

ARTICLE IV. - TAX EXEMPTION FOR HISTORIC PROPERTIES

Sec. 25-61. - Tax exemptions for historic properties.

The City of Gainesville hereby authorizes ad valorem tax exemptions for historic properties, pursuant to F.S. §§ 196.1977 and 196.1998.

(Ord. No. 950480, § 1, 8-28-95)

Sec. 25-62. - Definitions.

The following words and phrases, when used in this article, shall have the following meanings:

Contributing property shall mean a building, site, structure, or object which adds to the historical architectural qualities, historic associations, or archaeological values for which a district is significant because

- (a) It was present during the period of significance of the district and possesses historic integrity reflecting its character at that time;
- (b) It is capable of yielding important information about the period; or
- (c) It independently meets the National Register of Historic Places criteria for evaluation set forth in 36 CFR part 60.4 or in Section 30-112 of the Land Development Code for the City of Gainesville Local Register of Historic Places.

Eligible improvement shall mean changes to the interior and/or exterior condition of real property brought about by the expenditure of labor or money for the restoration, renovation or rehabilitation of such property. Improvements include additions and accessory structures (i.e., a garage) necessary for efficient contemporary use.

Eligible property shall mean a site, building, structure or object that, at the time an exemption is granted, is, and is certified to the city commission by the Historic Preservation Division to be

- (a) Individually designated on the National Register of Historic Places;
- (b) A contributing property in a national register listed historic district;
- (c) Designated as a historic property or landmark under the provisions of the City of Gainesville historic preservation ordinance; or
- (d) A contributing property in a historic district designated under the City of Gainesville historic preservation ordinance.

Government or nonprofit purpose shall mean at least sixty-five (65) percent of the useable space of a historic building is occupied or used by an agency of the federal, state or local government or nonprofit corporation whose articles of incorporation have been filed by the Department of State in accordance with F.S. § 617.0125.

Preservation exemption covenant shall mean the historic preservation property tax exemption covenant paralleling Florida DOS Form No. HR3E111292 which indicates that the owner agrees to maintain and repair the historic property so as to preserve the architectural, historical, or archaeological integrity of the property during the exemption period.

Regularly and frequently open to the public shall mean public access to the property is provided not less than fifty-two (52) days a year on an equitably spaced basis, and at other times by appointment. The owner may charge a reasonable nondiscriminatory admission fee.

Renovation or rehabilitation shall mean the act or process of returning a historic property or portion thereof that is of historical or architectural significance to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural, cultural and archeological values. For historic properties or portions thereof that are of archaeological significance or are severely deteriorated, *renovation or rehabilitation* shall mean the act or process of applying measures designed to sustain and protect the existing form and integrity of a property, or reestablish the stability of an unsafe or deteriorated property while maintaining the essential form of the property as it presently exists.

Restoration shall mean the act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacement of missing earlier work.

(Ord. No. 950480, § 1, 8-28-95)

Sec. 25-63. - Scope and duration of tax exemptions.

(a) The city commission may grant an ad valorem tax exemption for eligible improvements to eligible properties made on or after September 1, 1995. The exemption will be for 100 percent of the assessed value of the eligible improvements, and will apply only to those taxes levied by the City of Gainesville that are not levied for the payment of bonds or authorized by a vote of the electors pursuant to section 9(b) or section 12, Article VII of the Florida Constitution.

(b) The amount of the exemption shall be determined by the Alachua County Property Appraiser based upon its usual process for post-construction inspection and appraisal of property following rehabilitation or renovation.

(c) Any exemption granted under this article to a particular property shall remain in effect for ten (10) years. The duration of the exemption shall continue regardless of any change in the authority of the City to grant such exemptions or any change in ownership of the property. In order to retain an exemption, however, the historic character of the property, and improvements which qualified the property for an exemption, must be maintained over the period for which the exemption was granted.

(Ord. No. 950480, § 1, 8-28-95)

Sec. 25-64. - Exemption for government or nonprofit purpose.

(a) If an improvement qualifies an eligible property for an exemption and the property is used for a government or nonprofit purpose and is regularly and frequently open to the public, the owner is eligible for an exemption from ad valorem taxation of one hundred (100) percent of the assessed value of the property, provided

(1) The assessed value of the improvement is equal to at least fifty (50) percent of the assessed value of the property as improved;

(2) The improvements are made by or for the use of the existing owner; and

(3) The improvements are made on or after the effective date of this ordinance.

