



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda

Historic Landmark Commission

Monday, March 18, 2024

5:30 PM

Development Service Center

After determining that a quorum is present, the Historic Landmark Commission of the City of Denton, Texas will convene in a Regular Meeting on Monday, March 18, 2024, at 5:30 p.m. in Training Rooms 3, 4, and 5, at the Development Service Center, 401 N. Elm Street, Denton, Texas, at which the following items will be considered:

1. PLEDGE OF ALLEGIANCE

- A. U.S. Flag
- B. Texas Flag

“Honor the Texas Flag – I pledge allegiance to thee, Texas, one state under God, one and indivisible.”

2. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

Citizens may complete one Request to Speak “Public Comment” card per night for the “Presentations from Members of the Public” portion of the meeting and submit it to City Staff. Presentations from Members of the Public time is reserved for citizen comments regarding items not listed on the agenda. No official action can be taken on these items. Presentations from Members of the Public is limited to five speakers per meeting with each speaker allowed a maximum of three (3) minutes.

3. ITEMS FOR CONSIDERATION

Interested citizens should arrive at the meeting prior to the scheduled start time. Public comment will be accepted only for those items identified to be "public meeting(s)".

- A. [HLC24-010](#) Consider approval of the February 12, 2024 minutes.

Attachments: [February 12, 2024 HLC Meeting Minutes](#)

4. WORK SESSION

- A. [HLC24-009](#) Receive a report and hold a discussion regarding historic tax exemptions offered at the Local, State, and National levels.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
[Exhibit 2 - Denton Code of Ordinances - Ch. 10, Articles VI and VII](#)
[Exhibit 3 - Texas Historic Preservation Tax Credit Program](#)
[Exhibit 4 - Federal Rehabilitation Tax Credit Program](#)

- B. [HLC24-007](#) Receive a report, hold a discussion, and give staff direction on the Historic Landmark Commission’s request for local historic designation of eligible historic properties.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)

- C. [HLC24-008](#) Hold a discussion regarding the Historic Landmark Commission Project Matrix.

Attachments: [Exhibit 1 - 2024 Matrix](#)

5. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Historic Landmark Commission or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NOTE: The Historic Landmark Commission reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on March 14, 2024, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.



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Legislation Text

File #: HLC24-010, **Version:** 1

AGENDA CAPTION

Consider approval of the February 12, 2024 minutes.

MINUTES
HISTORIC LANDMARK COMMISSION
February 12, 2024

After determining that a quorum was present, the Historic Landmark Commission of the City of Denton, Texas convened in a Regular Meeting on Monday, February 12, 2024, at 5:30 p.m. at the Development Service Center, 401 N. Elm Street, Denton, Texas, at which the following items will be considered:

PRESENT: Chair Angie Stripling, Vice-Chair Shaun Treat, and Commissioners: Lance Cooper, Heather Gregory, Linnie McAdams, and Etan Tepperman

ABSENT: None

REGULAR MEETING

PLEDGE OF ALLEGIANCE

- A. U.S. Flag
- B. Texas Flag

2. ITEMS FOR INDIVIDUAL CONSIDERATION

A. **HLC23-057:** Consider approval of the January 8, 2024 minutes.

Commissioner McAdams moved to approve the minutes as presented. Motion seconded by Commissioner Treat. Motion carried.

AYES (6): Chair Angie Stripling, Vice-Chair Shaun Treat, and Commissioners: Lance Cooper, Heather Gregory, Linnie McAdams, and Etan Tepperman

NAYS (0): None

WORK SESSION

A. **HLC24-005:** Receive a report and hold a discussion on Denton's new Historic Eligible Structures Map.

Jacob Croker, GIS Analyst, presented the new Historic Eligible Structures Map to the committee and a discussion followed.

B. **HLC24-003:** Receive a report, hold a discussion, and give staff direction on the Historic Landmark Commission's request for local historic designation of eligible historic properties.

Staff presented the item, and no designations were presented.

C. **HLC24-00:** Hold a discussion regarding the Historic Landmark Commission Project Matrix.

Staff presented the item. The consensus of the Commission was to move the following items to the "Request" section of the Matrix:

1. Template/agenda to be utilized by HLC members at community meetings to discuss and educate historic property owners on designation, HLC/HPO processes, etc.
2. General topic training relevant to duties and interests of the Historic Landmark Commission

CONCLUDING ITEMS

With no further business, the meeting was adjourned at 6:12 p.m.

X

Angie Stripling
Historic Landmark Commission Chair

X

Lacy Brummett
Administrative Assistant

Minutes Approved On: _____



City of Denton

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215 E. McKinney St.
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Legislation Text

File #: HLC24-009, **Version:** 1

AGENDA CAPTION

Receive a report and hold a discussion regarding historic tax exemptions offered at the Local, State, and National levels.



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Cassey Ogden

DATE: March 18, 2024

SUBJECT

Receive a report and hold a discussion regarding historic tax exemptions offered at the local, state, and national levels.

BACKGROUND

At this work session, Staff will present information from the City of Denton's Code of Ordinances regarding tax exemptions available for locally Designated Historic Sites and Historically Significant Sites, as well as discuss the historic exemptions available at the state and national levels. This information is being presented as a follow-up to a Matrix request made on February 12, 2024 related to receiving general topic training relevant to the duties and interests of the Historic Landmark Commission (HLC).

