

Historic Tax Incentive For 507 S. Harwood – Masonic Lodge

January 20, 2009
Economic Development Committee



Request

- Review of a proposed historic preservation tax incentive over \$50,000 for the Masonic Lodge located at 507 S. Harwood.
- Applicant is seeking an Urban Exemption Based on Major Rehab under the historic preservation tax incentive program.
- Historic Tax Incentive Program was reviewed and approved by the Dallas City Council on November 26, 2007.
- Current request complies with all policy and procedures in this recently approved program.

Overview of Historic Tax Incentives Program

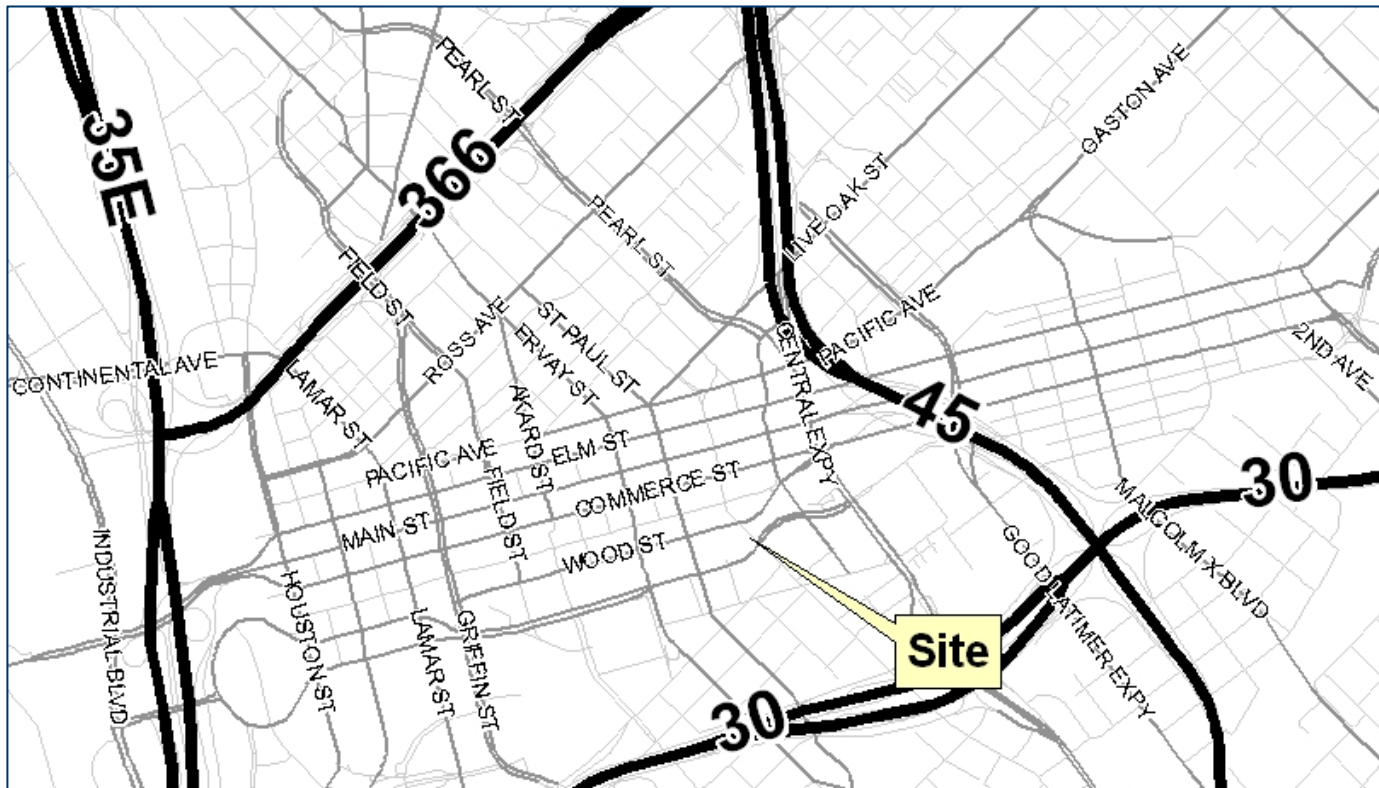
Category	Type	Percent of DCAD Improvement Value needed to meet the required expenditure	Amount of City of Dallas taxes exempted	Duration of the exemption
Urban Exemptions	Based on Major Rehab	75%	100%	10 years
	Based on Rehab	50%	Added Value	10 years
	Residential / ground floor conversion	50% must be converted to residential and 65% of street frontage must be converted to ground floor retail	100%	5 years
Revitalizing Exemptions	Based on Rehab	25%	100%	10 years
	Maintenance	3%	Added Value	3 years
Citywide Exemptions	Based on Rehab	50%	Added Value	10 years
	Endangered Property	25%	100%	10 years
Non-profit Exemptions	Non-profit	Be a not-for-profit with a designated historic landmark that is open to the public	100%	As long as the building remains a not-for-profit that is open to the public

Historic Tax Incentive Program

- Urban Exemptions

- The “Based on Major Rehab” exemption allows for up to a 100% exemption of the city portion of the property taxes for a ten year period.
- To qualify for this exemption, the cost of rehabilitation must exceed 75 percent of the pre-rehabilitation value of the structure.
- This provides for up to a 100% exemption of the city portion of the property taxes for up to a total of 10 years.

Location



Background

- This is in the Harwood Historic District (No. 48).
- The Masonic Temple is an Art Moderne building that was built in 1941.
- The property is owned by the Masonic Lodge Corporation, which is owned by five fraternal organizations that occupy and operate the building.
- This application was approved by the Landmark Commission in January of 2008.

Background

- These lodge organizations are considered to be non-profit fraternal organizations and are designated as a 501(c)2, which unlike a 501(c)3 does not exempt their organization from paying taxes. Because this property is a 501(c)2, it does not qualify for the exemption available to nonprofits.
- These lodges are focused mainly on education and annually offer about \$75,000 in scholarships to the Dallas community.

2008 Values

Pre-rehabilitation Improvements Value:	\$1,000
Pre-rehabilitation Land Value:	\$1,027,800
Total Pre-rehabilitation Value	\$1,028,800
Minimum Required Expenditures (75% of pre-habilitation improvement value) :	\$750
Estimated Total Expenditures:	\$4,856





Recommendation

- Approval of the application for a Certificate of Eligibility for a period of 10 years.
- This application meets all of the requirements of the Historic Preservation Tax Incentive Program ordinance that was approved by the City Council on November 26, 2007.