

AGENDA ITEM

SUBJECT: 802 North Morris Street

NAME OF OWNER: Derry, Kenneth & M. Denise

NAME OF INTERESTED PARTIES:

OWNER'S ADDRESS: 802 North Morris Street
McKinney, TX 75069

LEGAL DESCRIPTION OF THE PROPERTY:

Waddill, Blk 17, Lot 3b
Tax # R-0835-017-003B-1

GENERAL DESCRIPTION OF STRUCTURE: 1 story, wood frame, brick veneer structure

ZONING DISTRICT: "RS-60"

DATE STRUCTURE WAS PRESENTED A LETTER OF ELIGIBILITY FOR WORK WHICH QUALIFIES FOR HISTORIC TAX EXEMPTION September 7, 2013

SUPPORT DOCUMENTATION:

Staff Report
Letter of Eligibility
Receipt for Work Completed

STAFF RECOMMENDATION:

Staff is recommending final approval of the 50% tax exemption for 802 North Morris Street under Level 2 of the Historic Neighborhood Improvement Zone Tax Exemption Program.

COMMENTS:

Applicant has submitted the appropriate receipts and work has been inspected to qualify for a Level 2 tax exemption.

STAFF REPORT

DATE: January 11, 2014

FROM: Guy R. Giersch, Historic Preservation Officer

THROUGH: Jennifer Arnold, Planning Manager

SUBJECT: Request by Kenneth & Mary Derry for Final Approval of a Level 2 Historic Neighborhood Improvement Zone Tax Exemption for Rehabilitation Work to the House Located at 802 North Morris Street.

STAFF RECOMMENDATION: Staff is recommending final approval of a Level 2 (50%) tax exemption for 802 North Morris Street under the Historic Neighborhood Improvement Zone Tax Exemption Program.

ITEM SUMMARY: On March 21, 2013, Staff issued a Letter of Eligibility determining that the proposed improvements at 802 North Morris Street would qualify for a Level 2 or Level 3 tax exemption.

On January 11, 2014, the applicant submitted paid receipts for:

- Replacement of roof (exterior)
- Replacement of gutters (exterior)

Exterior total	\$16,548.37
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The applicant has submitted the necessary documentation to qualify for a Level 2 (50%) tax exemption since the total money spent on verified exterior improvements exceeds \$10,000 and was completed within the allotted time period. The Historic Preservation Officer has confirmed the documentation and the work.

BACKGROUND: On February 6, 2007, the City Council passed Ordinance #2007-02-014, as amended by Ordinance #2013-11-110. The goal of the ordinance is to encourage preservation of McKinney's historic residential core by providing tax exemptions to owners of homes within a defined geographic area called the Historic Neighborhood Improvement Zone.

The ordinance establishes three levels under which owners of residential properties located in the Historic Neighborhood Improvement Zone may receive tax exemptions based on verified investments meeting specified criteria.

Under Level 1, homes which receive the designation of the Historic Marker may receive a 100% exemption of the City's ad valorem taxes for a period of 7 years. Level 1 (and its accompanying Historic Marker Program) is administered by the Historic Preservation Officer and the Historic Preservation Advisory Board.

Under Level 2, owners who make verified exterior improvements costing at least \$10,000 during any 12-month period may receive a 50% exemption of the City's ad valorem taxes for a period of 15 years.

Under Level 3, owners who make verified exterior and/or interior improvements costing at least \$5,000 during any 12-month period may receive a 30% exemption of the City's ad valorem taxes for a period of 15 years. If an owner submits plans for additional improvements under Level 2 or Level 3 during any period of exemption previously granted under Level 3, such owner, upon approval of the Building and Standards Commission, may receive an exemption of 50% of the ad valorem taxes for a period of 15 years from the date of such approval.

