

CITY OF ST. PETERSBURG CITY COUNCIL  
CONSENT AGENDA  
MEETING OF JULY 11, 2019

**TO:** The Honorable Charlie Gerdes, Chair, and Members of City Council  
**SUBJECT:** Review of City File 18-90400004, Ad Valorem Property Tax Exemption Application for the property at 823 10<sup>th</sup> Avenue South, a contributing resource to the Roser Park Local Historic District.

**BACKGROUND:** In 1992, the voters of Florida approved a constitutional amendment allowing ad valorem tax exemptions for up to ten years on certain improvements to eligible historic properties. The City of St. Petersburg adopted this amendment (Section 16.30.070.4) on July 21, 1994, giving the City's historic property owners a strong financial incentive to preserve and sensitively improve buildings of architectural and historical significance. The ad valorem tax exemption was subsequently adopted by Pinellas County in 1996 as part of intergovernmental coordination efforts, authorizing certain county-wide exemptions to make the overall incentive even more appealing.

In St. Petersburg today, this incentive program allows for the exemption of up to 100 percent of the resulting assessed value of "qualifying improvements" to "eligible" historic properties. An eligible historic property in the City of St. Petersburg is defined as real property that is:

- Designated as a local historic landmark or part of a multiple property landmark in the St. Petersburg Register of Historic Places;
- Contributing to a local historic district listed in the St. Petersburg Register of Historic Places;
- Individually listed in the National Register of Historic Places;
- Contributing property in a historic district listed in the National Register of Historic Places; or
- Proposed for listing as an individual or contributing resource on either register.

Qualifying improvements must be appropriate to the historic architectural character of a resource in accordance with recognized standards of preservation, restoration, or rehabilitation, as guided by City Code criteria, the St. Petersburg Design Guidelines for Historic Properties, and the Secretary of the Interior's Standards for the Treatment of Historic Properties. Applicants generally have two (2) years to complete the qualifying improvements, which must be supported by detailed expense accounting. Working closely with the property owner, City staff provides valuable technical assistance, performs site inspections, and prepares the application documents for review and approval by the St. Petersburg City Council, the Pinellas Board of County Commissioners, and the Pinellas County Property Appraiser. The latter performs the final assessment of the property to determine the resulting ad valorem tax exemption, if any, and potential tax savings that is applied for the 10-year period. Nearly every applicant participating in

the program since its beginning has realized some tax savings, and the exemption automatically transfers to future property owners during the exemption period.

The ad valorem tax exemption process requires that the owner(s) submit a *Part 1 – Preconstruction Application* package prior to initiating any qualifying improvements. A Certificate of Appropriateness application is required at this stage to document and evaluate the rehabilitation work, along with other required paperwork, as necessary. Qualifying improvements to the property must equal or exceed 10 percent of its assessed value based on the year the Part 1 application is approved.

When the approved work is completed, the property owner(s) submits a *Part 2 – Post-construction Request for Review of Completed Work Application*, which includes a table of expenses, changes to the scope of work, if any, that were approved by City Historic Preservation staff during the construction, and an on-site inspection by City Historic Preservation staff. Extensions up to one year may be authorized by the City.

In addition, certain procedural requirements are necessary, as follows:

- 1) A covenant, in the form which has been approved by the City Attorney, must be executed by the property owner before an exemption can be approved by the City Council. The covenant provides that the property owner shall maintain and repair the property so as to preserve and maintain the historic architectural qualities or historical or archaeological integrity of the qualifying property for which an exemption is granted;
- 2) If the exemption is granted, the property owner shall record the covenant with the Pinellas County Clerk of the Circuit Court prior to the effective date of the exemption. The covenant shall be binding on the property owner, transferees, and their heirs, successors or assigns. The applicant shall provide a certified copy of the recorded covenant to the POD within 120 days of the City Council approval of the exemption, or said approval by City Council shall be made null and void. If the property changes ownership during the exemption period, the requirements of the covenant are transferred to the new owner;
- 3) As part of City Council approval, a resolution will be passed and the exemption will be valid for a period of up to ten years;
- 4) The City Council approval will be forwarded to the Pinellas County Board of County Commissioners for its approval in order to qualify for an exemption to the County ad valorem tax, as well; and
- 5) The Pinellas County Property Appraiser will reassess the subject property according to the improvements made and its market value for each given year.

**EXPLANATION:** One individual property report, resolution, and ad valorem tax exemption covenant is attached; each has been determined by staff to meet all requirements for the ad valorem tax exemption as outlined in City Code, Section 16.30.070.4.

**RECOMMENDATION:** Staff recommends **APPROVAL** of the attached RESOLUTION and ad valorem tax exemption COVENANT. The form of the joint City of St. Petersburg and Pinellas County covenant showing the rights, obligations, and responsibilities of the property owner, City and County has been provided in lieu of individual covenants for each property.

**EXEMPTION IMPACTS:** The property owner seeking an ad valorem tax exemption paid pre-rehabilitation taxes totaling approximately **\$2,834**. They will continue to pay this amount overall – and any inflationary increases, or tax adjustments – during the life of the exemption. Based on the tax exemptions granted since 2016 since the cap was removed, the combined city/county tax savings averages at \$1,122 per year for residential properties and \$1,836 per year for commercial/multi-family properties. The tax exemptions range from a minimum of \$44 a year to a maximum of \$3,560 a year.

Property Address/File No.	Pre-construction (2018) Assessed Value	Pre-construction Tax Basis	Qualifying Rehab Costs
823 10 <sup>th</sup> Ave. S. / 18-90400004	\$126,827	\$2,834	\$195,710.72

**ATTACHMENTS:** Staff Report, Covenant, and Resolution for one historic property.

**APPROVALS:**

Administrative:



Budget:



Legal:

