

Memorandum



CITY OF DALLAS

Date: April 18, 2008

To: City Council Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Mitchell Rasnasky, Linda Koop, Steve Salazar

Subject: Proposed historic preservation tax incentive

Included on the agenda for April 21, 2008 is briefing on the historic development program tax incentive for the property located at 804 Pacific within the West End Historic District

If you need further information please call Theresa O'Donnell at 214-671-9293.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas Perkins, City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
David O. Brown, Interim Assistant City Manager
David Cook, Chief Financial Officer
Theresa O'Donnell, Director of Development Services
Jeanne Chipperfield, Interim Budget Director, Office of Financial Services
Chandra Marshall-Henson, Assistant to the City Manager
Karl Zavitovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic development

Historic Tax Incentive For 804 Pacific - Awalt Building



Request

- Review of a proposed historic preservation tax incentive over \$50,000 for the Awalt Building located at 804 Pacific
- Applicant is seeking an Urban Exemption under the historic preservation tax incentive program.

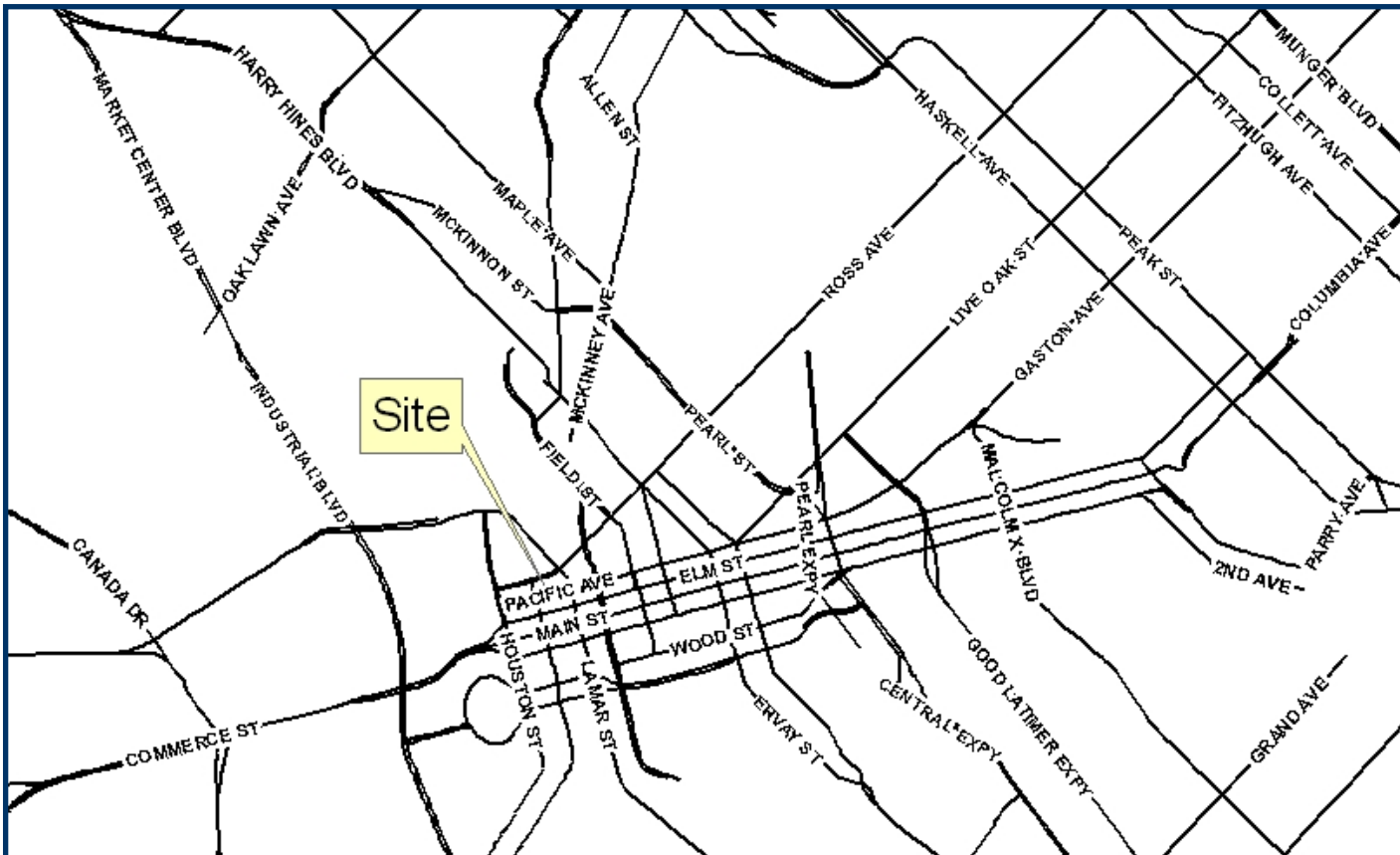
Historic Tax Incentive Program

- Urban Neighborhood Exemptions
 - The “Based on Rehab” exemption allows for a 100% exemption of the city portion of the property taxes for a ten year period
 - The “Retail Conversion” exemption allows for a 100% exemption of the city portion of the property taxes for a five year period
 - This provides for a 100% exemption of the city portion of the property taxes for a total of 15 years

Historic Tax Incentive Program

- Urban Neighborhood Exemptions
 - Applicant is requesting two exemptions that are offered in this category
 - Based on Rehab - The cost of rehabilitation that is completed must exceed 75 percent of the pre-rehabilitation value of the structure.
 - Ground Floor Conversion to Retail - At least 45 percent of the historic property's floor area must be occupied after the conversion; and more than 65 percent of the historic property's street frontage must be converted for a ground floor retail use.

Location



Background

- This is in the West End Historic District (No. 2).
- Prior to this project being undertaken, the building was vacant.
- The applicant has proposed to redevelop the historic building for retail/office use.
- Required minimum expenditure have already been met; the applicant expects the project will be completed by November 2009.
- This application was approved by the Landmark Commission in January of 2008.

* Note: Unlike Economic Development tax abatements, these exemptions can be requested after building permits are issued.

2006 Values

Pre-rehabilitation Improvements Value:	\$179,250
Pre-rehabilitation Land Value:	\$510,750
Total Pre-rehabilitation Value	\$690,000
Minimum Required Expenditures (75% of pre-habilitation improvement value) :	\$134,438
Estimated Total Expenditures:	\$4,000,000

* The estimated value after rehabilitation does not account for any increase in value due to appreciation.







Staff Recommendation

- This application meets all of the requirements of the Historic Preservation Tax Incentive Program ordinance that was approved by the City Council on November 26, 2007.
- Approval of the application for a Certificate of Eligibility for a period of 15 years.