

AGENDA ITEM

SUBJECT: 620 West Virginia Street

NAME OF OWNER: Benson, Scott & Marcy

NAME OF INTERESTED PARTIES:

OWNER'S ADDRESS: 1112 Shady Oaks Circle
McKinney, TX 75070

LEGAL DESCRIPTION OF THE PROPERTY:

McKinney Outlots, lot 576b & 577b
Tax # R-0926-000-576B-1

GENERAL DESCRIPTION OF STRUCTURE: 2 story, wood frame

ZONING DISTRICT: "RD-30"

DATE STRUCTURE WAS PRESENTED A LETTER OF ELIGIBILITY FOR WORK WHICH QUALIFIES FOR HISTORIC TAX EXEMPTION November 5, 2013

SUPPORT DOCUMENTATION:

Staff Report
Letter of Eligibility
Receipt for Work Completed
Inspection Report

STAFF RECOMMENDATION:

Staff is recommending final approval of the 50% tax exemption for 620 West Virginia Street under Level 2 of the Historic Neighborhood Improvement Zone Tax Exemption Program.

COMMENTS:

STAFF REPORT

DATE: February 27, 2014

FROM: Guy R. Giersch, Historic Preservation Officer

THROUGH: Jennifer Arnold, Planning Manager

SUBJECT: Request by Scott and Marcy Benson for Final Approval of a Level 2 Historic Neighborhood Improvement Zone Tax Exemption for Rehabilitation Work to the House Located at 620 West Virginia Street.

STAFF RECOMMENDATION: Staff is recommending final approval of a Level 2 (50%) tax exemption for 620 West Virginia Street under the Historic Neighborhood Improvement Zone Tax Exemption Program.

ITEM SUMMARY: On November 5, 2013, Staff issued a Letter of Eligibility determining that the proposed improvements at 620 West Virginia Street would qualify for a Level 2 or Level 3 tax exemption.

On February 27, 2014, the applicant submitted paid receipts for the following:

- Repair Foundation (exterior) \$14,600.00
- total \$14,600.00

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 a Level 1 exemption, homes which receive a 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 exemptions (and its accompanying Historic Marker) 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.

The Ordinance states that: Owners may submit additional applications under Level 2 during any period of exemption. If such applications are approved, the exemption period shall be extended from the date of the last approval. In such event, the exemption periods run concurrently until the earliest approval expires and continues until the latter approval expires.

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
- Inspection Report for Foundation Work Completed

COST BREAKDOWN

Client: Scott & Mirey Benson 614 W. Wilson Mokiah, Iowa 52550 562-1111		Project: Square Foot (Gross) Square Foot (Net) Square Foot (Renovated) Square Foot Total		Foundation, Roof Design	
DESCRIPTION	AMOUNT	Subtotal	ALLOWANCE	PERCENT	Comments
Interest Expense	\$100			0.00%	
Contingency	\$0.00			0.00%	
Soft Costs	\$0.00			0.00%	
Builders Risk Insurance	\$0.00			0.00%	
Permits	\$0.00			0.00%	
Stamp Fees/Seals & Filings	\$0.00			0.00%	
Plumbing Engineering/Plumbing Diagrams/Engineering	\$1,550.00	\$1,550.00	\$1,550.00	4.49%	See Notes for details on this item.
Site Preparation	\$0.00			0.00%	
Excavation	\$0.00			0.00%	
Concrete Footing	\$0.00			0.00%	
Concrete Foundation S.F.	\$0.00			0.00%	
Electric/Follow Through Wall	\$0.00			0.00%	
Contract Allowance	\$0.00			0.00%	
Foundation Renovation	\$14,000.00	\$14,000.00	\$14,000.00	41.88%	See Notes for details on this item.
Interior Finish	\$0.00			0.00%	
Interior Material	\$0.00			0.00%	
Interior Doors	\$0.00			0.00%	
Interior Windows	\$0.00			0.00%	
Roofing & Gables	\$0.00			0.00%	
Siding	\$0.00			0.00%	
Shingles	\$0.00			0.00%	
Trimming/Repairs	\$0.00			0.00%	
Exterior Siding	\$0.00			0.00%	
Painted Siding	\$0.00			0.00%	
Roofing Allowance	\$1,375.00	\$1,375.00	\$1,375.00	3.94%	See Notes for details on this item.
Insulation Walls & Ceiling	\$0.00			0.00%	
Structural Framing	\$0.00			0.00%	
Fireplace/Tile Protection	\$0.00			0.00%	
Trim	\$0.00			0.00%	
Caulking	\$0.00			0.00%	
Backsplash	\$0.00			0.00%	
Countertop	\$0.00			0.00%	
Grout/Sealant	\$0.00			0.00%	
Interior Paint & Millwork	\$0.00			0.00%	
Interior Doors	\$0.00			0.00%	
Main Floor	\$0.00			0.00%	
Garage	\$0.00			0.00%	
Interior Paint - Wall & Ceiling	\$0.00			0.00%	
Interior Paint - Cabinet	\$0.00			0.00%	
Interior Painted	\$0.00			0.00%	
Wall Paper - Living Room	\$0.00			0.00%	
Wall Paper - Hall	\$0.00			0.00%	
Wall Paper - Bathroom	\$0.00			0.00%	
Wall Paper	\$0.00			0.00%	
Light Fixtures	\$0.00			0.00%	
Light Switches	\$0.00			0.00%	
Insulation - Attic/Floors	\$0.00			0.00%	
Roofing - Work on finished	\$0.00			0.00%	
Roofing - Work on	\$0.00			0.00%	

