

12-8-15

ORDINANCE NO. 29953

An ordinance amending Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code by amending Sections 51A-11.102, 51A-11.205, 51A-11.206, and 51A-11.401; creating an endangered historic district category; creating citywide tax exceptions based on maintenance of a historic property; providing a revised sunset date; providing a penalty not to exceed \$2,000; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 51A-11.102, "Definitions," of Division 51A-11.100, "Purpose and Definitions," of Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties," of Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code is amended to read as follows:

"SEC. 51A-11.102. DEFINITIONS.

[(a)] The following definitions apply to this article:

- (1) APPRAISAL DISTRICT means the Dallas Central Appraisal District or its successor.
- (2) CERTIFICATE OF APPROPRIATENESS means a certificate of appropriateness required by Section 51A-4.501 or by a historic overlay district ordinance.
- (3) COMMITMENT TO REPAY means a legal instrument requiring the owner granted a tax exemption or historic conservation easement to repay to the city all tax forgone upon a finding that the historic property has been totally or partially destroyed or significantly altered by the willful act or negligence of the owner or his agent in violation of the historic district ordinance. See Section 51A-11.203.
- (4) CONTRIBUTING STRUCTURE means a structure that retains its essential architectural integrity of design and whose architectural style is typical of or integral to a historic district.

(4.1) ENDANGERED HISTORIC DISTRICT means a historic district that is in danger of being irreplaceably lost from severe deterioration or damage or impending demolition of structures, where additional resources beyond the scope of this article are needed, and includes the following historic districts:

(A) Tenth Street, and

(B) Wheatley Place.

(5) HISTORIC DISTRICT means a historic overlay district created pursuant to the Dallas Development Code.

(6) HISTORIC PROPERTY means a contributing structure and the land necessary for access to and use of the structure within a historic district.

(7) MINIMUM EXPENDITURE means the amount that must be spent on rehabilitation to make a property owner eligible for a tax exemption in this article.

(8) PREDESIGNATION CERTIFICATE OF APPROPRIATENESS means a predesignation certificate of appropriateness issued pursuant to Section 51A-4.501 of this chapter.

(9) PRE-REHABILITATION VALUE means:

(A) for a historic property that was previously exempt from taxation because of ownership by a tax exempt entity, but that has been purchased by a new owner who is subject to taxation within three years before the new owner submits an application for a tax exemption, the appraised value of the property on the city's certified appraisal roll prepared by the appraisal district as of December 31 of the year before the purchase by the new owner; or

(B) for all other historic properties, the appraised value of the property on the city's certified appraisal roll prepared by the appraisal district as of December 31 of the year before an application is submitted for a tax exemption.

(C) If, while a property is eligible for a tax exemption, the appraisal district reappraises the historic property and the value is reduced, the pre-rehabilitation value equals the value after reappraisal for the remaining duration of the tax exemption.

(10) PROPERTY PENDING DESIGNATION means property for which the procedure has been initiated to establish a historic overlay district pursuant to Section 51A-4.501.

(11) REHABILITATION means labor and materials for interior or exterior repair or replacement of features that help preserve a historic property and become a permanent part of the building or site, such as cabinetry, cable and electrical wiring, carpentry, facilities for required parking, fixtures, flooring, foundation, paint, paving connecting the building to right-of-way, plumbing, roofing, and walls.

(12) REHABILITATION PROJECT means specific rehabilitation that meets the minimum expenditure for a tax exemption pursuant to this article.

(13) REVITALIZING HISTORIC DISTRICTS means the following historic districts:

- (A) Lake Cliff,
- (B) Winnetka Heights,
- (C) South Boulevard/Park Row,
- (D) [~~Tenth Street,~~
- ~~(E) Wheatley Place,~~
- ~~(F)] Peak's Suburban Addition,~~
- ~~(E)[G)] Junius Heights, and~~

~~(E)[H)] any other historic district designated as a revitalizing historic district in an ordinance creating or amending the historic district.~~

(14) TAX FORGONE means the total amount of taxes that the city did not collect as a result of:

- (A) all tax exemptions granted under this article; or
- (B) a decrease in appraised value due to a historic conservation easement.