During the HLC's work session, Staff will also address the following topics:

- Application and review processes for tax exemptions;
- Texas vs. federal tax credit comparison; and
- Examples of historic tax incentives used in other cities.

EXHIBITS:

1. Agenda Information Sheet
2. Denton Code of Ordinances – Ch. 10, Articles VI and VII
3. Texas Historic Preservation Tax Credit Program
4. Federal Rehabilitation Tax Credit Program

Respectfully submitted:
Tina Firgens, AICP
Deputy Director Development Services/
Planning Director

Prepared By:
Cameron Robertson, AICP
Historic Preservation Officer

ARTICLE VI. - TAX EXEMPTION FOR DESIGNATED HISTORIC SITES

Footnotes:

--- (7) ---

Cross reference— *Historic land preservation and historic districts, § 35-211 et seq.*

Sec. 10-126. - Purpose.

This article is enacted for the purpose of encouraging the preservation of individually designated historic sites by providing for a reduction of the city's property tax to qualifying properties.

(Ord. No. 87-189, § I(22-50), 10-20-87)

Sec. 10-127. - Definition.

As used in this article, "designated historic site" means any structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.

(Ord. No. 87-189, § I(22-51), 10-20-87; Ord. No. 2009-290, § 1, 11-17-09)

Cross reference— Definitions and rules of construction generally, § 1-2.

Sec. 10-128. - Partial tax exemption of designated historic sites.

- (a) Any property which was a designated historic site on the first day of January for any year beginning with 1989 and extending to and including 2008, shall be exempt from real property ad valorem taxes levied by the City of Denton to the extent of fifty (50) percent of the assessed value of the designated historic site. The exemption provided for herein shall apply for a maximum of fifteen (15) successive years, beginning with the first year the property is entitled to the exemption during the specified years and continuing and including each and every year of the fourteen (14) successive years thereafter during which the property is a designated historic site on the first day of January of those fourteen (14) years.
- (b) Any property which was a designated historic site on the first day of January 2009 shall be exempt from real property ad valorem taxes levied by the City of Denton for tax year 2009 to the extent of fifty (50) percent of the assessed value of the designated historic site.
- (c) Any property which is designated a historic site after the first day of January 2009 may be exempt from real property ad valorem taxes levied by the City of Denton to the extent of fifty (50) percent of the assessed value of the designated historic site if the property owner demonstrates to city qualifying expenses of ten thousand dollars (\$10,000.00) or more for permanent improvements and/or for restoration of said property. The qualifying expenses are limited to two (2) years prior to designation as a historic site. The historical landmark commission must determine whether the qualifying expenses result in a permanent improvement and/or restoration of said property as a condition of receiving the exemption. The exemption provided for herein shall apply for a maximum of ten (10) successive years, beginning with the first year the property is entitled

to the exemption during the specified years and continuing and including each and every year of the nine (9) successive years thereafter during which the property is a designated historic site on the first day of January of those nine (9) successive years.

- (d) Additional ten (10) year exemptions thereafter will require the property owner to demonstrate to city qualifying expenses of ten thousand dollars (\$10,000.00) or more, beyond those demonstrated for the initial or subsequent exemption, for permanent improvements and/or for restoration of said property. The historical landmark commission must determine whether the qualifying expenses result in a permanent improvement and/or restoration of said property as a condition of receiving the exemption.
- (e) Upon designation as a historic site eligible for a tax exemption or reauthorization of a tax exemption, the director of planning and development shall provide the property owner a certified ordinance or other document that authorizes the tax exemption. To receive the exemption provided herein, a person claiming the exemption must apply for the exemption with the chief appraiser of the Denton Central Appraisal District as provided by state law. Immediately after issuance of a certificate of demolition or removal, the director of planning and development shall notify the chief appraiser of the Denton Central Appraisal District.

(Ord. No. 87-189, § I(22-52), 10-20-87; Ord. No. 98-110, § I, 4-21-98; Ord. No. 2009-290, § 1, 11-17-09)

Sec. 10-129. - Recapture of taxes.

- (a) If any designated historic site is, within twenty-five (25) years from any year in which the property received a tax exemption under this article:
 - (1) Removed as a designated historic site by ordinance, upon the request of the owner; or
 - (2) Removed as a designated historic site by ordinance after it has been determined to have been totally or partially destroyed or altered by the willful or negligent act of the owner or the owner's agent, in violation of article V of chapter 35 of this Code;

an additional tax is imposed, on the effective date of the ordinance providing for its removal as a designated historic site, equal to the difference between the city taxes imposed for each year an exemption was made under this article, and the taxes that would have been imposed had the exemption not been made, plus interest on the additional amount at an annual rate of seven (7) percent, calculated from the dates on which the additional taxes would have become due if not exempted.

