



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 14, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: 1, 2, AND 3
DEPARTMENT

**SUBJECT: MILLS ACT HISTORIC PROPERTY PRESERVATION AGREEMENTS FOR
PROPERTY TAX REDUCTION AND CORRESPONDING PROPERTY
IMPROVEMENTS WITH KATHERINE LEE CLARK OF THE 3932 RAMONA
DRIVE TRUST; DONALD T. GERBER AND MELANIE GERBER FOR 3750
ROSEWOOD PLACE; STEVEN SCOTT KOSTKA AND HOA BINH THANH LAM
FOR 2617 MISSION INN AVENUE; MICHELLE HONG FOR 4570 BEATTY
DRIVE; AND SHWUYING JONG FOR 3728 ROSEWOOD PLACE - FOR A
MINIMUM TERM OF TEN YEARS WITH ANNUAL AUTOMATIC RENEWALS**

ISSUES:

Approve Mills Act Historic Property Preservation Agreements with Katherine Lee Clark, as Trustee of the 3932 Ramona Drive Trust; Donald T. Gerber and Melanie Gerber for 3750 Rosewood Place; Steven Scott Kostka and Hoa Binh Thanh Lam for 2617 Mission Inn Avenue; Michelle Hong, 4570 Beatty Drive; and Shwuying Jong for 3728 Rosewood Place, for a minimum term of ten years with annual automatic renewals.

RECOMMENDATIONS:

That the City Council:

1. Approve the Mills Act Historic Property Preservation Agreements with Katherine Lee Clark, as Trustee of the 3932 Ramona Drive Trust, for a minimum term of ten years with annual automatic renewals;
2. Approve the Mills Act Historic Property Preservation Agreements with ; Donald T. Gerber and Melanie Gerber for 3750 Rosewood Place, a minimum term of ten years with annual automatic renewals;
3. Approve the Mills Act Historic Property Preservation Agreements with Steven Scott Kostka and Hoa Binh Thanh Lam for 2617 Mission Inn Avenue, a minimum term of ten years with annual automatic renewals;
4. Approve the Mills Act Historic Property Preservation Agreements with Michelle Hong for 4570 Beatty Drive, a minimum term of ten years with annual automatic renewals;

5. Approve the Mills Act Historic Property Preservation Agreements with Shwuying Jong for 3728 Rosewood Place, a minimum term of ten years with annual automatic renewals; and
6. Authorize the City Manager, or his designee to execute, the Mills Act Historic Property Preservation Agreements with Katherine Lee Clark, Donald T. Gerber and Melanie Gerber, Steven Scott Kostka and Hoa Binh Thanh Lam, Michelle Hong, and Shwuying Jong, 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 may enter into a contract with the City where, in exchange for reduced property taxes, the owner agrees to invest the savings back in the historic property. 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.

DISCUSSION:

This year, five Mills Act applications were received. The five completed applications include ten-year plans that total approximately \$223,268 in property maintenance and improvements. All five applications meet the City's requirements for Mills Act Contracts.

Case #	Applicant	Property Address	Ward
P17-0498	Katherine Lee Clark	3932 Ramona Drive	1
P17-0499	Donald T. Gerber and Melanie Gerber	3750 Rosewood Place	1
P17-0508	Steven Scott Kostka and Hoa Binh Thanh Lam	2617 Mission Inn Avenue	2
P17-0509	Michelle Hong	4570 Beatty Drive	3
P17-0510	Shwuying Jong	3728 Rosewood Place	1

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, the applicants paid the applicable \$404.46 application and \$3,274.08 contract initiation fees established by City Council. The Mills Act results in some property tax revenue reductions to the City. However, because the City's share of property tax revenue is relatively small and only five new contracts are proposed during this fiscal cycle, the reduction in property tax revenue to the City will be minimal. Conversely, the Mills Act Program supports an increase in property values given the required on-going maintenance and reinvestment in the property.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Mills Act Contract with Katherine Lee Clark, 3932 Ramona Drive
2. Mills Act Contract with Donald T. Gerber and Melanie Gerber, 3750 Rosewood Place
3. Mills Act Contract with Steven Scott Kostka and Hoa Binh Thanh Lam, 2617 Mission Inn Avenue
4. Mills Act Contract with Michelle Hong, 4570 Beatty Drive
5. Mills Act Contract with Shwuying Jong, 3728 Rosewood Place