Integrity Custom
 Build - Design - Renovate
 -11-896-0819
 integritycustom@gmail.com
 www.integritycustom.com

Finished Floor - Stoneford	\$0.00			0.00%
Plumbing Finish & Fixture	\$0.00			0.00%
Electric Finish & Fixture	\$0.00			0.00%
HVAC Finish	\$0.00			0.00%
Shower Door	\$0.00			0.00%
Glass Mirror	\$0.00			0.00%
Garage Door	\$0.00			0.00%
Grilles	\$0.00			0.00%
Appliances	\$0.00			0.00%
Stinklers	\$0.00			0.00%
Drainage	\$0.00			0.00%
Finish Grade	\$0.00			0.00%
Landscaping	\$0.00			0.00%
Final Clean	\$0.00			0.00%
Site Cleanup	\$0.00			0.00%
Housekeeping	\$0.00			0.00%
Wells (if Applicable)	\$0.00			0.00%
Septic (if Applicable)	\$0.00			0.00%
Debris Removal	\$0.00			0.00%
				0.00%
Sub-Total	\$30,135.00	\$26,775.00		71.94%
				0.00%
Permit/Overhead/Supervision 15%	\$4,625.00	\$5,625.00		14.88%
				0.00%
TOTAL	\$36,150.00	\$35,730.00		\$0.86%
Change Order				
Demolition	\$735.00	\$735.00		Demolition 112%
Demolition Excavation	\$800.00	\$800.00		
Wood framing and roof truss supply	\$5,000.00	\$3,000.00	\$3,000.00	
Demolition and excavation labor	\$2,500.00	\$2,500.00		
Sub-Total	\$4,785.00	\$4,785.00		
Permit/Overhead/Supervision 15%	\$957.00	\$957.00		
Total Change Order	\$5,742.00	\$5,742.00		
Project Total	\$41,892.00			
Payments Received				
Draw 1 - 11/13/12	\$13,800.00			
Draw 2 - 12/18/12 & 02/26/13	\$2,502.00			
Draw 3 - 12/30/12	\$2,500.00			
Draw 4 - 1/16/14	\$15,000.00			
Total Received	\$33,802.00			80.69%
Project Balance	\$420.00			1.00%
Complete/Substantial Complete	\$41,472.00			99.00%
Current Due	\$7,670.00			18.31%

PREPARED 2/27/14, 13:06:23
PROGRAM BP521L
City of McHenry

INSPECTION HISTORY REPORT
0/00/00 THRU 0/00/00

APPLICATION PROPERTY ADDRESS
STRUCTR PERMIT

Lang RCV
INSPECTION

CRD ID
RESULT DATE/STATUS

INSPECTOR

13 0000254 620 W VIRGINIA ST
000 000 BUI 00 BUILDING PERMIT

R-0926 -000-576B-1
FINL 0001 BF FINAL INSPECTION

1126329
1/16/14 APPROVED

RG

REQ COMM: GARRY SPOKE WITH RUDY AND RUDY STATED HE APPROVED THE
RES COMM: FOUNDATION.



November 5, 2013

Scott and Marcy Benson
1112 Shady Oaks Circle
McKinney, Texas 75070

RE: 2013-016HT Letter of Eligibility to Qualify the Residential Property Located at 620 West Virginia Street for a Level 2 or Level 3 Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program.

Dear Mr. & Ms. Benson:

This letter shall serve as your Letter of Eligibility for the Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program. Your application for 620 West Virginia Street was received on November 4, 2013.

The following proposed improvement(s) are eligible:

- Foundation repair (exterior)
- Remove metal siding and restore and paint original siding, trim, windows, and doors (exterior)
- Plumbing rough-out to code (interior)
- Electrical rough-out (interior)

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

Planning Department

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

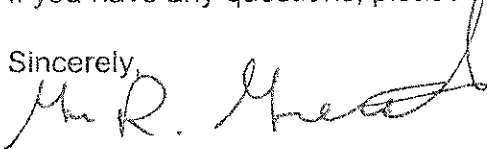
an exemption of 30% of the City's ad valorem taxes for a period of 15 years (Level 3 of the Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program).

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". The signature is written in a cursive style with a large, prominent initial "G".

Guy R. Giersch
Historic Preservation Officer