(15) URBAN HISTORIC DISTRICTS means historic districts in the area bounded by Carroll Avenue, Columbia Avenue, Munger Boulevard, Barry Avenue, Haskell Avenue, Hatcher Street, Lamar Street, S.F. Railroad, Clarendon Drive, Rosemont Avenue, Rainier Street, N. Edgefield Avenue, Colorado Boulevard, Beckley Avenue, Continental Viaduct, Woodall Rodgers Freeway, and Ross Avenue, including lots fronting on these streets, but excluding the endangered and revitalizing historic districts.

(16) VERIFICATION means issuance of a letter of verification by the director pursuant to this article.”

SECTION 2. That Section 51A-11.205, "Tax Exemptions in Revitalizing Historic Districts," of Division 51A-11.200, "Tax Exemptions for Historic Properties," of Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties," of Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code is retitled as "Tax Exemptions in Endangered and Revitalizing Historic Districts" and amended to read as follows:

"SEC. 51A-11.205. TAX EXEMPTIONS IN ENDANGERED AND REVITALIZING HISTORIC DISTRICTS.

(a) General. [~~The different tax exemptions under this section may be combined sequentially or simultaneously.~~] Additional tax exemptions based on [~~maintenance under Subsection (b) or~~] rehabilitation under Subsection (b)[e]) are permitted at any time (including during the term of a previous tax exemption) if the owner provides additional maintenance or rehabilitation, limited to repair, reconstruction, or maintenance of the exterior facade, meeting the minimum expenditure based on the pre-rehabilitation value applicable to the subsequent application, and otherwise meets all requirements of this article.

(b) [~~Tax exemption based upon maintenance of a contributing structure.~~]

(1) Eligibility for tax exemption. To be eligible for this tax exemption:

(A) the historic property must be in a revitalizing historic district; and

(B) the maintenance expenditures for the contributing structure must equal or exceed three percent of the pre-rehabilitation value of the contributing structure (excluding value of the land).

(2) Eligible expenditures. Maintenance expenditures may include the following items if done in compliance with all city regulations, building codes, and ordinances:

(A) Foundation repair, upgrade, or replacement.

(B) Exterior wall repair, weather proofing, and insulation.

(C) Exterior painting.

(D) Window repair, weather proofing, and insulation.

(E) Roof repair or replacement, including roofing materials, and structural, venting, and drainage systems.

- (F) ~~Electrical repair or replacement.~~
- (G) ~~Heating, venting, and air conditioning repair, installation, or replacement.~~
- (H) ~~Plumbing repair or replacement.~~
- (I) ~~Fireplace repair or replacement.~~
- (J) ~~Porch repair.~~

(3) ~~Proof of expenditure. Proof of maintenance expenditures must be provided within 12 months after the landmark commission's determination of eligibility.~~

(4) ~~Value and duration.~~

(A) ~~The added value of the historic property over the pre-rehabilitation value will be exempt from city property tax.~~

(B) ~~This tax exemption will begin as soon as possible after verification and have a duration of three years.~~

(e)] Tax exemption based upon rehabilitation.

(1) Eligibility for tax exemption. To be eligible for this tax exemption:

(A) the historic property must be in an endangered or revitalizing historic district; and

(B) the cost of rehabilitation that is completed must exceed 25 percent of the pre-rehabilitation value of the contributing structure (excluding value of the land).

(2) Value and duration.

(A) One hundred percent of the historic property's value will be exempt from city property tax if the cost of rehabilitation completed exceeds 25 percent of the pre-rehabilitation value of the contributing structure (excluding value of the land).

(B) [~~Duration.~~] The tax exemption will begin as soon as possible after verification and have a duration of 10 years."

SECTION 3. That Section 51A-11.206, "Tax Exemptions in Historic Districts Other Than Urban Historic Districts and Revitalizing Historic Districts," is retitled as "Tax Exemptions in Historic Districts Other Than Urban Historic Districts, Endangered Historic Districts, and Revitalizing Historic Districts."

