



# CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

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September 14, 2015

## CHAIR AND CULTURAL HERITAGE COMMISSIONERS

City of Long Beach  
California

### RECOMMENDATION:

Approve nine Mills Act contracts for the preservation and rehabilitation of the Opdahl House, Espey/Lochridge House, Residential Home #1, Olan Hafley House, Kimpson Nixon House, Gaytonia Apartments, Insurance Exchange Building, Ocean Center and Killingsworth Office, Historic Landmark properties. (Districts 1, 2, 3 and 8)

APPLICANT: Various  
(Application Nos. HP15-306 through 15-314)

### THE REQUEST

Staff requests the Cultural Heritage Commission recommend 27 Mills Act contracts at nine landmarks for approval by the City Council (Exhibit A – Contract List). These contracts include five single-family homes, one commercial property, two mixed-use apartment buildings and one mixed-use condominium building. The total valuation of these properties is approximately \$30,636,000 with potential annual fiscal impact to the City of up to \$38,100 from tax abatement under the contracts. In consideration for the tax abatement provided, each property owner has proposed a ten-year workplan to rehabilitate and maintain their historic landmark structure (Exhibit B – Proposed Workplans).

### BACKGROUND

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.

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The City Council established a local Mills Act program in 1993. Between 1993 and 2006, the City awarded 31 contracts for single-family and duplex properties and various contracts for individual units at three mixed-use condominium buildings. With each contract, Development Services conducts an inspection of the property prior to contract execution and again every five years thereafter to ensure proper maintenance of the property. The contracts are between the City and the property owner and the initial term is ten-years with an annual automatic ten-year renewal unless a request for non-renewal is made by either party. The City maintains various mechanisms to bring a property into compliance or terminate the contract and recover significant damages if the property owner breaches any of the contract terms.

While 31 previously approved contracts remain in place, no new contracts have been issued since 2006. In 2007 the City notified contract applicants and interested parties that no new Mills Act contracts would be executed due to budgetary and staffing constraints. However, staff has continued to monitor the existing contracts.

On October 13, 2014, the Cultural Heritage Commission established priority consideration criteria and guidelines for Mills Act contracts. On January 6, 2015, the City Council approved those guidelines and funding for the program. On February 4, 2014, the City Council directed staff to resume the acceptance of new Mills Act applications. The Mills Act was also discussed at the May 2014 Cultural Heritage Commission retreat with a stated goal of issuing new contracts to incentivize rehabilitation of existing properties as well as creating interest in establishing new landmarks.

While the long-term goal of the Mills Act program is to rehabilitate and preserve existing and new landmark properties, the 2015 application period focused on existing landmark properties, particularly past applicants that were never processed by the City. On June 12, 2015, Development Services notified all owners of existing Landmark properties of this year's funding cycle and the deadline for applications.

On June 27, 2015, staff held a pre-application workshop for all potential applicants. Over 120 individuals attended this session where City staff as well as a representative from the Los Angeles Assessor's office explained the application process, the benefits and obligations of the program. A smaller workshop was held on July 17, 2015 to assist applicants in completing the forms necessary to apply.

Applications were due on July 17, 2015 and eleven applications were received. Of these, one application was deemed ineligible because the building valuation exceeded the maximum under the guidelines and one application has been deferred for later consideration due to an unresolved legal issue specific to that application.

The nine properties proceeding forward for consideration were inspected by City and Galvin Preservation Associates staff during the week of August 10, 2015. During the Week of August 17, 2015, City staff notified each property owner of staff's initial recommendation for a contract as well as suggested modifications to the work plans.