- (b) If, in providing for the removal of a property as a designated historic site because of its being partially or totally destroyed or altered, as provided in subsection (a)(2) of this section, the city council, after receiving the determination of the historic landmark commission and planning and zoning commission, determines, after public hearing for which the owner shall be given notice, that the property was totally or partially destroyed or altered by the willful or negligent act of the owner or his representative, in violation of article V of chapter 35, the additional tax provided for in this section shall be imposed.
- (c) A tax lien attaches to the property on the date it is removed as a designated historic site to secure payment of the additional tax and interest imposed by this section. The lien exists in favor of the city for which the additional tax is imposed.
- (d) The city tax assessor and collector shall notify the chief appraiser of the additional tax imposed and shall prepare and deliver a statement to the owner for the additional taxes plus interest as soon as practicable

after removal of the property as a designated historic site. The taxes and interest are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the city if not paid before February 1 of the year following the year in which the additional tax is imposed.

(Ord. No. 87-189, § I(22-53), 10-20-87)

ARTICLE VII. - TAX EXEMPTION FOR HISTORICALLY SIGNIFICANT SITES

Sec. 10-130. - Granting of partial exemption.

Any property which is designated as a "historically significant site" pursuant to the terms of this article and which is substantially rehabilitated as provided herein shall have abated any increase in the assessed value for ad valorem tax purposes in excess of the assessed value of the property for the tax year immediately prior to the renovation, for a period of ten (10) years following the completion of the renovation. Only the historic structure and the land reasonably necessary for access to, and use of, the structure shall be subject to the tax abatement. The abatement period shall begin on the first day of the tax year following completion of the rehabilitation project.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-131. - Designation of historically significant sites.

For the purpose of this article, all structures, residential and commercial, fifty (50) years old or older which are within the boundaries of the downtown commercial district as indicated on attachment "A," which is attached hereto [in Ord. No. 98-116] and made a part hereof for all purposes, are designated as historically significant sites in need of tax relief to encourage their preservation.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-132. - Eligibility.

To be eligible for a property tax abatement, a property must meet the following requirements:

- (1) The property must meet the requirements for designation as a historically significant site in need of tax relief as defined in section 10-131 of this article.
- (2) The property must meet all requirements for application, certification and verification as set forth below.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-133. - Application process.

Applications for a historically significant site tax exemption pursuant to this article are to be filed with the preservation officer (or such other city official designated by the city manager) of the City of Denton, who shall be the agent for the City of Denton for the purposes of administering this article. Each application must be signed by the owner of the property, be acknowledged before a notary public and shall:

- (1) State the legal description of the property proposed for certification;

- (2) Include an affidavit by the owner stating the structure is fifty (50) years old or older and is located within the Commercial District of the City of Denton, commercial buildings within historic districts, historic conservation or any commercial building that the city council deems historic or in need of preservation;
- (3) Include detailed plans and/or descriptions of the proposed work demonstrating rehabilitation is in accordance with the current property appearance guidelines adopted by ordinance of the city council;
- (4) Include cost estimates indicating the repair or rehabilitation of the exterior of the building will equal or exceed twenty-five (25) percent of the most recent assessed ad valorem tax valuation of the structure or twenty thousand dollars (\$20,000.00), whichever is less. Roof repair or replacement may comprise no more than fifty (50) percent of the minimum threshold amount necessary to qualify for tax abatement;
- (5) Include a projection of the estimated construction time and predicted completion date of the historic repair or rehabilitation;
- (6) Authorize the members of the historic landmark commission, the city manager or designee, and elected officials to visit and inspect the property proposed for certification to verify that it is in need of substantial repair or rehabilitation and to verify repair or rehabilitation;
- (7) Sign an agreement to submit an application for a certificate of appropriateness to determine compliance with property appearance guidelines for any exterior modifications to the property for the duration of the period during which the tax abatement is in effect;
- (8) Include a tax certificate showing all taxes due upon the property have been paid; and
- (9) Provide any additional information to the historic landmark commission which the owner or committee deems relevant or useful, such as the history of the structure, access to the structure by the public, or any proposed changes in use of the structure.

Each application shall contain sufficient documentation confirming or supporting the information submitted therein.

(Ord. No. 98-116, § 1, 4-28-98; Ord. No. 2014-125, § 1, 5-6-14)

Sec. 10-134. - Certification process.

Upon receipt of the sworn application, the preservation officer shall forward the application to the historic landmark commission for review. The historic landmark commission shall review the proposed rehabilitation for conformance with the current version of the property appearance guidelines. The historic landmark commission shall recommend to the city council whether the structure shall be eligible for the tax exemption. The commission may recommend approval of the application as submitted, approval with conditions, or denial. The historic landmark commission shall review the application within forty-five (45) days of its submittal to the preservation officer. The written recommendation of the historic landmark commission shall be delivered to the city manager no more than ten (10) days after the commission's decision is rendered. If the decision of the commission is for approval with conditions, and the applicant concurs with such conditions, the above ten (10) days for delivery will not commence until the application is amended to comply with the conditions approved by the commission. Upon receipt of the recommendation of the historic landmark commission, the city manager shall, within a reasonable time, place the matter upon the city council agenda for determination of eligibility. In determining eligibility, the city council shall first determine that all the requirements of this article have been met and that only the historic structure and the land reasonably necessary for access to, and use thereof, is to be provided favorable tax relief as provided in section 10-130 of this article. If eligibility is determined, the council shall

authorize the city manager to execute a tax exemption certificate upon verification of completion of repairs or renovation. If required by the Denton County Appraisal District, the city manager or designee shall provide annually a list of structures eligible for tax exemption under this article.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-135. - Verification process.

