRIOR COUNCIL ACTION:

City Council previously amended on November 3, 2009 (ordinance 17232) to clarify the processes for obtaining a tax exemption.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A.

BOARD/COMMISSION ACTION:

LRC recommended unanimous approval on August 23, 2010.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD:  _____

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 3 (REVENUE AND FINANCE),
CHAPTER 3.04 (PROPERTY TAXES), 3.04.035 (EXEMPTION -
HISTORICALLY SIGNIFICANT SITES) OF THE EL PASO CITY CODE TO
ALLOW FOR AN EXEMPTION FOR A SPECIFIED PERIOD OF YEARS ON
THE CITY'S PORTION OF PROPERTY TAXES ON HISTORICALLY
SIGNIFICANT PROPERTIES THAT ARE RENOVATED**

WHEREAS, the Texas Tax Code, Section 11.24, allows the governing body of a taxing unit to exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, based on certain designations; and,

WHEREAS, Section 3.04.035 of the City Code provides an exemption from taxation of certain property taxes for renovations to historically significant property in need of tax relief to encourage the preservation of such properties and to create an application and approval process for such exemptions; and

WHEREAS, the City Council wishes to allow for a total property tax exemption on the city's portion of property taxes for a specified period of years in order to encourage the renovation of historically significant sites by property owners; and,

WHEREAS, the City Council finds that the exemption from taxation as set forth in this amendment constitutes a benefit to the public, is necessary to assist in the City's goal of preservation of places and areas of historical, cultural or architectural importance and significance, and will further encourage the preservation of historically significant sites by property owners.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF EL PASO:**

Section 1. That Title 3 (Revenue and Finance), Chapter 3.04 (Property Taxes) Section 3.04.035 (Exemption – Historically significant sites), Paragraph D (Historic Structure Preservation Tax Exemption) of the El Paso City Code is hereby amended to read as follows:

D. Historic Structure Preservation Tax Exemption.

1.If City Council grants an applicant's site a Historic Structure Preservation Tax Exemption allowed under Section 11.24 of the Texas Tax Code, the site shall be exempt from payment of the city's portion of the assessed ad valorem taxes for a time period as stated below:

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- a. If the value of the improvements is equal to fifty percent or more of the assessed value of the site prior to preservation, the Historic Structure Preservation Tax Exemption shall be for a period of ten years.
- b. If the value of the improvements is equal to between forty percent and 49.99 percent of the assessed value of the site prior to preservation, the Historic Structure Preservation Tax Exemption shall be for a period of eight years.
- c. If the value of the improvements is equal to between thirty percent and 39.99 percent of the assessed value of the site prior to preservation, the Historic Structure Preservation Tax Exemption shall be for a period of six years.
- d. If the value of the improvements is equal to between twenty percent and 29.99 percent of the assessed value of the site prior to preservation, the Historic Structure Preservation Tax Exemption shall be for a period of four years.

Section 2. Except as expressly herein amended, Title 3 (Revenue and Finance), Chapter 3.04 (Property Taxes), of the El Paso City Code shall remain in full force and effect.

ADOPTED THIS _____ DAY OF _____, 2010.

THE CITY OF EL PASO:

ATTEST:

John F. Cook, Mayor

Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM

Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:

Kathryn B. Dodson, Ph.D., Director
of Planning and Economic
Development Department

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