The application process for Level 2 and Level 3 requires owners to submit plans for proposed improvements to residential properties to the Historic Preservation Officer (and to the Building Permits Department, if a building permit is required). Owners then receive a Letter of Eligibility if the Historic Preservation Officer determines that the proposed improvements qualify for the tax exemption program. Upon completion of the improvements, owners are required to submit documentation to the Historic Preservation Officer acknowledging that the improvements have been made in accordance with the plans and verifying that the eligible costs have been incurred. After receiving the final documentation from the applicant, the HPO completes a field investigation of the property to confirm the documentation.

For the verification process to be completed under Level 2 or Level 3, tax exemptions require final determination by the Building and Standards Commission.

ATTACHMENTS:

- Letter of eligibility
- Paid receipt

BESTWAY ROOFING, INC.

INVOICE

P. O. Box 365
Melissa, TX 75454
972-231-0222 Fax 972-231-5258

Date: 11-11-13

Sold To: Denise & Ken Derry
Address: 802 N. Morris St
McKinney TX 75069

Salesman	Inv. Due Date	Start Up Date	Completion Date	Shipped Via
RR				
Job Description			Unit Price	Amount
<ul style="list-style-type: none"> Removed Comp over cedar shingles New Decking Radiant Barrier/Solar shield Installed Class IV Impact resistant, GAF ArmorShield II shingles, Weathered Wood High Def. Installed all Lead Plumbing Jacks Installed all New Attic Vents Paint Facia (clean prim, & paint) Install all new gutters 				
Total Investment				\$16,048 ³⁷
Break out cost of				
1) SolarShield Radiant Barrier Decking & Addition Ventilation				\$4,980 ¹¹
2) Class IV impact resist shingles				\$902 ²⁶
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> Paid in Full R. Res 11/11 </div>				
Original Invoice				

Received invoice
Jan 13, 2014



October 9, 2013

Ken and Denise Derry
802 North Morris Street
McKinney, Texas 75069

RE: 2013-014HT Letter of Eligibility to Qualify the Residential Property Located at 802 North Morris Street for a Level 2 or Level 3 Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption.

Dear Mr. & Ms. Derry:

This letter shall serve as your Letter of Eligibility for the Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program. Your application for 802 North Morris Street was received on September 11, 2013.

The following proposed improvement(s) are eligible:

- Replace roof (exterior)
- Install metal gutters (exterior)

Upon completion of the improvements, final receipts from the contractor must be submitted to this office for verification. Once copies of receipts are verified and the project is inspected, a Staff Report will be forwarded to the next meeting of the Building and Standards Commission for approval or denial of the tax exemption.

From the date of issuance of this Letter of Eligibility, you have 1 year to complete any or all of the proposed improvements listed above. Depending on the combination of verifiable costs of these exterior and interior improvements, you may qualify for a Level 2 or Level 3 exemption. If the combined cost of eligible *exterior* improvements is in excess of \$10,000, you may receive an exemption of 50% of the City's ad valorem taxes for a period of 15 years (Level 2 of the Historic Neighborhood Improvement Zone Program). If the combined cost of eligible *interior or exterior* improvements is in excess of \$5,000, you may receive an exemption of 30% of the City's ad valorem taxes for a period of 15 years (Level 3 of the Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program).

City of McKinney

P.O. Box 517 • McKinney, Texas 75070 • Metro 972-562-6080

Please be advised that there is an aggregate cap of \$50,000 on the total amount of ad valorem taxes that can be exempted in any budget year under any or all of the levels set forth in the HNIZ Tax Exemption Program. As of the date of this letter, the annual aggregate cap of \$50,000 has been met. Therefore, it is possible that the completion of eligible improvements may not result in a historic tax exemption should additional capacity not become available in the program.

Please be advised that Staff is currently exploring options to increase the aggregate cap.

If you have any questions, please contact me at 972-547-7416.

Sincerely,

A handwritten signature in black ink, appearing to read "Guy R. Giersch", with a long horizontal flourish extending to the right.

Guy R. Giersch
Historic Preservation Officer