(b) For an exemption granted under this section, the following conditions, as well as those indicated in section 25-62, shall justify removal of a property from eligibility for the exemption, as described in section 25-65:

- (1) The property is sold or otherwise transferred from the owner who made application and was granted the exemption; or
- (2) The property is no longer used for a government or nonprofit purpose, or is no longer regularly and frequently open to the public.

(Ord. No. 950480, § 1, 8-28-95)

Sec. 25-65. - Procedure for obtaining tax exemption.

(a) *Application.* An applicant (owner of record or authorized agent) seeking an ad valorem tax exemption for historic properties must file with the city manager or designee the two-part Historic Preservation Property Tax Exemption Application with "Part 1: Preconstruction Application" (Part 1) completed. In addition, the applicant shall submit the following:

- (1) A completed application for a Certificate of Appropriateness for the qualifying restoration, renovation, or rehabilitation.
- (2) An application fee of not more than five hundred dollars (\$500.00) to be determined by the city manager or designee based on the estimated cost of the work to be performed and the administrative costs to be incurred by the city in processing the application and monitoring compliance.

(b) *Review by property appraisers office.* Upon receipt of the preconstruction application, the city manager or designee will transmit the application to the Alachua County Property Appraiser's office, which will review and provide an estimate of the probable increase in the appraisal of the property to the applicant and the City. The applicant can withdraw the application within forty-five (45) days of receiving the estimate and be reimbursed for the filing fee.

(c) *Review by historic preservation board.*

(1) The City of Gainesville Historic Preservation Board (HPB) shall review Part 1 applications for exemptions. The HPB shall determine whether the property is an eligible property and whether the Part 1 proposed improvement is consistent with the Secretary of Interior's *Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* and is therefore an eligible improvement.

(2) For improvements intended to protect or stabilize severely deteriorated historic properties or archaeological sites, the HPB shall apply the following additional standards:

- a. Before applying protective measures that are generally of a temporary nature and imply future historic preservation work, an analysis of the actual or anticipated threats to the property shall be made.
- b. Protective measures shall safeguard the physical condition or environment of a property or archaeological site from further deterioration or damage caused by weather or other natural, animal or human intrusions.
- c. If any historic material or architectural features are removed, they shall be properly recorded and, is possible, stored for future study or reuse.
- d. Stabilization shall reestablish the structural stability of a property through the reinforcement of loadbearing members or by arresting material deterioration leading to structural failure. Stabilization shall also reestablish weather resistant conditions for a property.

e. Stabilization shall be accomplished in such a manner that it detracts as little as possible from the property's appearance. When reinforcement is required to reestablish structural stability, such work shall be concealed wherever possible so as to not intrude upon or detract from the aesthetic and historical quality of the property, except where concealment would result in the alteration or destruction of historically significant material or spaces.

(3) For applications submitted under the provisions of section 25-64, the HPB shall also determine that the property meets the standards set forth in that section.

(4) The HPB shall notify the applicant and the city commission in writing of the results of its review and shall make recommendations for correction of any planned work deemed to be inconsistent with the requirements for an eligible improvement.

(5) When an applicant is applying jointly for the ad valorem tax exemption and for federal historic preservation tax credits, the applicant will complete the National Park Service's (NPS) federal tax credit application and Part 1 of the historic preservation property tax exemption application and submit both to the city manager or designee. The HPB shall defer action on the applications until the NPS has rendered a determination. In the event the NPS approves the federal tax credit application, the Part 1 application shall be amended to reflect any conditions issued by the NPS. The HPB shall then approve the tax exemption application and forward it to the city commission to be handled as part of the normal approval process set forth below. A denial by the NPS shall cause the HPB to deny the ad valorem tax exemption.

(d) Request for review of completed work application.

(1) Upon completion of work specified in the "Part 1" application, the applicant shall submit a "Part 2: Final Application for Review of Completed Work" (Part 2). The HPB shall conduct an inspection of the subject property to determine whether or not the completed improvements are in compliance with the work described and conditions imposed in the approved Part 1 application. Appropriate documentation may include paid contractor's bills and canceled checks, as well as an inspection request by the applicant within two (2) years following approval of the Part 1 application.

