



MISSION INNvest Mills Act Plus+

Community & Economic
Development Department

City Council
October 1, 2019

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BACKGROUND

On May 7, 2019, City Council approved developer selection of Lot 33 - "Riverside Alive" and asked staff to explore options available to the City relative to supporting the Historic Mission Inn Hotel & Spa and Festival of Lights and bring back a report for discussion.



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MISSION INN PROPERTIES



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POTENTIAL INCENTIVES

1. Mills Act Program
2. Property Tax Sharing Agreements
3. Sales Tax Sharing Agreements
4. Transient Occupancy Tax (TOT) Sharing Agreement
5. Business Improvement Area



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PROPOSED FRAMEWORK

1. Mills Act Program:
 - a) \$200,000 annually (City portion = \$28,000).
2. Property Tax Sharing Agreements (20 years):
 - a) Mission Inn – a Mills Act match up to \$200,000 annually;
 - b) Annex – \$200,000 annually if a reinvestment of at least \$5,000,000 is completed.
3. Transient Occupancy Tax (TOT) Sharing Agreement:
 - a) If TOT is increased, Mission Inn's portion of the increase would be returned.



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FUTURE STEPS

1. Mills Act – If the conceptual framework is approved, then a Mills Act Application could be submitted in 2020 to the Cultural Heritage Board and for final review by the City Council. The Mills Act Agreement could be effective in 2021.
2. Agreements – Prepare two Property Tax Sharing Agreements each for \$200,000 annually for 20 years to coincide with a Mills Act application for The Mission Inn Hotel and Spa and historic Annex properties for City Council approval.

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MILLS ACT ANNUAL REPORT

CONTACT INFORMATION

Property Owner: _____
Mills Act Property Address: _____
Mailing Address (if different): _____
City: _____ State: _____ Zip: _____
Daytime Telephone: _____ E-Mail Address: _____

REPORTING INFORMATION

Annual Report for the year of: _____
What were your tax savings this year? _____
(Please attach copies of your tax statement for the applicable year.)
What was the total cost of the project(s)? _____
What was (were) your project(s)? Please describe each project contributing to your required expenditures. Include the cost of each project (add additional sheets as necessary).

Would you like to revise your Ten-Year Plan? _____ (if yes, attach a revised Ten-Year Plan)



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RECOMMENDATIONS

That the City Council:

1. Approve the economic incentives for the Mills Act Plus+ framework to facilitate reinvestment and economic business development for The Mission Inn Hotel & Spa and historic Annex properties;
2. Direct staff to prepare a property tax sharing agreement in the amount of \$200,000 annually for a term of 20 years to coincide with a Mills Act award, and return to City Council for approval; and
3. Direct staff to prepare a separate property tax sharing agreement in the amount of \$200,000 annually for a term of 20 years upon completion of The Mission Inn Hotel and Spa investing a minimum of \$5 million into the historic Annex for a completed development project as evidenced by a Certificate of Occupancy, and return to City Council for approval.



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