

AN ORDINANCE OF THE CITY OF ENNIS, TEXAS AMENDING ORDINANCE NO. 89-4-6 ENTITLED HISTORIC DISTRICTS AND LANDMARKS ZONING ORDINANCE; PROVIDING FOR ADDITIONAL TAX ABATEMENT PROGRAMS FOR CERTAIN NON-RESIDENTIAL PROPERTY LOCATED IN HISTORIC DOWNTOWN ENNIS; CONTAINING A SEPARABILITY CLAUSE AND PROVIDING FOR THE PUBLICATION THEREOF.

NOW THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF ENNIS, TEXAS:

SECTION 1.

Pursuant to authority granted to the City of Ennis as reflected in the Texas Tax Code and the Texas Local Government Code wherein the City is empowered to protect and preserve places and areas of historic and cultural importance and significance the City Commission of Ennis, Texas does hereby amend Section 7 entitled Tax Abatement of Ordinance 89-4-6 as follows:

SECTION 2.

The City Commission upon the advise and consent of the Historic Landmark Commission pursuant to Section 2(g)(11) of Ordinance 89-4-6 does hereby amend Section 7 of Ordinance 89-4-6 by adding part (c) to Section 7. Part (c) shall be as follows:

(c)

- (1) Historic landmark structures which are non-residential and which are listed on the National or Texas Register of Historic Places or which are located in the designated historic downtown area, as shown on the downtown historic district map attached hereto and incorporated herein for all intents and purposes, shall be eligible for historic reinvestment tax abatements upon the terms and conditions as hereinafter ordained.
- (2) Eligible historic landmark structures shall be entitled to reinvestment tax abatement equal to the amount of investment completed within a calendar year. The maximum tax abatement for a project shall not exceed the annual tax liability of the real property. The investments eligible shall be investments made for structural repairs and improvements, electrical repairs and improvements, plumbing repairs and improvements, mechanical repairs and improvements, interior repairs and improvements or exterior restoration. Taxes incurred for investment in personal property shall not be eligible for abatement. Each landowner who desires to apply for a historic reinvestment tax abatement shall apply for said abatement on or before May 1st of the year the tax abatement is to be granted. The abatement, if granted, shall be applicable to only one year. Subsequent abatements for additional projects must be applied for each year.

MAY 1 APPLICATIONS DUE  
OCT 1 REPAIRS COMPLETE

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Application shall be made on the official form promulgated by the City of Ennis, Texas.

- (3) In addition to the above requirements, each applicant must submit documentation reflecting the cost of the eligible reinvestment project, complete the reinvestment project within the agreed time frame and if facade restoration is contemplated the project must comply with the United States Secretary of Interior's Standards for Historic Restoration. All contemplated reinvestment projects must be approved by the City of Ennis and all facade restoration projects must also be approved by the Ennis Historic Landmark Commission. The applicant must secure all City permits and must secure periodic City inspection of the project to insure proper completion of the project.

SECTION 3.

All provisions of Ordinance 89-4-6 shall remain in full force and effect except as may be amended herein.

SECTION 4. SEPARABILITY

If any section, paragraph, subdivision, clause, phrase or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part so decided to be invalid or unconstitutional.

SECTION 5. PUBLICATION AND PASSAGE

This Ordinance shall take effect immediately from and after its passage and publication in accordance with law and with the Charter of the City of Ennis and it is accordingly ordained.

PASSED AND APPROVED on First reading this 7<sup>th</sup> day of February, 1994 and on Second Reading the 21<sup>st</sup> day of February, 1994.

CITY OF ENNIS, TEXAS

BY: *Bill Lewis*  
BILL LEWIS, Mayor  
*for*

ATTEST:

*Wynell Rose*  
WYNELL ROSE,  
City Secretary

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January 17, 1994

TO: CITY COMMISSION  
FROM: CITY MANAGER  
SUBJECT: PROPOSAL FOR HISTORIC REINVESTMENT TAX  
ABATEMENT PROGRAM

BACKGROUND -- At the present time the City of Ennis, Texas, offers historic tax abatements for historic properties listed on the National or Texas Register of Historic Places (Ordinance No. 89-4-6). The abatement is for 25% of the value of the property up to \$25,000.00 valuation.

To be eligible for the abatement, the property owner must conduct exterior modifications or exterior improvements in accordance with the Secretary of Interior's Standards for Historic Preservation Projects, receive a certificate of appropriateness from the Ennis Historic Landmark Commission for exterior modifications or improvements and apply for the abatement annually before February 1st in the year in which the abatement is to be granted.

