CITY OF LONG BEACH

The City Planning Commission

333 W. Ocean Boulevard - Long Beach, CA 90802 - (562) 570-6321 - FAX (526) 570-6068

December 7, 2004

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

SUBJECT: Mills Act Historic Property Contract With the Owner of 640 West Eighth Street, an Historic Property Located in the Drake Park/Willmore City Historic District (District 1)

DISCUSSION

The Mills Act Historic Property Contract for 640 West Eighth Street was recommended by the Cultural Heritage Commission on October 20, 2004, and approved by the Planning Commission on November 4, 2004 (see attached Planning Commission staff report).

The Mills Act was enacted as state legislation in 1972 and amended in 1984. The Mills Act Historic Property Contract is a contractual agreement between the City and a property owner allowing a reassessment and reduction in property taxes in return for historic preservation and restoration of a qualified property. To qualify, a property must be officially designated as historic, either as an individual landmark or as a contributing building in a historic district. In reviewing candidates for Mills Act contracts, the Cultural Heritage Commission seeks owners with a strong commitment to preserve and restore their property, and where the restoration will have a demonstrable public benefit. The resulting tax savings from a Mills Act contract assist an owner with the financial burdens of preserving and restoring an historic building.

The subject property is a Colonial Revival multi-family residence constructed in 1924. It is a contributing property in the Drake Park/Willmore City Historic District, designated by ordinance C-7193 dated April 6, 1994. This intact, ornate four-plex is located in one of the City's first housing tracts. It is an outstanding historic property in the district. The structure was deteriorated when purchased by the current owner, who has undertaken an enormous effort in rehabilitation and restoration, retaining the historically important architectural features. The owner is aware of his obligations under the contract and readily accepts them.

- <u>Term</u>: Ten years.
- <u>Option to Renew</u>: Renewed automatically annually, unless or until discontinued by either party.
- <u>Restoration work</u>: Over the next ten years, the owner intends to undertake repairing and repointing the brick façade and provide landscaping and general upkeep and maintenance to retain the historic integrity of the building.

This report was reviewed by Assistant City Attorney Michael Mais on November 23, 2004, and by Budget Management Officer David Wodynski on November 19, 2004.

TIMING CONSIDERATIONS

City Council action is requested on December 7, 2004, as the Mills Act contract needs to be executed, finalized and recorded by the City Clerk by December 31, 2004, if the property owner is to realize a tax savings benefit in 2005.

FISCAL IMPACT

The revenue loss to the City for the property tax reduction is estimated at \$332 annually.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a Mills Act Historic Property contract with Michael LaPoint, owner of 640 West Eighth Street, a qualified historic property in the Drake Park/Willmore City Historic District.

Respectfully submitted,

MORTON STUHLBARG, CHAIR CITY PLANNING COMMISSION

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Att: Planning Commission Staff Report 11/4/2004