

## Motion Sheet

I move to provide the following direction:

The City manager is directed to initiate a process to reform the historic tax exemption program to advance equity and align with the historic tax abatement and Transfer of Development Rights recommendations in the Equity Based Historic Preservation Plan. The process should incorporate best practices from other cities, UT Law Clinic recommendations, and feedback from community engagement.

As part of this process, the City Manager is directed to return by June 2025 with specific changes ready for Council action for any new applications of the historic tax exemption, considering the following:

1. Decoupling the exemption from zoning,
2. Developing program criteria,
3. Assessing the need for assistance by a property owner for preservation,
4. Limiting exemptions to historical structures as opposed to a complete site,
5. Monitoring for compliance,
6. Establishing penalties for non-compliance, and
7. Creating a time-limited property tax exemption.

The City Manager is directed to return with mid-term and long-term strategies for historic tax exemption reform as part of a comprehensive historic tax incentive package.

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Rationale: Tax incentives are a useful best practice for maintaining historic properties and staff recommends shifting to a project-based approach for demonstrable economic impact. However, the City's current historic tax exemption is in perpetuity and tied to receiving historic zoning. According to the Implementation Plan and staff memo, City staff expect to expand the tax abatement program and work toward creating a Transfer of Development Rights (TDR) program. Further direction is needed to ensure reform to the historic tax exemption program at the same time as expanding the tax abatement program options to address existing and perpetuating future inequity.