Upon completion of the repair or rehabilitation, the certified applicant shall submit to the preservation officer a sworn statement of completion acknowledging that the structure has been substantially repaired or rehabilitated in accordance with the plan approved by the city council. Applicant must also present documentation verifying that the cost of repair or rehabilitation meets or exceeds the amounts established in section 10-133 of this article. The preservation officer or designee, upon receipt of the sworn statement of completion, but no later than thirty (30) days thereafter, shall make an investigation of the property and shall approve or disapprove the fact that the property has been completed as required for certification. If the repair or renovation deviates in any way from the construction plan approved by council, the historic landmark commission shall determine whether or not the modifications are in accordance with the property appearance guidelines. If verification of completion shall be deemed unfavorable, the certified applicant shall be required to complete or correct the repair or rehabilitation in order to obtain the tax exemption provided by this article or appeal the commission's decision to the city council. When the verification of completion receives a favorable review by the preservation officer, or the commission or the council, whichever is applicable, the preservation officer shall notify the city manager in writing of compliance. Thereafter, the city manager shall execute a tax exemption certificate and forward same to the Denton County Appraisal District.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-136. - Property appearance guidelines.

The property appearance guidelines on file in the office of the preservation officer, the planning department and such other office as the city manager may designate, are hereby approved and incorporated herein and made a part hereof for all purposes. The property appearance guidelines shall be periodically reviewed by the historical landmark commission and desired changes by the commission to such guidelines shall be recommended to the city council. Any changes to the property appearance guidelines shall not be effective until such changes are approved by the city council. The city council may direct the city manager or the preservation officer to propose certain changes to the property appearance guidelines but such changes shall not be adopted by city council without a recommendation from the historic landmark commission.

(Ord. No. 98-116, § I, 4-28-98; Ord. No. 2014-125, § 2, 5-6-14)

Sec. 10-137. - Alteration or destruction.

- (a) During the exemption period, if the preservation officer or a member of the historic landmark commission has reason to believe that an exempted structure has been altered or totally or partially destroyed by the willful act or negligence of the owner or his representative, the preservation officer shall immediately cause the matter to be scheduled for the earliest possible consideration by the city council. If, after giving notice and hearing to the owner, the city council determines that the exempted structure has been totally or

partially destroyed or altered by the willful act or negligence of the owner or his representative, the owner shall immediately repay to the city all of the tax revenues that were not paid because of the exemption plus interest calculated at an annual rate of seven (7) percent.

- (b) Where an exempted structure is totally or partially destroyed or altered by other than the willful act or negligence of the owner or his representative, the owner shall, whenever feasible, request a building permit to reconstruct the historically significant site in accordance with plans and specifications (plans) that comply with the property appearance guidelines and building and development codes of the city. The cost of renovation is hereby deemed feasible when destruction or alteration is fifty (50) percent or less of the assessed ad valorem tax value of the building without deduction for the abatement hereunder. The plans for the structure must be approved by the preservation officer or designee. If there is any question that the plans do not comply with the property appearance guidelines the historic landmark commission shall determine if such plans are in compliance with such guidelines. A decision by the commission, denying the issuance of the building permit for failure of the plans to comply with the property appearance guidelines, may be appealed by the owner to the city council. If rebuilding activities are not completed within one (1) year of the damage to the structure, the repayment of the tax revenues not paid because of the exemption shall be required as set forth in subsection (a) above, unless city council grants an extension for such permits.
- (c) If the owner of a damaged historic structure exempted under this article applies for a demolition permit, the building official shall follow the regulations contained in section 35-220 (Demolition or removal of historic landmarks) of the zoning chapter, as amended, in processing such permit. In cases where a demolition permit is issued by the city because renovation is not feasible, repayment of tax revenue is not required.
- (d) If the owner of a historic structure which is damaged by a willful or negligent act of the owner or his representative has such structure demolished or such structure is not repaired within one (1) year of the damage, such owner will not be eligible for future abatement unless a revised application for such structure is approved by the city council.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-138. - Transferability to future owner(s).

If the tax exemption certificate executed by the city manager per section 10-135 is timely recorded by the owner of the structure in the deed records of Denton County with the approved application, the tax exemption authorized above shall constitute a covenant running with the land for the ten-year period provided in this article. Should the owner of the structure ever cease to comply with the terms of the application and of this article during such ten-year period, this abatement may be revoked for the years remaining within such ten-year period, upon the finding of such incompliance by the city council, after giving notice and hearing to the owner. The city manager or his designee shall advise the chief appraiser of the Denton County Appraisal District of the revocation of the abatement and shall file an appropriate document in the deed records of Denton County revoking the tax exemption.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-139. - Authority of chief appraiser.

The chief appraiser for the county appraisal district shall determine that portion of land which is reasonably necessary for access to and use of historic structures for which applications for exemptions are granted and shall assess for taxation all such excess land in the same equal and uniform manner as all other taxable properties in the city. It shall be in the discretion of the chief appraiser as to whether or not owners of historically significant structures under this article must file an application with such appraiser's office annually to obtain the exemption granted above or if one (1) application can be executed by the owner of the historically significant structure to obtain the ten-year historic exemption.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-140. - Use in conjunction with other tax incentives.

