Local Tax Exemptions

The heritage preservation tax exemption ordinance was originally passed by City Council in 1984 for the purpose of providing tax relief needed to encourage preservation and maintenance of the historic structures of the city. The money saved by participating in the program is meant to be used by the participant to make improvements and repairs to the structure or site. The Tax Exemption Program offers a partial exemption based on the improvements value on the heritage property; the exemption will not affect any portion of the property taxes related to land. The percentage of tax exemption for which a property is eligible is based on the class of the historic structure and can range from 38% exemption to 100% exemption. Plano Independent School District and Collin College also participate in the city’s tax exemption program. Collin County operates a separate tax abatement program for historical properties. 82 properties received local tax exemptions in 2017, totaling $56,248 in city receipts and $234,915 for all three participating tax entities.

State and Federal Tax Credits

State and federal tax credits are available to help fund renovation/rehabilitation projects depending on the size and scope of the project. A federal tax credit worth 20% of the eligible rehabilitation costs is available for buildings listed on the National Register of Historic Places. A state tax credit worth 25% of eligible rehabilitation costs is available for buildings listed on the National Register of Historic Places, Recorded Texas Historic Landmarks, and Texas State Antiquities Landmarks. Downtown Plano is a National Register District and most of the properties within the area considered to be contributing and would be eligible for these credits.

Fire Sprinkler Program

Fire protection of Downtown Plano is a long-standing concern. Downtown was repeatedly destroyed by fire in the 1890s. Today, only a few buildings in the historic commercial core have fire sprinklers. Plano Fire-Rescue is working with downtown merchants and building owners to reduce risk and install a shared fire sprinkler system. As an incentive, the City will pay the cost of extending water lines and installing fire valves and risers to serve building groups. The merchants pay the cost of internal service lines and sprinkler heads.
Tax Increment Financing (TIF)

In 1999, the City of Plano, the Plano Independent School District, Collin County and Collin College created a tax increment finance (TIF) district to encourage economic reinvestment along the DART rail corridor. As authorized by Chapter 311 of the Tax Code, a TIF receives funding through ad valorem taxes derived from the growth of the total appraised value of property within the district occurring after the district is established. TIF funds can be spent for infrastructure, facilities and land within the district to facilitate economic reinvestment. State law grants municipalities broader development powers within a TIF district. The rehabilitation of the historic Courtyard Theatre and Cox Building rehabilitation was a project funded by the TIF.

380 Agreements

Chapter 380 of the Local Government Code gives municipalities authority to make grants and loans of funds or services to further economic development. This authority, combined with that associated with tax increment financing, is the basis for most public/private partnership development agreements.

Neighborhood Empowerment Zone (NEZ)

Authorized under Chapter 378 of the Local Government Code, the City of Plano created Neighborhood Empowerment Zone #1 in August 1999, which includes downtown and the surrounding neighborhoods. Among the powers granted by the law, cities may waive development fees within an empowerment zone to stimulate economic development, including the production and rehabilitation of affordable housing. Plano’s empowerment zone waives all development-related fees for construction, remodeling and rehabilitation of commercial buildings and single-family housing. Fees are also waived for the rehabilitation of multifamily units, provided the cost of work is greater than $8,000 per unit. The neighborhood park fee is waived for new multifamily construction. As of June 2015, $791,051 in fees have been waived, resulting from construction valued at $103,953,898.

Regulatory Incentives

A number of regulatory incentives accommodate development and reduce cost. No existing building is required to provide parking regardless of occupancy. Up to 4,500 square feet of building area may be added to a designated historic building without providing parking. New buildings are required to provide parking, but at a much lower rate than required elsewhere in the City. The Planning & Zoning Commission can decrease the amount of required parking by giving credit for nearby public parking. Buildings may cover 100 percent of the lot and be five stories in height. Live/work units are permitted on the ground floor of buildings. Building stoops, awnings, balconies and signs can extend into the street right-of-way. Where sidewalks are sufficiently wide, the City permits outside dining under a license agreement with the restaurant.

Public Improvement District (PID)

As authorized by Chapter 372 of the Local Government Code, a public improvement district (PID) may be established by petition of property owners. An assessment on properties within the boundaries of the district may be used to pay for additional security and lighting, landscaping and other public improvements, marketing and advertising, and special events. In 2014, City Council approved a PID for Downtown Plano, with a managing committee composed of property owners. The PID is anticipated to generate between $130,000 to $175,000 annually during its initial three-year term. The City contributes $50,000 annually to the PID.

For questions, contact the City’s Heritage Preservation Officer at 972-941-7151.