PROBLEM -- During Ennis' participation in the Texas Main Street Program, 134 jobs were created and \$1.49 million was invested in historic downtown Ennis. Since the conclusion of the Main Street Program, investment in historic downtown Ennis has declined and much, if not all, of the gain in new jobs has been lost.

While retail sales within the City of Ennis have grown from \$106.4 million to \$149 million (40.03 percent) in the past four years, reports from downtown merchants indicate that their sales growth has not kept pace with city-wide growth in retail sales.

Further, the imminent opening of the U.S. Highway 287 Ennis By-pass will remove approximately 6,000 vehicles per day from Ennis Avenue. The removal of this through traffic will have certain positive effects, but will also have the negative effect of reducing impulse sales generated by through traffic and will gradually condition the traveling public (tourists, potential future residents and potential commercial and industrial investors) to forget the positive attributes of the developed area of Ennis.



Downtown Ennis is important to all of Ennis because of its historic significance, its charm, its visual appeal, its tourist draw and its economic role in the overall welfare of the City and its people. Continued deterioration of the building stock in the downtown area will have the effect of ultimately reducing the economic viability of the downtown area and endangering investment due to the increased probability of structural failures, fires and other losses associated with deteriorating building conditions in the downtown area.

**OBJECTIVES** -- The City of Ennis desires to encourage economic development, job creation and investment in all sectors of the Ennis economy. The City of Ennis desires to use public policy to induce the preservation of irreplaceable public assets such as the historic downtown area.

**PROPOSAL** -- It is proposed that the City of Ennis offer Historic Reinvestment Tax Abatements for reinvestment made in the improvement of non-residential property listed on the National or Texas Register of Historic Places and located in historic downtown Ennis (Enclosure, Historic District Map). The Historic Reinvestment Tax Abatement Program will be conducted in full compliance with the Texas Property Tax Code (Enclosure, Section 11 - Historic Sites).

The investment in the structural, electrical, plumbing, mechanical, interior or exterior restoration of an eligible non-residential property would result in a dollar for dollar reduction, or abatement, of the tax liability for real property and improvements (excluding personal property).

Example: If the real property and improvement tax liability for Business A was \$2,000.00 after all other exemptions, and Business A invested a total of \$1,600.00 in electrical improvements and facade restoration; then, the tax liability would only be \$400.00

The Historic Reinvestment Tax Abatement Program would require the following:

1. City approval of the reinvestment activity prior to improvement and Ennis Historic Landmark Commission Approval for facade restoration.
2. City permitting (as required by law) and inspection of the reinvestment activity to insure proper completion of the activity.



3. Completion of all facade restoration reinvestment activities in accordance with the Secretary of Interior's Standards for Historic Restoration Projects.
4. Completion of approved reinvestment activities within the time period agreed upon.
5. Submittal of documentation of cost for reinvestment activities.
6. Application for historic reinvestment tax abatement prior to May 1 in the year the tax abatement is to be granted.

Historic reinvestment abatements would only be good for one tax year. However abatements may be granted annually in the amount of the annual investment.

**FISCAL IMPACT** -- Currently there are 75 tax parcels that are eligible for the proposed historic reinvestment tax abatement program in the historic downtown area. These tax parcels have a combined ad valorem tax valuation of \$4,843,770. Should each eligible property be granted a historic reinvestment tax abatement, the loss in tax revenue would amount to \$29,983 (approximately one tenth of one percent of total FY 1993-94 budgeted ad valorem tax revenue).

**ADDITIONAL REINVESTMENT INDUCEMENTS** -- A major factor in the success of the Main Street Program was the availability of low interest loans provided by local lending institutions for the purpose of historic preservation.

Local lending institutions have provided assurances that a \$1 million low interest loan pool would be developed for the purpose of reinvestment in historic non-residential properties in the downtown area if the historic reinvest tax abatement program is adopted. Loans would be made to qualified borrowers at a rate equal to or below prime.


**IMPLEMENTATION** -- Implementation of the proposed Historic Reinvestment Tax Abatement Program will require the adoption of an ordinance amending (adding to) Ordinance No. 89-4-6. Further, extensive publication of the existence of the program will be required by the City, the Ennis Chamber of Commerce and other local business associations.