At the discretion of city council, the tax abatement provided in this article may be used in conjunction with tax abatements for historic landmark zoning as provided in article VI chapter 10 of the Denton City Code. The applicant must meet all requirements for each tax abatement separately in order to be considered for both abatements.

This tax abatement may be used in conjunction with other types of abatements that may be developed in the future, unless otherwise prohibited by statute or by ordinance.

(Ord. No. 98-116, § I, 4-28-98)

Sec. 10-141. - Definitions.

Should the exact meaning of terms contained in this article be in dispute, the meaning of such terms as utilized in the interpretation or definition of such terms in article V "Historic Landmark Preservation and Historic Districts" of chapter 35 (zoning) of the City Code, as amended, or in this chapter shall control.

(Ord. No. 98-116, § I, 4-28-98)

[Home](#) › [Preserve](#) › [Projects and Programs](#) › [Preservation Tax Incentives](#) › Texas Historic Preservation Tax Credit Program

Texas Historic Preservation Tax Credit Program

The Texas Historic Preservation Tax Credit Program was established through [Texas House Bill 500](#) during the 83rd Texas Legislative Session and went into effect on January 1, 2015. The new state historic tax credit is worth 25 percent of eligible rehabilitation costs and is available for buildings listed in the National Register of Historic Places, as well as Recorded Texas Historic Landmarks and Texas State Antiquities Landmarks. The program is administered jointly by the Texas Historical Commission (THC) in cooperation with the [Texas Comptroller of Public Accounts](#). Administrative rules for implementation of the program are found in the [Texas Administrative Code, Title 13, Part II, Chapter 13](#).

The Federal Historic Preservation Tax Incentive Program also offers a 20 percent tax credit for the rehabilitation of historic buildings. Established in 1976, the federal historic tax credit program is also a significant financial incentive for the reuse of historic buildings and revitalization of historic downtowns. Applicants are encouraged to take advantage of both financial incentives when possible and apply to both programs together.

Eligible Buildings and Costs

In order to be eligible for the Texas Historic Preservation Tax Credit, a project must meet the following criteria:

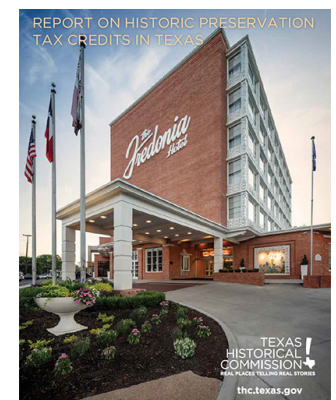
- The property must currently have a historic designation, or be determined eligible for listing in the National Register of Historic Places. Its designation may include: A) listing individually or as a contributing building in a district listed on the National Register of Historic Places, B) as a Recorded Texas Historic Landmark, C) as a State Antiquities Landmark, or D) contributing to the significance of a National Register historic district or other certified historic district. If the building has no historic designation but is found to be eligible, the nomination process may be undertaken while the work is underway; however, the property must be officially listed by the time the credit is taken. (This differs from the federal program).
- Only **buildings** qualify for the tax credit. Structures such as bridges, ships, railroad cars, grain silos, and dams are not eligible for the credit.
- The building must be **income-producing or non-profit**. For example, it may be used as a hotel, for commercial offices, for commercial, industrial, or agricultural purposes, or for rental housing, or any official non-profit use such as a church, museum, or arts center. Owner-occupied residential properties and municipal offices are not eligible for the credit.
- The cost of the rehabilitation project or scope of work must meet the minimum cost threshold of \$5,000 for qualified rehabilitation expenditures. An owner may receive the state tax credits in successive applications for any fiscal year after 2014 if the cost threshold and other program requirements are met. (This differs from the federal program's requirement for a substantial rehabilitation).
- Most **rehabilitation costs** are eligible for the credit, such as structural work, building repairs, electrical, plumbing, heating and air conditioning, roof work, and painting. Architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs are also qualified expenditures if such costs are reasonable and added to the property basis. Some costs are not eligible for the credit, such as property acquisition, new additions, furniture, parking lots, sidewalks, and landscaping.
- The building must be **placed in service** (returned to use) after the rehabilitation. The tax credit is generally allowed in the taxable year that the rehabilitated property is placed in service or the project is completed. Unused franchise tax credit can be carried forward five years or transferred to another entity. (This differs from the federal program.)

Share

In This Section

- [About Preservation Tax Incentives](#)
- Texas Historic Preservation Tax Credit Program
- [Tax Credit Program Highlights: Certified Projects](#)
- [Tax Credits for State Institutions of Higher Education](#)
- [Tax Credits for Disaster Relief](#)
- [Federal Rehabilitation Tax Credit Program](#)
- [How To Submit](#)
- [Tax Credit FAQ](#)

Report on Historic Preservation Tax Credits in Texas



HISTORIC SITES ATLAS

The Atlas features nearly 300,000 site records,

- The work undertaken as part of the project must meet the [Secretary of the Interior's Standards for Rehabilitation](#). The entire project is reviewed, including interior and exterior work, as well as related demolition and new construction. A project is certified, or approved, only if the overall rehabilitation project is determined to meet the standards.

including markers, historic places, courthouses, cemeteries, museums, and sawmills across the state.

