

HISTORIC NEIGHBORHOOD IMPROVEMENT ZONE (HNIZ) TAX EXEMPTION CHECKLIST

- Approval Process Flowchart
- Application Checklist
- HNIZ Program Guidelines
- Limits of HNIZ
- Application



HNIZ TAX EXEMPTION APPROVAL PROCESS

There are three (3) HNIZ Tax Exemption Levels:

- Level 1 - 100% one-time Tax Exemption for a period of 7 years.*
- Level 2 - 50% Tax Exemption for a period of 15 years.
- Level 3 - 30% Tax Exemption for a period of 15 years

Some properties may qualify for an exemption period of 15 years

See the charts below for an outline of the typical steps involved in the approval process:

Level 1 Process	
Step 1	Historic Marker & HNIZ Application Submittal – A complete application is submitted to the Planning Department for review. To qualify for a Level 1 Exemption, the property must first be designated as a Historic Marker. HNIZ & Historic Marker applications can be submitted simultaneously.
Step 2	Staff Review – The Historic Preservation Officer reviews the submittal and forwards the application to the Historic Preservation Advisory Board (HPAB) with a recommendation based on the HNIZ Program Guidelines.
Step 3	HPAB Consideration and Action – The HPAB will hold a public hearing to consider approval of the Historic Marker designation and HNIZ Level 1 Tax Exemption. If approved, the owner/applicant will be responsible for purchasing and posting the Historic Marker.
Step 4	Tax Exemption Notification – Upon approval of the tax exemption, the Historic Preservation Officer will notify the Collin Central Appraisal District of the tax exemption. <i>*please note depending on the time of approval, the start date of the exemption may be delayed until the following tax year*</i>

Level 2 & 3 Process	
Step 1	HNIZ Application Submittal – A complete application is submitted to the Planning Department for review. Depending on the scope of work a Certificate of Appropriateness may be required prior to processing of the HNIZ application.
Step 2	Staff Review – The Historic Preservation Officer reviews the submittal for eligibility based on the HNIZ Program Guidelines and issues a Letter of Eligibility for the proposed work.
Step 3	Improvements Made – The applicant makes the proposed improvements to the property.
Step 4	Invoice Submittal & Inspection – The applicant submits invoices for the work performed and the Historic Preservation Officer conducts an inspection of the work.
Step 5	Building & Standards Commission – The Historic Preservation Officer will present the application to the HPAB for approval of the tax exemption.
Step 6	Tax Exemption Notification – Upon approval of the tax exemption, the Historic Preservation Officer will notify the Collin Central Appraisal District of the tax exemption. <i>*please note depending on the time of approval, the start date of the exemption may be delayed until the following tax year*</i>

APPLICATION CHECKLIST

SUBMIT A COMPACT DISC (CD) CONTAINING THE FOLLOWING:

- HNIZ APPLICATION** *must be completely filled out and signed by the owner* then scanned to CD in a separate .pdf file.
- LETTER OUTLINING PROPOSED WORK** (separate .pdf file on CD)
- PHOTOGRAPHS OF ALL 4 ELEVATIONS** (separate .pdf file or image file on CD)
- HISTORIC BUILDING MARKER APPLICATION** *only required if seeking a Level 1 Exemption* (separate .pdf file on CD)
- RELEVANT SUPPORTING INFORMATION** (separate .pdf file on CD)

NOTE

Depending on the scope of work a CERTIFICATE OF APPROPRIATENESS may be required prior to receiving a letter of eligibility