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If the City Commission desires to implement the proposed Historic Reinvestment Tax Abatement Program, the appropriate amending ordinance, could be prepared for first reading at the February 7, 1994, City Commission Meeting.

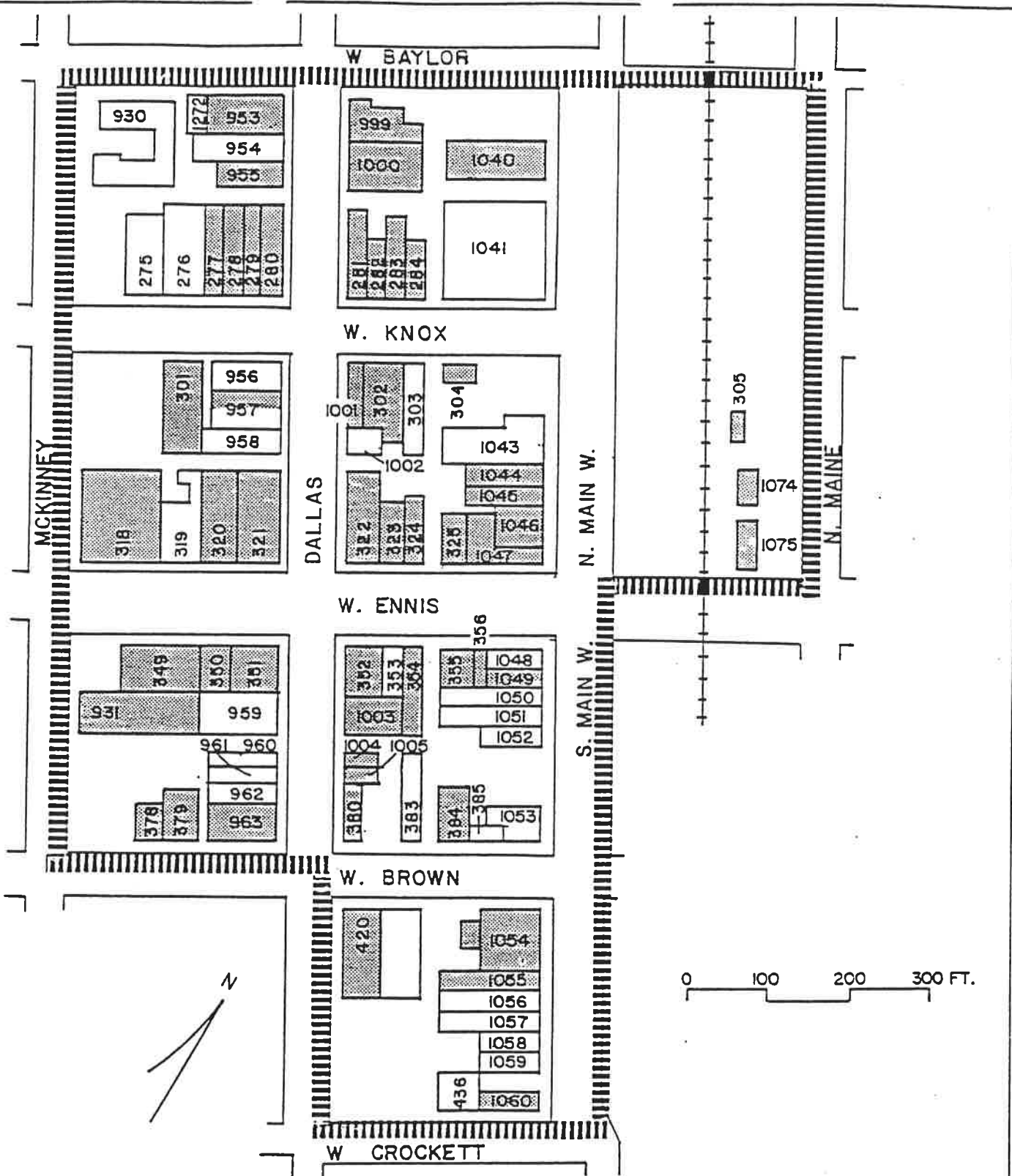
Should you have any questions or comments, please do not hesitate to let me know.



STEVE HOWERTON  
City Manager

GSH:hhh  
Enclosure (2)





ENNIS COMMERCIAL HISTORIC DISTRICT

CONTRIBUTING STRUCTURES  
 NON-CONTRIBUTING STRUCTURES  
 BOUNDARY