[Learn More »](#)

The Application Process

Importantly, the program requires that an application for the tax credit program—both federal and state—must be submitted **before the project is completed**. The only exception is for projects that were completed between September 1, 2013 and January 1, 2015, which may retroactively apply for the state tax credit.

Note that work may begin prior to the application or approval at the applicant's own risk. Ideally, the application should be submitted during the planning stages of the project so the owner can ensure that the project meets the [Secretary of the Interior's Standards for Rehabilitation](#). We recommend contacting our staff with information about any specific issues as early as questions arise.

The application process consists of three parts, A, B, and C, all of which are submitted directly to the THC and reviewed by the History Programs Division or Architecture Division. Please allow at least 30 days for processing and review of any newly submitted information or application materials.

Please note that Parts B and C of the application require **application fees**. The THC cannot review applications without receiving the appropriate fee. The current fee schedule is located in the downloadable [Application Guide](#). Please be aware that the application fees are **non-refundable** and simultaneous submissions—Part A and Part B together, or Part B and Part C together—are made at the applicant's own risk. If an applicant opts to submit multiple parts of the application simultaneously, **there is no refund given for Part B or Part C application fees in the event a preceding part of the application is denied**.

See below for links to the [state tax credit applications](#).

Part A: Evaluation of Significance

(Corresponds to the federal program's Part 1 application)

The first part of the application determines whether the building currently is listed on the National Register of Historic Places, is designated a Recorded Texas Historic Landmark or State Archeological Landmark, or if it is eligible for listing. If the building is not yet listed but is found to be eligible, the tax credit project may be undertaken while the designation process is pursued. Once the project becomes certified as eligible for the tax credit through the Part C review, an updated Part A application must be submitted. Part A is required for all properties, to determine that they are a "certified historic structure."

Part B: Description of Rehabilitation

(Corresponds to the federal program's Part 2 application)

The second part of the application describes the existing conditions of the property and the proposed scope of work. Photographs must be provided, which fully describe the building and clearly show the condition of all major character-defining features of the building prior to the start of work. The proposed work is evaluated by THC staff for its conformance to the Standards.

Part C: Request for Certification of Completed Work

(Corresponds to the federal program's Part 3 application)

The third part of the application is submitted upon completion of the rehabilitation or scope of work and documents that the work was completed as proposed and in accordance with the Standards. Projects are likely to require a site visit by THC staff for verification. Once the THC determines that the completed work meets the Standards, a Certificate of Eligibility for the state historic tax credit is provided to the owner. This certificate must be presented to the [Texas Office of the Comptroller](#) to receive the state tax credits.

Concurrent Application with the Federal Program

Since the state program is modeled on the federal program, it is fairly easy to apply to both programs at the same time if your project meets each program's application criteria. For concurrent application, submit a completed application for the Texas Historic Preservation Tax Credits along with the complete federal

application. You need only submit a total of two sets of all associated supporting documents as required for the federal application; do not send a separate set for the state program.

If you have already begun the application process for federal tax credits and wish to subsequently apply for the state credits, simply submit the application forms for the Texas Historic Preservation Tax Credit program. You do not need to send another set of supporting documents (photos and plans) if your scope of work is the same.

Read more about the [Federal Tax Credit Program](#).

For a visual view of the application process, please see our [Application Flowchart](#) (PDF).

Application Forms and Instructions

Forms are in fillable PDF format. Click to open the form in your browser and then download or save to your computer.

- [Texas Historic Preservation Tax Credit Application Guide](#) (PDF)
- [Texas Historic Preservation Tax Credit Application Part A: Evaluation of Significance](#) (PDF)
- [Texas Historic Preservation Tax Credit Application Part B: Description of Rehabilitation](#) (PDF)
- [Texas Historic Preservation Tax Credit Application Part C: Request for Certification of Completed Work](#) (PDF)
- [Texas Historic Preservation Tax Credit Application Amendment and Advisory Determination Form](#) (PDF)

For More Information

More information about the Texas Historic Preservation Tax Credit Program and [Federal Historic Preservation Tax Credit Incentives](#) is available on this website. To understand the eligibility differences between the federal program and the state program, please view our [Preservation Tax Incentives Comparison Chart](#) (PDF).

Please see our new [Tax Credits Frequently Asked Questions](#) page as a good starting point, and see the THC's [Administrative Rules](#) for overseeing the tax credit.

Tax credit project requirements for the federal and state programs include NPS and IRS regulations, as well as Texas regulatory requirements, and can be complex. THC staff can assist property owners in understanding and applying for the credits.

Please note that THC staff cannot give tax advice or determine if a particular owner is eligible to receive the credit. Consult a tax advisor regarding the IRS regulations and their implications for your particular tax situation.

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[Home](#) › [Preserve](#) › [Projects and Programs](#) › [Preservation Tax Incentives](#) › Federal Rehabilitation Tax Credit Program

Federal Rehabilitation Tax Credit Program



Waco High School, courtesy of Landmark Asset Services, Inc.

