



CITY OF McKINNEY, TEXAS

Legislation Text

File #: 22-0069HNIZ, **Version:** 1

Consider/Discuss/Act on a Request by Mark and Connie Miserak for a Level 1 (Historic Marker) Historic Neighborhood Improvement Zone Program Tax Exemption for the Property at 406 Parker Street

COUNCIL GOAL: Enhance the Quality of Life in Downtown McKinney

MEETING DATE: August 4, 2022

DEPARTMENT: Planning Department - Development Services

CONTACT: Cassie Bumgarner, Historic Preservation Planner
Paula Jarrett Nasta, AIA, Planning Manager

RECOMMENDED BOARD ACTION:

- Staff recommends approval of the request.

ITEM SUMMARY:

- The applicant requests approval of a Level 1 (Historic Marker) HNIZ Program tax exemption for the property located at 406 Parker Street.
- To be eligible for a tax exemption incentive under the HNIZ Program, residential properties must meet the minimum eligibility requirements of the program, along with specific criteria for the requested incentive level.
- Staff has reviewed the request and has found that it meets the minimum eligibility requirements of the HNIZ Program for a Level 1 (Historic Marker) exemption.
- Specifically, the criteria for a Level 1 (Historic Marker) incentive are as follows:
 - The property has received a historic marker designation pursuant to the Historic Mark Program requirements outlined in Chapter 98 of the City's Code of Ordinances.
 - The property received a City of McKinney Historic Marker on November 4, 2021.
 - A minimum investment of \$10,000 in building improvements for the property has been demonstrated within at least the previous 3 years from the date of the incentive request.
 - Within the last three years, the owners have completed rehabilitation efforts to the structure that include:

- Repainting exterior (\$9,854.53)
- Upgrading electrical and replacing heater (\$7,730)

BACKGROUND INFORMATION:

- The Historic Neighborhood Improvement Zone (HNIZ) Program was established in 2008 for the purpose of preserving the city's unique and historic neighborhoods while encouraging property owners to maintain and/or rehabilitate residential properties and structures.
- The HNIZ Program includes a three-tiered incentive structure whereby residential properties that meet specified criteria are eligible to receive ad valorem tax exemptions on city taxes for a designated period of time.
- To be eligible for an HNIZ Program incentive, the following minimum general requirements apply:
 - The property shall be located within the HNIZ Program area.
 - The property shall be owner-occupied and shall maintain a homestead exemption from the Collin Central Appraisal District for the life of the incentive period.
 - Verified, eligible improvements shall have received all necessary permits and approvals, including COAs.
 - The structure, accessory structures, grounds, property elements and building elements with their materials and finishes have been maintained in good repair and in operable condition.
 - There are no pending code violations.
 - The total ad valorem taxes owed to the city must be current and paid on time.

FINANCIAL SUMMARY:

- A Level 1 (Historic Marker) incentive carries a one-time, 100% exemption from city ad valorem taxes for a period of ten years.
- In order to limit potential budgetary concerns, the HNIZ Program has an annual aggregate cap of \$500,000 for the total amount of city ad valorem taxes that can be exempted in any budget year.
- Under the current program, Staff estimates that the total amount of ad valorem tax revenues being forgone is approximately \$262,000.