HNIZ PROGRAM GUIDELINES

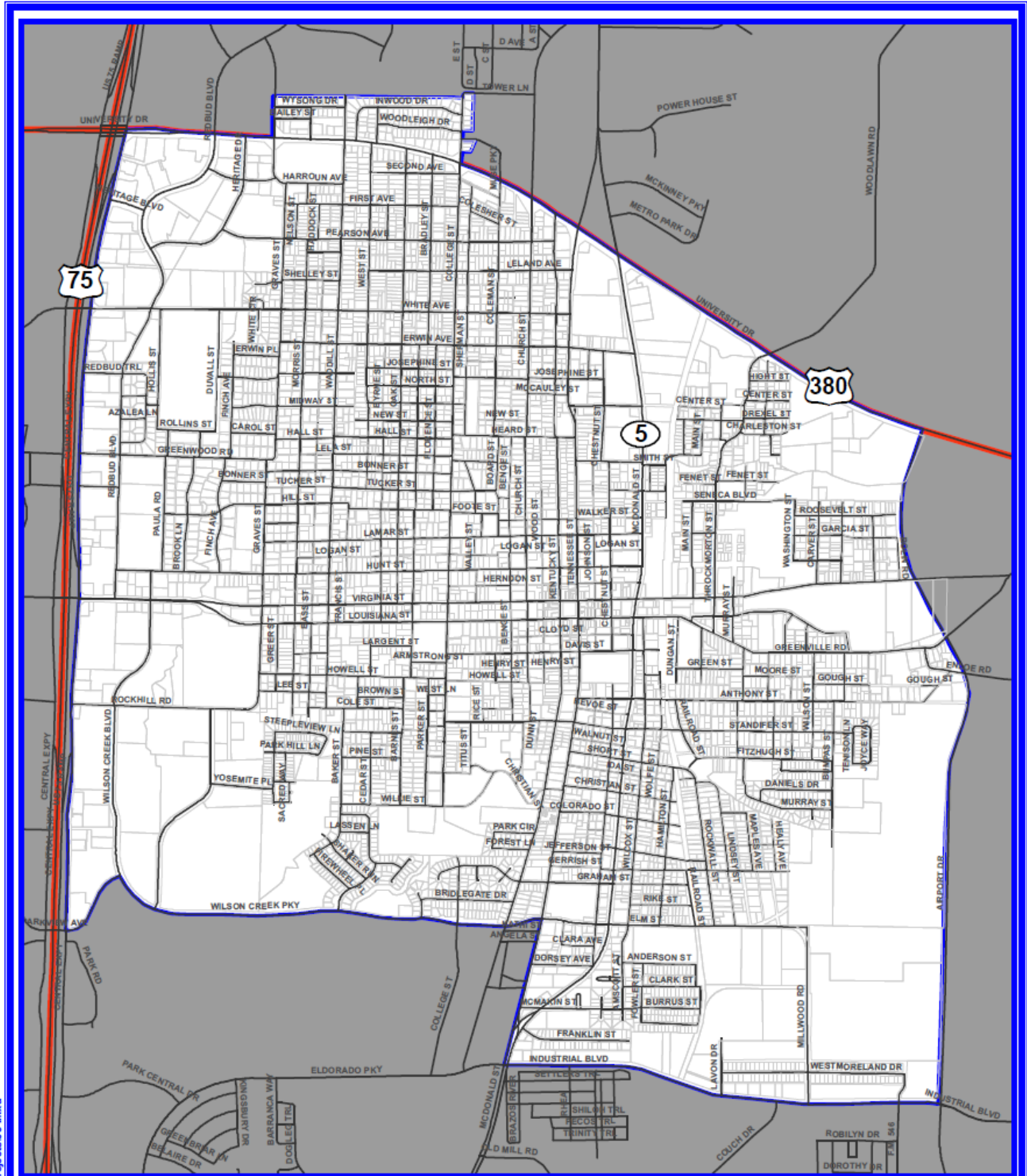
Level 1: Residential properties which have received the designation of the Historic Marker Program by the HPAB prior to November 19, 2013 are eligible to receive a one-time, 100% exemption of the City's ad valorem taxes for a period of fifteen (15) years. Residential properties which receive the designation of the Historic Marker Program by the HPAB on or after November 19, 2013 are eligible to receive a one-time, 100% exemption of the City's ad valorem taxes for a period of seven (7) years. The process and criteria for receiving the Historic Marker designation are as follows:

Purpose: The purpose of the Marker Program is to encourage owners of historic properties to become actively involved in the preservation of McKinney's historic past through the recognition of historic events, people, and architecture.

