



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 8, 2015

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: 1, 3 & 5
DEPARTMENT

SUBJECT: PLANNING CASES P15-0531, P15-0547, P15-0556, P15-0558, P15-0559 –
MILLS ACT HISTORIC PRESERVATION CONTRACTS

ISSUE:

The issue for City Council consideration is approval of five Mills Act Contract applications (Historic Property Preservation Agreements) filed by property owners during the current application cycle.

RECOMMENDATIONS:

That the City Council:

1. Approve the Mills Act Contracts for the five properties listed below; and
2. Authorize the City Manager or his designee to execute the attached Mills Act Contracts including making minor non-substantive changes.

BACKGROUND:

The Mills Act Program was implemented by the City Council in 2004 with the adoption of Resolution No. 20825. Under the Mills Act Program, the owner of a designated historic property enters into a contract with the City where in exchange for reduced property taxes, the owner commits to investment of that savings back in the property itself. The provisions of the contract require the owner to perform work which may include rehabilitation, restoration, preservation or maintenance project valued equal to or greater than the property taxes reduction. The program provides a financial incentive to encourage the preservation of designated historic districts and individual properties throughout the City, which ultimately preserves property values and ensures the preservation of the City's tangible links to the past for future generations.

This year, six Mills Act applications were received. Five of the properties moved forward for Council action and are included in this request.

The five completed applications include ten-year plans that total approximately \$380,100 in property maintenance and improvements. The property owner names and addresses are listed below and copies of the contracts are attached. All five applications meet the City's requirements for Mills Act Contracts.

Case #	Applicant	Property Address	Ward
P15-0559	Boyd Jensen & Julie Jensen	3370 Orange Street	1
P15-0547	Stephanie Gathwaite	4069 Elmwood Court	1
P15-0531	Lana Hapeman	1945 Arroyo Drive	3
P15-0556	Mark Parrish & Nancy Parrish	8410 Cleveland Avenue	5
P15-0558	Daniel Jeske & Karin Jeske	6140 Tiburon Drive	3

FISCAL IMPACT:

Since the administration and maintenance of the Mills Act Program is accomplished with existing staff, the City will not incur any direct costs. Moreover, each of the applicants has paid the current \$137 application and \$489 contact initiation fees established by City Council resolution which help offset staff costs. However, the Mills Act provides for some property tax reductions. Because the City's share of tax revenue is relatively small (approximately 12%) and only five total new contracts are being administered during this cycle, the reduction in property tax revenue for the City will be minimal; conversely, the Program provides for some increase in property value given the continued reinvestment in the property on an annual basis.

Prepared by: Rafael Guzman, Community & Economic Development Director
 Certified as to
 availability of funds: Brent A. Mason, Finance Director/Treasurer
 Approved by: Al Zelinka, FAICP Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Mills Act Contract 3370 Orange Street
2. Mills Act Contract 4069 Elmwood Court
3. Mills Act Contract 1945 Arroyo Drive
4. Mills Act Contract 8410 Cleveland Avenue
5. Mills Act Contract 6140 Tiburon Drive