A federal tax credit worth 20 percent of the eligible rehabilitation costs is available for buildings listed in the [National Register of Historic Places](#). Established in 1976, the federal rehabilitation tax credit program is administered in Texas by the National Park Service (NPS) in partnership with the Internal Revenue Service (IRS) and the Texas Historical Commission (THC).

NOTE: the federal tax credit has been affected by recent legislative changes.

On December 22, 2017, **Public Law No: 115-97** (Pub. L. 115-97) was signed and enacted, amending the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Pub. L. 115-97 (Sec. 13402) modifies the **20% Historic Rehabilitation Tax Credit** as well as provides certain transition rules. These and other changes to the Internal Revenue Code may affect a taxpayer's ability to use of the 20% Historic Tax Credit. Pub. L. 115-97 also repeals the **10% Rehabilitation Tax Credit** for non-historic buildings. The text of Pub. L. 115-97 is available at www.congress.gov.

Applicants requesting historic preservation certifications by the National Park Service as well as others interested in the use of these tax credits are strongly advised to consult an accountant, tax attorney, or other professional tax adviser, legal counsel, or the Internal Revenue Service regarding the changes to the Internal Revenue Code related to Pub. L. 115-97.

The Texas Historic Preservation Tax Credit also offers a 25 percent tax credit for historic buildings. Applicants are encouraged to apply to both programs together.

Eligible Buildings and Costs

In order to be eligible for the Federal 20 percent rehabilitation tax credit, a building must meet these basic requirements:

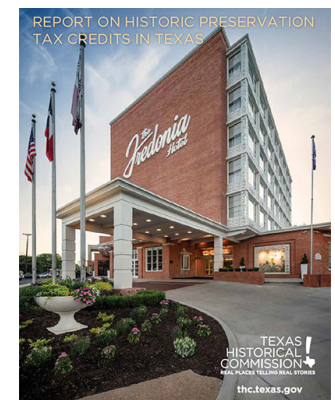
- The building must either be listed individually in the **National Register of Historic Places**, contributing to the significance of a historic district, or determined to be eligible for listing in the National Register. A building determined eligible for listing in the National Register at the beginning of the project does not need to be officially listed until the tax credit is claimed by the owner.
- Only **buildings** qualify for the tax credit. Structures such as bridges, ships, railroad cars, grain silos, and dams are not eligible for the credit.
- The building must be **income-producing**. For example, it may be used as a hotel, for offices, for commercial, industrial, or agricultural purposes, or for rental housing. Owner-occupied residential properties are not eligible for the credit.
- The work to the building must be a **substantial rehabilitation** and not a small remodeling project. In general, the rehabilitation costs must exceed the greater of \$5,000 or the adjusted basis of the building and its

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In This Section

- [About Preservation Tax Incentives](#)
- [Texas Historic Preservation Tax Credit Program](#)
- Federal Rehabilitation Tax Credit Program
- [How To Submit](#)
- [Tax Credit FAQ](#)

Report on Historic Preservation Tax Credits in Texas



HISTORIC SITES ATLAS

The Atlas features nearly 300,000 site records, including markers, historic places, courthouses, cemeteries, museums, and sawmills across the state.

[Learn More »](#)

structural components. The adjusted basis is generally the purchase price, minus the cost of the land, plus improvements already made, minus depreciation already taken.

- Most **rehabilitation costs** are eligible for the credit, such as structural work, building repairs, electrical, plumbing, heating and air conditioning, roof work, and painting. Architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs are also qualified expenditures if such costs are reasonable and added to the property basis. Some costs are not eligible for the credit, such as property acquisition, new additions, furniture, parking lots, sidewalks, and landscaping.
- The building must be **placed in service** (returned to use) after the rehabilitation. The tax credit is generally allowed in the taxable year that the rehabilitated property is placed in service. Unused tax credit can be carried back one year and carried forward 20 years. **NOTE:** The timing for taking the federal tax credit has been changed by recent legislative changes of December 22, 2017. [Read more.](#)
- The work undertaken as part of the project must meet the [Secretary of the Interior's Standards for Rehabilitation](#). The entire project is reviewed, including interior and exterior work, as well as related demolition and new construction. A project is certified, or approved, only if the overall rehabilitation project is determined to meet the Standards. More information about the Standards can be found [here](#).

The Application Process

An application for tax credits must be submitted before the project is completed, although work may begin prior to the application or approval. Ideally, the application should be submitted during the planning stages of the work so the owner can receive the necessary guidance to ensure that the project meets the [Secretary of the Interior's Standards for Rehabilitation](#), and therefore may qualify for the credits. The application process consists of three parts, all of which are submitted directly to THC.



Dallas Post Office interior, courtesy of 400 North Ervay

Part 1: Evaluation of Significance

(Corresponds to state Part A)

The first part of the application determines if the building is eligible for the National Register or contributes to the significance of a National Register historic district. Part 1 of the application is not needed if the property is already individually listed in the National Register, since these properties are already "certified historic structures" for the purposes of the tax credit program.

Part 2: Description of Rehabilitation

(Corresponds to state Part B)

This part of the application describes the existing condition of the building and the proposed work. Photographs are required showing the major character-defining features of the building prior to the start of work. The proposed work is evaluated using the Secretary of the Interior's Standards for Rehabilitation.