## **ANALYSIS**

The applications received represent a mix of properties, fewer single-family and more multi-family, than was anticipated in the program guidelines; however, the total number of contracts and the anticipated fiscal impact are within the criteria set for the program. The applications include five single-family homes, four multi-family residential and mixed-use buildings and one commercial-industrial building. All the applications include workplans (Exhibit B) that have been reviewed and adjusted by staff. Additionally, the contracts will bind the owner to obtaining proper permits and conforming all work on the property to the Secretary of the Interior's Standards and Guidelines for Rehabilitation. The properties recommended for contracts are summarized below:

### **1. 5576 Vesuvian Walk**

The Opdahl House is a renowned residential structure designed by influential Long Beach architect Edward Killingsworth during his formative years in the 1950s. The home was constructed in 1957 and remains a signature modernist home. The proposed restoration work plan includes replacement of the water pump and restoration of the water feature in the entryway, paint, steel post repair as well as roof repair that will extend the life of the structure. Award of this contract to the Opdahl House would compliment the proposed award of Killingsworth's Office on Long Beach Boulevard.

### **2. 302 Orizaba**

Long Beach-based master architect Harvey H. Lochridge actually altered the 1901 Charles Espey structure in 1918 creating the Espey/Lochridge house that has been preserved to date. The unique structure has Tudor-Revival proportions and the Craftsman features and appearance was added during the 1918 remodel. The proposed workplan includes brick, siding, roof and other repairs to extend the life of and rehabilitate the building.

### **3. 453 Cedar Avenue**

Residential Home #1 is a three-story late Victorian home built in 1905. This home occupies a prominent corner location at 5<sup>th</sup> Street and Cedar Avenue. The restoration work proposed includes window repair, electrical upgrades, brick repair, roofing, driveway and other improvements.

### **4. 5561 La Pasada Street**

The Olan Hafley House is one of two side-by-side Richard Neutra structures on La Pasada Street. The design reflects both the idea and ideals of the International Style with rectilinear forms, open airs and the use of glass, steel and concrete contrasted with wood doors and furnishings. The home is in very good condition and just underwent a very substantial restoration. Unique features on the home require considerable annual maintenance, which is included in the work plan. Water intrusion to the concrete floor will also be addressed during the contract term.

**5. 380 Orlena Avenue**

The Kimpson Nixon House is another prime example of the International Style. This Raphael Soriano designed house was completed in 1940 for Dean and Marion Kimpson. Most importantly, the work plan includes a seismic upgrade to improve the connection between the structure and the foundation. This work, along with repairs to the drainage systems and ongoing maintenance commitments will assure the continued contribution of the structure to Long Beach's historic cultural environment.

**6. 212 Quincy Avenue**

The Gaytonia Apartments is an imposing and imaginative Norman Revival castle structure on Quincy Avenue. This castle is one of the few remaining from those built throughout Long Beach in the 1920s and 1930s. The work plan will restore the neon sign, preserve and maintain the roof, repair windows and maintain the integrity of the structure throughout the contract period.

**7. 207 E. Broadway Avenue**

The Insurance Exchange Building was originally designed by Harvey Lochridge and built by C.T. McGrew at Middough's Boy's Shop. The building began adaptive reuse to residential condominium units with ground floor commercial in 2002. The proposed work plan will involve window repair, critical brick repair, mural restoration, and ongoing maintenance work.

**8. 110 Ocean Boulevard**

Ocean Center is an Italian Mediterranean office building with an octagonal tower and terra cotta tile roof. The architects, Meyer and Holler, teamed with builder W.L. Porterfield to complete with Long Beach Landmark. The Cultural Heritage Commission recently approved a renovation and adaptive reuse project at this site. The scope of work will restore the exterior finishes of the building and upgrade all the internal systems to assure the long-term longevity of the building. This contract will be conditioned to become effective only upon issuance of a building permit for the adaptive-reuse residential conversion of the building.

**9. 3827 Long Beach Boulevard**

The Killingsworth Architectural Office was not only where Edward Killingsworth worked on his modern designs, winning 42 design awards from the American Institute of Architects, the office itself was and is a depiction and study on modern design aesthetic. Floor to ceiling glass and minimal wood framing create interior spaces, air, light and gardens that cause the user to rethink distinctions between interior and exterior space. The work plan includes essential work to the reflecting pond, structural repairs, systems upgrades and motor court repairs. The structure remains a working architectural office and these upgrades will allow for the continued protection of the structure as a living exemplar of Killingsworth's work.