(2) On completion of review of the Part 2 application, the HPB shall recommend that the city commission grant or deny the exemption. The recommendation, and reasons therefor, shall be provided in writing to the applicant and to the city commission. The applicant shall be given at least ten (10) days notice of the date of the public hearing of the city commission on the requested exemption. If a denial is recommended, and the applicant submits elevations and plans which indicate that the applicant intends to undertake the work necessary to comply with the recommendations of the HPB, the denial of the application may be continued by the city manager or designee for a period of time not to exceed sixty (60) days, while the applicant makes a good faith effort to comply with the recommendations. The applicant may resubmit documents indicating that the reasons for recommendation of denial of the application have been remedied and the city manager or designee will reinspect the work.

(e) Approval by city commission. A majority vote of the city commission shall be required to approve a Part 2 application and authorize the ad valorem tax exemption. The commission, in overturning or modifying the recommendation of the historic preservation board shall utilize the same standards as used by the historic preservation board in reaching its decision. If the exemption is granted, the city commission shall adopt an ordinance that includes the following:

- (1) The name of the owner and the address of the historic property for which the exemptions granted.
- (2) The date on which the ten-year exemption will expire.
- (3) A finding that the historic property meets the requirements of this article.
- (4) A copy of the historic preservation exemption covenant, as provided in section 25-66, signed by the applicant and the mayor-commissioner or designated successor.

(f) *Notice to property appraiser.* The property owner shall have the historic preservation exemption covenant recorded in the official records of Alachua County, and shall provide a certified copy of the recorded historic preservation exemption covenant to the city manager or designee. Within fifteen (15) days of receipt of the certified copy, the city manager designee shall transmit a copy of the approved "Part 2: Final Application", as well as the historic preservation exemption covenant to the Alachua County Property Appraiser with instructions that the property appraiser provide the ad valorem tax exemption to the applicant. Responsibility for paying the recording costs lie with the applicant.

(g) *Effective date of exemption.* The effective date of the ad valorem tax exemption shall be January 1 of the year following the year in which the application is approved by the city commission and a historic preservation exemption covenant has been transmitted to the Alachua County Appraiser.

(h) An applicant previously granted a historic rehabilitation tax exemption by the historic preservation board may undertake additional improvement projects during the exemption period, or following its expiration, and reapply for an additional historic rehabilitation tax exemption for such work. An additional ten-year exemption shall apply only to the additional improvement.

(Ord. No. 950480, § 1, 8-28-95)

Sec. 25-66. - Required covenant.

(a) *Effect of covenant.* To qualify for an exemption, the property owner must enter into a covenant with the City of Gainesville for the term for which the exemption is granted. The form of the covenant shall be the "Historic Preservation Property Tax Exemption Covenant" (DOS Form No. HR3E111292). The covenant shall be binding on the current property owner, transferees, and their heirs, successors, or assigns.

(b) *Revocation of exemption.* Violation of the covenant or agreement will result in the property owner being subject to the payment of the differences between the total amount of taxes which would have been due in March in each of the previous years in which the covenant or agreement was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in F.S. § 212.12(3), as amended. In the event of a violation of the covenant, or damage to the historic property as detailed below, the HPB shall conduct a hearing, as provided in Section 30-112(d)(7)e of the Land Development Code, to allow the property owner to show cause why the exemption should not be revoked. Identification of the following conditions shall result in termination of the historic property tax exemption covenant, revocation of the exemption, and removal of a property from eligibility for the property tax exemption:

- (1) The owner is in violation of the provisions of the historic preservation tax exemption covenant; or
- (2) The property has been damaged by accidental or natural causes beyond the owner's control to the extent that the historic integrity of the features, materials, appearance, workmanship and environment or archaeological integrity which made the property eligible for listing in the Natural Register or designation under the provisions of the local preservation ordinance have been lost or so damaged that

restoration is not feasible. Feasibility determinations will be made utilizing the economic hardship standards in Section 30-112 of the Land Development Code. Under this condition, the applicant is not required to pay back interest plus taxes.

(c) *Appeal of revocation.* The applicant can appeal a decision to revoke the exemption to the city commission. The procedure for appealing the decision, and the conduct of the hearing will be as specified in Section 30-112(d)(7)i of the Land Development Code.

(Ord. No. 950480, § 1, 8-28-95)