Part 3: Request for Certification of Completed Work

(Corresponds to state Part C)

The final part of the application is submitted upon completion of the rehabilitation and documents that the work was completed as proposed. Once the National Park Service determines that the completed work meets the Standards and approves Part 3 of the application, the project is a "certified rehabilitation" and qualifies for the tax credits.

For More Information

Our new [Tax Credits Frequently Asked Questions](#) page is a good starting point for common queries.

For more information about the 20 percent rehabilitation tax credit program, including a downloadable application, FAQs about the IRS requirements, and NPS review fees, please visit the [National Park Service](#)

[website.](#)

Download the federal applications directly from [this webpage.](#)

Tax credit requirements, which include NPS and IRS regulations for the Federal credit, can appear confusing at times. THC staff is available to assist property owners in understanding and applying for the credits. For both Federal and Texas tax credits, the application process is overseen primarily by the THC. THC staff may visit the property and/or request additional information from the applicant during review. Complete applications for the Federal credits are then sent to NPS with a recommendation as to whether the project meets the Standards for Rehabilitation.

Please note that THC staff cannot give tax advice. Consult a tax advisor regarding IRS regulations and their implications for your particular tax situation.

Completed Rehabilitation Tax Credit Projects

Learn more about successful rehabilitation tax credit projects:

- [Dallas Coffin Company in Dallas, Dallas County](#)
- [Dallas Post Office in Dallas, Dallas County](#)
- [Anson Mills Building in El Paso, El Paso County](#)
- [Valley Fruit Company in Pharr, Hidalgo County](#)

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City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: HLC24-007, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction on the Historic Landmark Commission's request for local historic designation of eligible historic properties.



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Cassey Ogden

DATE: March 18, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction on the Historic Landmark Commission's request for local historic designation of eligible historic properties.

BACKGROUND

Beginning at the November 14, 2022, HLC meeting, staff began including a standing agenda item that pertains to the designation of local historic properties. Commissioners will have the opportunity to bring forward one to two properties from Denton's Historically Eligible Structures map to discuss and vote on. A Commissioner proposing a property for local designation consideration will have a maximum of two-minutes to justify the need for designation of the property. Remaining Commissioners will then have a maximum of one minute each to provide feedback and indicate their support for the designation. Each proposed property will need a minimum of four Commissioner votes to pursue designation of the property. If the property receives four or more votes, the property will be added to an active designation list to be maintained by staff for the HLC. The HLC will have the opportunity to utilize the list to reach out to property owners to encourage the designation of their property or properties.

EXHIBITS

1. Agenda Information Sheet
2. Denton's [Historically Eligible Structures](#) Map

Respectfully submitted:
Tina Firgens, AICP
Deputy Director Development Services/
Planning Director

Prepared by:
Cameron Robertson, AICP
Historic Preservation Officer



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: HLC24-008, **Version:** 1

AGENDA CAPTION

Hold a discussion regarding the Historic Landmark Commission Project Matrix.

2024
Historic Landmark Commission
Requests for Information

Request		Request Date	Status
Quantify the economic impact of preserving historic properties	HLC	11/14/2022	To be presented at the April 8 th HLC Meeting
Discussion regarding benefits for preserving historic properties and how other City's are incentivizing owners to designate their properties	HLC	11/14/2022	To be presented at the April 8 th HLC Meeting
Template/agenda to be utilized by HLC members at community meetings to discuss and educate historic property owners on designation, HLC/HPO processes, etc.	HLC	2/12/2024	To be presented at the May 13 th HLC Meeting
General topic training relevant to duties and interests of the Historic Landmark Commission	HLC	2/12/2024	Monthly occurrence
Presentation of preliminary guidelines regarding property features, such as fencing and windows, for use by the public and HLC	HLC	11/14/2022	On-hold
Walking tour of historic districts and landmarks to familiarize HLC with properties that they have jurisdiction over	HPO	12/27/2023	Scheduled for the evenings of March 21 st , March 26 th , and April 1 st
Focus group of historic property owners to discuss present historic preservation procedures and incentives	HPO	12/27/2023	Will schedule for the Spring

Items for Historic Landmark Commission Consideration			
Annual Update			
Prepare an annual study list of potential landmarks and districts.	HLC/HPO	2024 Work Plan Goal	
Broaden the tax-exemption eligibility criteria for improvements to historic buildings.	HLC/HPO	2024 Work Plan Goal	
Explore a program allowing for the partial or full property tax exemption from the City of Denton and other applicable taxing authorities for locally designated historic homes.	HLC/HPO	2024 Work Plan Goal	
Complete designation reports for landmarks and districts.	HLC/HPO	2024 Work Plan Goal	
Update the Denton Historic Preservation Ordinance to promote clarity in Certificate of Appropriateness procedures and Historic Landmarks Commission responsibilities, among other Ordinance enhancements.	HLC/HPO	2024 Work Plan Goal	
Create a marketing plan to encourage additional Local Landmark designations.	HLC/HPO	2024 Work Plan Goal	
Provide training to local realtors and bankers.	HLC/HPO	2024 Work Plan Goal	

Future HLC Meetings:

Monday, April 8th

Monday, May 13th

Monday, June 10th

Monday, July 8th

Monday, August 12th

Monday, September 9th

Monday, October 14th

Monday, November 18th

Monday, December 9th