**RECOMMENDATION**

Each of the contract applications included an appropriate workplan for the property site. Based on site inspections and research, staff has made adjustments to enhance the workplans for the Cultural Heritage Commission's consideration. These projects fulfill the purpose of the Mills Act to provide financial incentives for the rehabilitation and preservation of our most precious historic resources. With a modest fiscal impact to the City, these contracts will provide substantial investment to Long Beach's historic Landmarks. Staff finds that the proposed contract awards meet the criteria established in Government Code Section 50280 and recommends the Cultural Heritage Commission approve the item and recommend City Council approve the contracts.

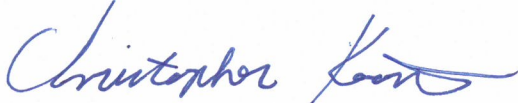
**PUBLIC HEARING NOTICE**

Section 50280 of the California Government Code governs Mills Act applications and does not require public notice or posting of the individual applications.

**ENVIRONMENTAL REVIEW**

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

Respectfully submitted,



CHRISTOPHER KOONTZ, AICP  
ADVANCE PLANNING OFFICER



LINDA F. TATUM, AICP  
PLANNING BUREAU MANAGER

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Attachments: Exhibit A – Recommended 2015 Mills Act Contract List  
Exhibit B – Proposed Workplans

2015 Recommended Mills Act Contracts

Exhibit A

No.	Address	Property Owner	APN	Landmark
1	5576 Vesuvian Walk	Keiro Koga	7244 018 019	Opdahl House
2	302 Orizaba	Mikle W. Norton	7257 022 011	Epsey/Lochridge House
3	453 Cedar Ave	William Restouex	7280 011 001	Residential Home #1
4	5561 La Pasada St.	5561 La Pasada, LLC	7240 019 014	Olan Hafley House
5	380 Orlena Ave	Pullman Family Trust	7246 013 005	Kimpson Nixon House
6	212 Quincy Ave	Gaytonia Executive Residences, LLC	7256 020 032	The Gaytonia Apt.
7	207 E Broadway	Loft Development, Inc.	7280 019 023	Insurance Exchange Building
	207 E Broadway #201	Daniel Gonzales	7280 019 024	
	207 E Broadway #301	Randy Marshman	7280 019 025	
	207 E Broadway #302	Taylor McClurg	7280 019 026	
	207 E Broadway #401	Gregory & Tina Wichmann	7280 019 027	
	207 E Broadway #402	Gregory & Tina Wichmann	4280 019 028	
	207 E Broadway #501	Raymond Sue-Seto / Kristiin Dunn	4280 019 029	
	207 E Broadway #502	Raymond Sue-Seto / Kristiin Dunn	4280 019 030	
	207 E Broadway #601	Eric Portelli / Meghan Harken	7280 019 031	
	207 E Broadway #602	Joshua and Jennifer Amstone	7280 019 032	
	207 E Broadway #701	Daniel Simon	7280 019 033	
	207 E Broadway #702	William and Linda Janowski	7280 019 034	
	207 E Broadway #801	Daniel and Pegeen Peterson	7280 019 035	
	206 the Promenade North	Loft Developments, Inc.	7280 019 022	
207 E Broadway	Loft Developments	7280 019 036		
207 E Broadway	Loft Developments	7280 019 037		
8	110 Ocean Boulevard	110 Ocean Boulevard, LP	7278 007 035	Ocean Center
	110 Ocean Boulevard	110 Ocean Boulevard, LP	7278 007 036	
9	3827 Long Beach Blvd	McLeod Family Trust	7139 020 004	Killingsworth Office Building
	3827 Long Beach Blvd	McLeod Family Trust	7139 020 005	
	3827 Long Beach Blvd	McLeod Family Trust	7139 020 035	