- a. *The marker, if awarded, would allow the owner of the building to apply for an ad valorem tax incentive provided the building has been rehabilitated or restored according to the Secretary of the Interior's Standards.*
- b. *In order to obtain a marker, the following requirements must be met:*
 1. *Written documented history.*
 2. *The building must be a minimum of 50 years of age*
 3. *The house must be located within the HNIZ*
 4. *Photo documentation of all four elevations using black and white photos with negatives, color slides, and copies of any available historic photographs.*
 5. *Legal description of the property with a location map.*
 6. *Site plan of the property.*
- c. *The application is reviewed by the Historic Preservation Officer (HPO). The HPO may ask for additions or revisions to the documentation if necessary. Once the application is completed the HPO will send a staff report to the Historic Preservation Advisory Board (HPAB) for approval or denial of the historic marker application, with appropriate appeals to the City Council.*
- d. *If awarded, the owner may purchase and display the marker.*
- e. *If the HPAB approves the marker the applicant may make application to the HPO for a tax incentive and would receive approval by the HPAB, with appropriate appeals to the City Council, provided the building has architectural integrity and has been properly rehabilitated/restored and maintained. The marker and tax incentive may be sought simultaneously or separately.*

Level 2: Owners shall submit plans for exterior improvements to residential properties to the HPO. The owner may then receive a letter of eligibility if the improvements qualify for the Program. Thereafter, owners who make verified exterior improvements (however limited to comprehensive maintenance and rehabilitation painting, roof, windows, foundation, and siding) consistent with applicable codes, both historic district and building codes, as applicable, in any 12-month period beginning with receipt of a letter of eligibility and having a combined cost in excess of \$10,000, during that 12-month period, may receive an exemption of 50% of the City's ad valorem taxes for a period of fifteen (15) years, as finally determined by applications submitted to the Building and Standards Commission. Owners may submit additional applications under Level 2 during any period of exemption. If such applications are approved, the exemption period shall be extended from the date of the last approval. In such event, the exemption periods run concurrently until the earliest approval expires and continues until the latter approval expires.

Level 3: Owners shall submit plans for improvements to residential properties to the HPO and to the Building Permits department. The owner may receive a letter of eligibility, if the improvements qualify for the Program. Owners who make verified exterior improvements (however limited to comprehensive maintenance and rehabilitation painting, roof, windows, foundation, and siding) consistent with applicable codes, both historic district and building codes, as applicable, or who make verified interior improvements to upgrade interior systems to current building codes (however limited to sanitary sewer lines, fire, HVAC, insulation, electrical, plumbing, or a combination of interior or exterior improvements) in any 12-month period beginning with receipt of a letter of eligibility and having a combined cost in excess of \$5,000, during that 12-month period may receive an exemption of 30% of the City's ad valorem taxes for a period of fifteen (15) years, as finally determined by applications submitted to the Building and Standards Commission. If an owner submits plans for additional improvements under Level 2 or Level 3 during any period of exemption previously granted under Level 3, such owner, upon approval of the Building and Standards Commission, shall receive an exemption of 50% of the ad valorem taxes for a period of 15 years from the date of such approval.



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Exhibit A
HNIZ and NEZ
(Historic Neighborhood Improvement Zone
and (Neighborhood Empowerment Zone)



DISCLAIMER: This map and information contained in it were developed exclusively for use by the City of McKinney. Any use or reliance on this map by anyone else is at that party's risk and without liability to the City of McKinney, it's officials or employees for any discrepancies, errors, or variances which may exist.



PLANNING DEPARTMENT

**HISTORIC NEIGHBORHOOD IMPROVEMENT ZONE
TAX EXEMPTION PROGRAM
APPLICATION FOR LETTER OF ELIGIBILITY**

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED
PLEASE REFER TO THE "LIST OF REQUIRED ATTACHMENTS"**

By signing this Application for a Letter of Eligibility for the Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program, the applicant affirms:

1. All submitted information for this application represents an accurate description of the proposed work.
2. Filing an application does not guarantee approval of a Letter of Eligibility.
3. It is understood that approval of this application by the Historic Preservation Officer in no way constitutes approval of a building permit or other required City permit approvals.
4. The applicant certifies that the project described in this application will be constructed in exact

ADDRESS OF PROPERTY: _____

OWNER: _____

Name (Print): _____

Mailing Address: _____

City, State, & Zip: _____

Phone: _____

Fax: _____

E-mail: _____

OWNER SIGNATURE: _____

REQUIRED ATTACHMENTS:

- Photographs of all 4 elevations
- Letter outlining proposed work
- Historical Marker Application (*Level 1 Exemption only*)

* Please note a Certificate of Appropriateness may be required for any proposed work*

TAX EXEMPTION LEVEL REQUESTED:

- Level 1
- Level 2
- Level 3