



CITY OF LONG BEACH

C-7

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Boulevard, 3rd Floor • Long Beach, CA 90801 • (562) 570-6194 • Fax (562) 570-6068

September 6, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Mills Act historic property contract with the owners of the Art Theatre at 2025 E. 4th Street. (District 2)

DISCUSSION

The Mills Act, enacted by State Law in 1972, allows local governments to enter into tax abatement contracts with property owners of historic structures. Property owners agree to restore, maintain and preserve the property in accordance with specific historic preservation standards and conditions identified in the contract. Entering into a Mills Act contract results in a property tax reassessment by the County Assessor using the income-capitalization method, which may result in a 30 to 50 percent reduction in property tax.

On August 8, 2016, the Cultural Heritage Commission recommended the City Council approve a Mills Act historic property contract with the owners of the Art Theatre (Exhibit A). The Art Theatre building, located at 2025 E. 4th Street, was originally constructed in 1924 in the Spanish Revival style and was known as the Carter Theatre. After being damaged by the Long Beach earthquake of 1933, the building was remodeled in the Art Deco style. As part of the 1933 remodel, a freestanding ticket booth was installed in the exterior lobby area. Following the earthquake and remodel, the building was renamed the Lee Theatre. It later became the Art Theatre in the late 1940's and was designated as a Historic Landmark in 1992.

The Art Theatre is a treasured 1924 Schilling & Schilling (with Hugh Gibbs) Art Deco commercial structure at the center of Retro Row. The work plan to maintain this property over the contract term includes plaster repair to the front façade, exterior painting, polishing and upgraded maintenance to the terrazzo floor, replacement of the interior flooring, roofing, HVAC, neon and signage repairs, as well as the installation of an interpretive plaque or exhibit on site.

This matter was reviewed by Assistant City Attorney Michael J. Mais on August 15, 2016 and by Budget Analysis Officer Rhutu Amin Gharib on August 19, 2016.

SUSTAINABILITY

Implementation of the Mills Act helps retain and restore local Historic Landmarks. This work is often completed by reusing or reclaiming existing building materials and reducing construction waste as compared to new construction.

TIMING CONSIDERATIONS

City Council action on this matter is requested on September 6, 2016, to allow sufficient time for the City Attorney, the property owners and City Manager to execute and record all contracts prior to the December 30, 2016 deadline established by the Los Angeles County Assessor for placement on the tax rolls.

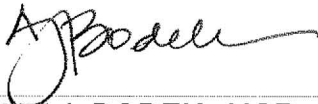
FISCAL IMPACT

As mentioned earlier, tax abatements under the Mills Act generally result in a 30 to 50 percent property tax reduction for a historic property. Based on an approximate assessed value of \$1,200,000 for the proposed Mills Act historic property, the City could experience an annual decrease of property tax revenue to the General Fund (GF), ranging from approximately \$792 to \$1,320. For the initial ten-year term, the total estimated revenue decrease to the General Fund could range from approximately \$7,920 to \$13,200.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AJB:LT:ck
P:\Planning\City Council Items (Pending)\Council Letters\2016\2016-09-06\Art Theatre V5.docx

APPROVED:


PATRICK H. WEST
CITY MANAGER

Attachment: Exhibit A – Cultural Heritage Commission August 8, 2016 Staff Report



CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 (562) 570-5237

August 8, 2016

CHAIR AND CULTURAL HERITAGE COMMISSIONERS
City of Long Beach
California

RECOMMENDATION:

Recommend that the City Council approve a Mills Act contract for the designated historic landmark property located at 2025 E. 4th Street. (District 2)

APPLICANT: V Squared
425 E. 4th Street, Unit E
Long Beach, California 90802
(Application No. HP16-250)

REQUEST

Staff requests the Cultural Heritage Commission recommend a Mills Act contract for the property located at 2025 E. 4th Street (Exhibit A - Location Map), a designated landmark building known as the Art Theatre. In consideration for the tax abatement provided, the property owner has proposed a work plan to rehabilitate this historic building and maintain it over the 10-year contract term. (Exhibit B - Work Plan)

BACKGROUND

On July 11, 2016, the Cultural Heritage Commission conducted a public hearing and recommended that the City Council designate 11 historic landmark properties and recommended that 15 properties be approved for Mills Act contracts. At that time, staff's recommendation for Mills Act contract approval did not include the subject property, as additional time was needed for staff to evaluate the application. This review is now complete and staff is recommending approval of the Mills Act application for the Art Theatre.

The subject property was one of the 24 applications filed during the 2016 Mills Act cycle (Exhibit C - CHC Mills Act Report). A limit was established on the number of contracts awarded per year by property type with one contract reserved for commercial properties. The subject property is the only application filed for a commercial building in the 2016 cycle.

MILLS ACT APPLICATION

Located on the north side of 4th Street, the Art Theatre building was originally constructed in the Spanish Revival style in 1924 and was known as the "Carter

Theatre". After being damaged by the Long Beach earthquake of 1933, the building was remodeled in the Art Deco style. As part of the 1933 remodel, a freestanding ticket booth was installed in the exterior lobby area. Following the earthquake and remodel, the building was renamed the "Lee Theatre." It later became the "Art Theatre" in the late 1940's and was designated as a historic landmark in 1992.

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In 2007, the Cultural Heritage Commission granted a Certificate of Appropriateness for restoration and rehabilitation work on the building. The building retains its use as a single-screen movie theater and is the last remaining independent single-screen movie theater in Long Beach.

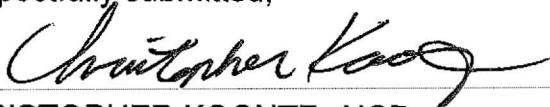
PUBLIC HEARING NOTICE

No public notice is required for the Commission's recommendation to City Council.

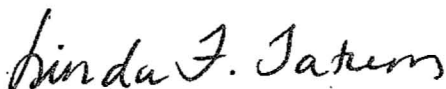
ENVIRONMENTAL REVIEW

In accordance with the 15331 Guidelines for Implementation of the California Environmental Quality Act (CEQA), environmental review is not required for actions taken for the preservation or restoration of historic structures.

Respectfully submitted,



CHRISTOPHER KOONTZ, AICP
ADVANCE PLANNING OFFICER



LINDA F. TATUM, AICP
PLANNING BUREAU MANAGER

LFT:CK:ap

Attachments: Exhibit A – Location Map
Exhibit B – Work Plan
Exhibit C – Cultural Heritage Commission – Mills Act Report, July 11, 2016.