

Background on Landmarks Abatements Issue (9-2-10)

An unprecedented recent increase in the number of owner-initiated Historic Landmark designation applications raised concerns about the rising cost of Landmark tax abatements to the City's coffers. In response, the City Council placed temporary restrictions on the number of nominations to be considered monthly and directed the Historic Landmark Commission to review the Landmarks program and present recommendations, including a method of limiting the tax abatements for historically designated properties.

Some critics have seized on the current situation to attack the city's entire preservation program, including the fledging local historic district program. They have used a variety of arguments and inflammatory rhetoric to undermine the City's long-term commitment to historic preservation. Focusing on the tax abatements granted to historic landmarks, they have capitalized on the public's general concern about high property taxes to incite opposition to the recent designation of many of the nominations in West Austin, an area that until recently was underrepresented in designated landmarks. They have incorrectly framed the conversation to portray historic preservation as a drain on the City's resources, rather than as a proven generator of economic vitality.

The Heritage Society of Austin welcomes this review of the preservation program as an opportunity to study and update Austin's policies. We are working with the Historic Landmark Commission in its review of the Landmarks program and will assist them in any way possible. We are pleased that this study will focus on Austin's peer cities' best practices of incentives for Local Historic Districts and Historic Landmark Zoning, with the goal of making recommendations to ensure that Austin's program is carefully and thoughtfully constructed to support the goals of the program and ensure its maximum results.

HSA was pleased that the City Council included our recommendation that the preservation ordinance be amended to ban all zoning cases brought on a contingency fee basis. This prohibition discourages the speculative pursuit of landmark zoning by commercial historic researchers who recruit property owners to file Landmark nominations, then charge no fees to the property owner but instead take a percentage of the tax reduction. This practice meant an applicant has no risk, and it created an incentive to pursue clients based on the agent's economic interests rather than merit. It also generated an artificially high number of applications and thus placed an undue burden on City preservation staff.

The Heritage Society of Austin will continue to actively monitor and be involved in the review of the Historic Landmark program. We will keep our membership informed, and hope all members will join us in supporting any positive changes to strengthen Austin's preservation program.