SECTION 4. That Paragraph (1), "Eligibility For Tax Exemption," of Subsection (b), "Tax Exemption Based Upon Rehabilitation," of Section 51A-11.206, "Tax Exemptions in Historic Districts Other Than Urban Historic Districts, Endangered Historic Districts, and Revitalizing Historic Districts," is amended to read as follows:

"(1) Eligibility for tax exemption. To be eligible for this tax exemption:

(A) the historic property must not be in an urban historic district, endangered historic district, or a revitalizing historic district; and

(B) the cost of rehabilitation that is completed must exceed 50 percent of the pre-rehabilitation value of the contributing structure (excluding value of land)."

SECTION 5. That Paragraph (1), "Eligibility For Tax Exemption," of Subsection (c), "Tax Exemption Based Upon Rehabilitation on an Endangered Historic Property," of Section 51A-11.206, "Tax Exemptions in Historic Districts Other Than Urban Historic Districts, Endangered Historic Districts, and Revitalizing Historic Districts," is amended to read as follows:

"(1) Eligibility for tax exemption. To be eligible for this tax exemption:

(A) the historic property must not be in an urban historic district, an endangered historic district, or a revitalizing historic district;

(B) the cost of rehabilitation that is completed must exceed 25 percent of the pre-rehabilitation value of the contributing structure (excluding value of the land); and

(C) the landmark commission must find that the historic property is in danger of being irreplaceably lost due to severe deterioration, severe damage, or impending demolition."

SECTION 6. That Division 51A-11.200, "Tax Exemptions for Historic Properties," of Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties," of Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code is amended by adding a new Section 51A-11.208, "Citywide Tax Exemption," to read as follows:

"SEC. 51A-11.208. CITYWIDE TAX EXEMPTION.

(a) General. The tax exemption under this section may be combined sequentially or simultaneously with other tax exemptions in this article. Tax exemptions based on maintenance are permitted at any time (including during the term of a previous tax exemption) if the owner provides additional maintenance limited to repair, reconstruction, or maintenance of the exterior facade, meeting the minimum expenditure based on the pre-rehabilitation value applicable to the subsequent application, and otherwise meets all requirements of this article.

(b) Tax exemption based upon maintenance of a contributing structure.

(1) Eligibility for tax exemption. To be eligible for this tax exemption:

(A) the historic property must be in a historic district; and

(B) the maintenance expenditures for the contributing structure must equal or exceed three percent of the pre-rehabilitation value of the contributing structure (excluding value of the land).

(2) Eligible expenditures. Maintenance expenditures may include the following items if done in compliance with all city regulations, building codes, and ordinances:

(A) Foundation repair, upgrade, or replacement.

(B) Exterior wall repair, weather proofing, and insulation.

(C) Exterior painting.

(D) Window repair, weather proofing, and insulation.

(E) Roof repair or replacement, including roofing materials, and structural, venting, and drainage systems.

(F) Electrical repair or replacement.

(G) Heating, venting, and air conditioning repair, installation, or replacement.

(H) Plumbing repair or replacement.

(I) Fireplace repair or replacement.

(J) Porch repair.

(3) Proof of expenditure. Proof of maintenance expenditures must be provided within 12 months after the landmark commission's determination of eligibility.

(4) Value and duration.

(A) The added value of the historic property over the pre-rehabilitation value will be exempt from city property tax.

(B) This tax exemption will begin as soon as possible after verification and have a duration of three years."

SECTION 7. That Section 51A-11.401, "Sunset Provision," of Division 51A-11.400, "Sunset Provision and Coordination With Pending Tax Exemptions," of Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties," of Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code is amended to read as follows:

"SEC. 51A-11.401. SUNSET PROVISION.

No certificates of eligibility may be granted, and no applications for extension of the deadline for rehabilitation or deadline for a certificate of occupancy may be considered, by the landmark commission under this article after December 31, 2020 [2015].

SECTION 8. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$2,000.

SECTION 9. That Chapter 51A of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 10. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

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SECTION 11. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

WARREN M.S. ERNST, City Attorney

By 
Assistant City Attorney

Passed DEC 09 2015



PROOF OF PUBLICATION - LEGAL ADVERTISING

The legal advertisement required for the noted ordinance was published in the Dallas Morning News, the official newspaper of the city, as required by law, and the Dallas City Charter, Chapter XVIII, Section 7.

DATE ADOPTED BY CITY COUNCIL DEC 09 2015

ORDINANCE NUMBER 29953

DATE PUBLISHED DEC 12 2015

ATTESTED BY: