



Pinellas County

Staff Report

File #: 22-0997A, **Version:** 1

Subject:

Historic preservation ad valorem tax exemptions for two recently rehabilitated historic properties located in the City of St. Petersburg.

Recommended Action:

Approval of the resolutions authorizing a County historic preservation ad valorem tax exemption for each of the two recently rehabilitated historic properties in the City of St. Petersburg located at the following addresses:

- The residence at 801 28th Avenue North, formerly Grace Lutheran Church, designated as a local historic landmark listed in the St. Petersburg Register of Historic Places.
- The residence at 320 6th Avenue North designated as a contributing property in the North Shore National Register Historic District.

Authorize the Chairman to be a signatory party on the associated historic preservation covenant for each property and the Clerk of the Circuit Court to attest the resolutions and associated covenants.

Strategic Plan:

Practice Superior Environmental Stewardship

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

Foster Continual Economic Growth and Vitality

4.3 Catalyze redevelopment through planning and regulatory programs

Deliver First Class Services to the Public and Our Customers

5.1 Maximize partner relationships and public outreach

Summary:

The City of St. Petersburg has recommended that Pinellas County approve historic preservation ad valorem tax exemptions for two (2) property owners who have recently completed rehabilitation projects on two (2) designated historic properties in the City of St. Petersburg. The designated historic properties are:

- The residence at 801 28th Avenue North, formerly Grace Lutheran Church, designated as a local historic landmark listed in the St. Petersburg Register of Historic Places (PID# 07-31-17-28332-000-0860).
- The residence at 320 6th Avenue North designated as a contributing property in the North Shore

National Register Historic District (PID# 18-31-17-90576-003-0031).

The tax exemption applies only to the increase in the value of improvements after rehabilitation, as determined by the Pinellas County Property Appraiser. The exemption of County ad valorem taxes is for a period of ten (10) years. Work for each project has been reviewed and certified by historic preservation staff with the St. Petersburg Planning & Zoning Department. The St. Petersburg City Council has approved a resolution for each of the two properties granting a historic preservation exemption of the increase in City ad valorem taxes for a period of (10) ten years as follows:

- 801 28th Avenue North as per City Resolution #2022-188 approved on 04/21/22
- 320 6th Avenue North as per City Resolution #2022-189 approved on 04/21/22

A copy of the executed City of St Petersburg resolutions are provided as an attachment to this agenda item. City staff reports identifying the specific improvements made to each historic building and the associated historic preservation covenant for each of the five properties have been reviewed by staff in the Pinellas County Housing & Community Development Department. County staff findings conclude that the information, project work, and city approvals for each request are consistent with the intent of the historic preservation tax exemption program authorized under Chapter 118, Article V, Pinellas County Code.

County staff recommends APPROVAL of the two (2) requested historic preservation tax exemptions for the designated historic properties referenced above and execution of the associated resolutions and covenants.

Background Information:

In 1992, the citizens of Florida passed an amendment to the state constitution enabling counties and municipalities to adopt ordinances that allow owners of designated historic properties to apply for historic preservation ad valorem tax exemptions when making substantial renovations and improvements. The Florida Legislature adopted Chapters 196.1997 and Chapter 196.1998, Florida Statutes that establish parameters and requirements for these historic preservation tax exemptions. Specifically, up to a ten-year exemption is allowed on up to 100% of the assessed value of improvements made to designated historic properties.

In January 1996, the Pinellas County Board of County Commissioners adopted an ordinance (Chapter 118, Article V, Pinellas County Code) providing for the historic preservation ad valorem tax exemptions to be ten (10) years in duration on 100% of the assessed value of improvements made in rehabilitating a designated historic property.

Eligible properties include buildings individually listed on the National Register of Historic Places; listed as a contributing resource in a National Register Historic District; designated as a historic property by local ordinance; or designated by ordinance as a contributing property in a local historic district. The County's tax exemption is available to owners of eligible historic properties in the unincorporated area and in municipalities that have adopted the historic preservation tax exemption ordinance.

To date, the County has approved the historic preservation ad valorem tax exemption for 81 applicants.

Fiscal Impact:

Staff with the City of St. Petersburg has provided the following information to estimate fiscal impact:

| Property Address | Pre-construction Assessed Value | Pre-construction Tax Basis | Qualifying Rehab. Costs |
|------------------------------|---------------------------------|----------------------------|-------------------------|
| 801 28 th Ave N | \$377,766 | \$8,143.49 | \$477,553.31 |
| 320 6 th Avenue N | \$358,541 | \$7,729.07 | \$171,350. |

The “Pre-construction Tax Basis” in the table above represents what the property owners owed in ad valorem taxes before construction work started—a total of \$15,872.56. This amount, along with any inflationary increases or tax adjustments, will continue to be the annual amount due for each property owner during the 10-year exemption period. The exemption applies only to the increase in market value of the subject property resulting from the improvements as determined by the Pinellas County Property Appraiser. The Property Appraiser’s Office will consider the “Qualifying Rehabilitation Costs” when reassessing the property after approval of the exemptions by the St. Petersburg City Council and Pinellas Board of County Commissioners.

The combined eligible millage rate for the ad valorem exemption is currently 11.667 (6.650 City, 5.017 County) for the subject properties. On average, qualified property owners would save \$116.67 for every \$10,000 increase in assessed value after rehabilitation if the exemption is granted. However, the total tax exemption to be realized at the end of the 10-year period depends on future market value, which is calculated annually using established appraisal formulas. Therefore, the total dollar value of these exemptions cannot be effectively predicted.

Past performance of historic preservation tax exemptions in the City of St. Petersburg granted since 2016 show a combined city/county tax savings average of \$1,587.84 per year. The range of tax savings are from a low of \$44 per year to a high of \$3,588 per year.

Staff Member Responsible:

Carol Stricklin, Director, Housing & Community Development
Tom Scofield, Principal Planner, Housing & Community Development

Partners:

City of St. Petersburg

Attachments:

- BCC Resolution, 801 28th Avenue North - PROPOSED
- BCC Resolution, 320 6th Avenue North - PROPOSED
- City Staff Reports (2)
- City Resolutions (2)
- Chap 118, Article V, PCC
- Example of historic preservation covenant