



## 19LC-030

## STAFF REPORT

**ADDRESS:**

1826 Avenue K)

**LEGAL DESCRIPTION:**

Property is legally described as Lot 12, Block 138, in the City and County of Galveston, Texas.

**APPLICANT/REPRESENTATIVE:**

Michael Guillot, Galveston Historical Foundation

**PROPERTY OWNER:**

Galveston Historical Foundation

**HISTORIC DISTRICT:**

Lost Bayou

**REQUEST:**

Request for certification as a participant in the Substantial Rehabilitation for Historic Properties Tax Exemption program

**STAFF RECOMMENDATION:**

Approval

**EXHIBITS:**

A – Applicant’s Submittal

**STAFF:**

Catherine Gorman, AICP  
Assistant Director/HPO  
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cgorman@galvestontx.gov



**Background**

The City Council adopted Financial Incentives for Historic Properties which included a program for Substantial Rehabilitation tax exemptions. Following substantial rehabilitation of the property, City property taxes are frozen at the assessed value prior to rehabilitation for ten years.

**Analysis**

In order to qualify for the Substantial Rehabilitation tax exemption, the property owner must invest at least 50% of the value of the building, according to the Galveston Central Appraisal District. In this case, the threshold to participate is \$27,360.00.

The applicant has submitted a proposed scope of work that includes interior and exterior renovations, re-roofing, electrical, plumbing, HVAC. The total cost of work is \$136,000.00, which is more than the required minimum for participation.

Please note that the applicant’s submittal includes two items that are not eligible for the program – clean up and landscaping.

**Staff Recommendation** Staff recommends the request be approved with the following conditions:

Specific Conditions:

1. The Landmark Commission certifies that the subject property is in conformance with the Substantial Rehabilitation Tax Exemption Program adopted by City Council by Ordinance 15-059 for the scope of work presented in Attachment A of the staff report with the exception of the clean-up and landscaping;
2. The applicant shall return to the Landmark Commission and City Council for Verification upon completion of the work and prior to the granting of the tax exemption; and

Standard Condition:

3. In accordance with Section 10.110 of the Land Development Regulations, should the applicant be aggrieved by the decision of the Landmark Commission, a letter requesting an appeal must be submitted to the Historic Preservation Officer within 10 days of the Commission decision. Additionally, a Zoning Board of Adjustment application must be submitted to the Development Services Department by the next respective deadline date.

Respectfully Submitted,

*Catherine Gorman*  
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Catherine Gorman, AICP  
Assistant Planning Director / HPO

May 13, 2019  
\_\_\_\_\_  
Date

**LIST****OF  
EXPENSES****PROJECT FUNDS ALLOTTED**

\$200,000.00

**FUNDS USED TO DATE****TIMELINE**

March 2020

<b>Scope of Work</b>	<b>Category</b>	<b>Amount</b>
Clean up fire debris inside the house and exterior of the house	Clean-up	\$20,000.00
Demolish portion of the house too damaged to repair	Demo	\$5,000.00
Frame replacement walls, floor joist, exterior walls, etc. were damaged by the	Framing	\$15,000.00
Install an new roof to match original roof line	Roof	\$8,000.00
Install new mechanical, electrical, and plumbing lines and equipment	MEP	\$25,000.00
Drywall and insulate entire house	Drywall and Insulation	\$13,000.00
New kitchen, bathroom, laundry room, and light fixtures	Interior Finishes	\$25,000.00
Reconstruct windows, doors and trim damaged by the fire	Doors/Windows	\$20,000.00
Interior and Exterior Painting	Painting	\$25,000.00
Landscaping	Landscaping	\$8,000.00
<b>Total</b>		<b>\$164,000.00</b>