



Pinellas County

Staff Report

File #: 16-542A, Version: 1

Subject:

Resolutions granting ad valorem tax exemptions for five historic properties located within the City of St. Petersburg.

Recommended Action:

Adopt the proposed resolutions granting ad valorem tax exemptions for five historic properties located within the City of St. Petersburg.

Authorize the Chairman to sign and the Clerk to attest the tax exemption covenants for the subject properties.

Strategic Plan:

Practice superior environmental stewardship.

3.2 Preserve and manage environmental lands, beaches, parks, and historical assets.

Deliver First Class Services to the Public and Our Customers.

5.1 Maximize partner relationships and public outreach.

Summary:

On March 17, 2016, the St. Petersburg City Council adopted five resolutions approving municipal property tax exemptions for five properties within the City. The properties are located at:

1. 836 16th Avenue Northeast (locally known as the Blair House; a Contributing property to the North Shore Historic District)
2. 7401 Central Avenue (a City Local Landmark known as the Sunset Hotel)
3. 936 17th Avenue Northeast (a local residence that is a Contributing property to the North Shore Historic District)
4. 656 1st Street North (a City Local Landmark known as the Thomas Whitted House)
5. 1224 Dr. Martin Luther King, Jr. Street South, Everett Residence (a City Local Landmark known as the Henry Bryan House)

The City Council subsequently forwarded the City resolutions, staff report and associated covenants to the Board for review and consideration for exemption from County ad valorem taxes. If approved, the exemptions would be valid for a period of ten years beginning on January 1, 2016 and ending on December 31, 2025.

The tax exemptions for these properties are based on the assessed value of qualified improvements to the exterior and interior of these properties, and the specific improvements to each of these properties that qualify for an exemption are identified within the information provided by the City, and within each County resolution.

If approved, each property owner must have an executed covenant recorded in the official records of

Pinellas County. The covenant requires that the property owner maintain and repair the property so as to preserve and maintain the historic architectural qualities or historical integrity of the qualifying property for which the exemption is granted. The recorded covenant shall be binding on the property owner, transferees, and their heirs, successors or assigns. The property owner must provide a certified copy of the recorded covenant (attached) to City and County officials within 30 days of County approval of the exemption. The total estimated cost of all of the qualifying improvements to these properties is \$1,841,743. The City has formally reviewed and approved the work with regard to its historical significance by issuing a Certificate of Appropriateness for the work performed on each property.

Background Information:

In 1992, the voters of Florida approved a constitutional amendment allowing ad valorem tax exemptions for up to ten years on improvements to designated historic properties. In 1994, the City of St. Petersburg became the first city in Pinellas County to adopt provisions in response to this amendment, giving property owners financial incentives to preserve the City's historic resources. In January of 1996 the Board of County Commissioners adopted similar ad valorem tax exemption provisions into Chapter 118 of the County Code. This allowed the Board to grant exemptions from County ad valorem taxation equal to 100 percent of the assessed value of all improvements to historic properties which result from the restoration, renovation or rehabilitation of such properties located in unincorporated Pinellas County and in municipalities with similar ordinances.

To date, the County has approved ad valorem property tax exemptions for 59 properties in the City of St. Petersburg, and one in the City of St. Pete Beach.

Fiscal Impact:

According to the City staff report, in 2015, the total assessed value for the five properties was \$2,286,371 and the owners of these properties paid a total of \$49,740 annually in City and County taxes. Using information provided by the City, it is estimated that the total value for the 10-year exemptions would be approximately \$62,343 in City taxes and \$49,301 in County taxes, assuming the Pinellas County Property Appraiser (PAO) assesses the improvements at fifty percent of their construction costs. In today's dollars, therefore, the County and the City would be foregoing about \$11,164 in taxes annually over the ten year tax exemption period (i.e., \$4,930 in County taxes plus \$6,234 in City taxes per year).

It should be noted, however, that the actual value of the exemption (savings to homeowner/forgone revenue to the City/County) will be determined by the PAO's assessment of the increased value resulting from the improvements and the City and County millage rates each year.

Also important to note is that the City of St. Petersburg removed the caps on the value of the exemption on commercial and residential properties that have been in place previously. In years past the value of a commercial ad valorem tax exemption was capped at \$1 million of re-assessed value based on the improvements, and \$100,000 for residential properties. Removal of this cap will result in an increased monetary value of the tax exemption received by the business owner or homeowner for any improvements that exceed \$1 million or \$100,000 in reassessed value for commercial and residential projects, respectively.

The following table summarizes the assessed value of each property in the year prior to the

improvements beginning, the taxes paid collectively to the City and the County on each property in 2015, the estimated cost of the improvements on each property, and the estimated County taxes that would be exempt from payment annually over the next ten years, assuming the Property Appraiser were to reassess the value of the property at 50% of the construction cost of the improvements..

Case #	Property	AVT File #	Pre-construction Assessed Value	Pre-construction Tax Basis (City & County)	Allowable Construction Costs	Estimated Annual Exemption of County Ad Valorem Taxes*
1	Elwyn Residence (Blair House), 836 16 th Avenue NE	#13-90400001	\$639,633	\$15,395	\$925,142	\$2,476
2	Crystal Bay Hotel (Sunset Hotel), 7401 Central Avenue	#14-90400008	\$1,069,400	\$23,484	\$447,980	\$1,199
3	Hanson/Lucas Residence, 936 17 th Avenue NE	#14-90400007	\$348,784	\$6,768	\$255,013	\$683
4	Ulrich Residence (Thomas Whitted House), 656 1 st Street N	#15-90400001	\$218,835	\$3,880	\$33,085	\$89
5	Everett Residence (Henry Bryan House), 1224 Dr. Martin Luther King, Jr. Street S	#14-90400009	\$9,719	\$213	\$180,523	\$483
Totals			\$2,286,371	\$49,740	\$1,841,743	\$4,930

*Assuming the Pinellas County Property Appraiser assesses the improvements at fifty percent of their construction costs.

Staff Member Responsible:

Gordon Beardslee, Director, Planning Department

Partners:

City of St. Petersburg

Attachments:

- St. Petersburg City Council Agenda Report
- City AVT Reports & Resolutions
- 836 16th Avenue Northeast - Proposed County Resolution
- 7401 Central Avenue - Proposed County Resolution
- 936 17th Avenue Northeast - Proposed County Resolution
- 656 1st Street North - Proposed County Resolution
- 1224 Dr. Martin Luther King Jr. St. South - Proposed County Resolution
- 836 16th Avenue Northeast - Covenant
- 7401 Central Avenue - Covenant
- 936 17th Avenue Northeast - Covenant

656 1st Street North - Covenant
1224 Dr. Martin Luther King Jr. St. South - Covenant