

RESOLUTION NO. 7225

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS ESTABLISHING A PROGRAM TO IMPLEMENT THE “MILLS ACT” HISTORIC PROPERTY TAX INCENTIVE PROGRAM

WHEREAS, the City Council of the City of Redlands (“City Council”) is dedicated to providing economic and other incentives to assist owners of historic properties with the preservation, rehabilitation, restoration, and/or reconstruction of such properties; and

WHEREAS, as set forth in the Land Use and Historic and Scenic Preservation elements of the Redlands General Plan, the City Council has recognized the importance of conserving and safeguarding the City’s cultural, architectural, and historical resources that contribute to the special and unique character of the City; and

WHEREAS, the City Design and Preservation Element of the City’s General Plan establishes goals and policies for the City which:

- Identify, maintain, protect, and enhance Redlands’ cultural, historic, social, economic, architectural, agricultural, archaeological, and scenic heritage.
- Provide incentives wherever possible to protect, preserve, and maintain the City’s heritage.
- Encourage retention of the character of existing historic structures and urban design elements that define the built environment of the City’s older neighborhoods.
- Encourage retention of historic structures in their original use or reconversion to their original use where feasible, or adaptive re-use where original use is no longer feasible.
- Provide incentives to encourage preservation of large historic structures and conversion to multi-family housing if preservation of original use is an economic hardship.
- Establish guidelines and incentives for appropriate adaptive reuse of historic structures.
- Ensure that permanent changes to the exterior or setting of a designated historic resource are in keeping with the intent of the General Plan by requiring a Certificate of Appropriateness for such changes.
- Encourage appropriate adaptive reuse of historic resources in order to prevent disuse, disrepair, and demolition, taking care to protect surrounding neighborhoods from disruptive intrusions.
- Encourage the use of tax credits, donated easements, and other fiscal incentives for preservation; and

WHEREAS, the "Mills Act" (Government Code section 50280 et seq.) authorizes cities to enter into contracts with the owners of qualified historical properties which are defined as properties that are not tax exempt and which are either (1) listed in the National Registration of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 22 of the Code of Federal Regulations, or (2) listed in any state, or city local register of historical or architectural significant sites, places or landmarks; and

WHEREAS, at its regularly scheduled meeting of November 1, 2012, the City's Historic and Scenic Preservation Commission reviewed the City's proposed Mills Act program and recommended that the City Council approve the program as described in this Resolution;

WHEREAS, the City Council finds and determines that adoption of the Mills Act program will implement the policies of the Redlands General Plan by providing a significant economic incentive for owners of historic residences and various other properties to participate in the rehabilitation, restoration, preservation and maintenance of their historic properties;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Redlands as follows:

Section 1. The City Council hereby establishes a Mills Act program for a period of five years from the date this resolution. To limit the fiscal impact of the Mills Act program on the City, no more than seven (7) Mills Act contracts will be entered into per calendar year; with a maximum five (5) contracts for residential properties, and a maximum of two (2) contracts for non-residential properties. Only structures with an assessed valuation of less than One Million Dollars will be considered for single family residential contracts.

Section 2. The property owner shall be required to use one hundred percent (100%) of the Mills Act program property tax savings to finance the preservation, maintenance and improvements of the qualified historic property, as specified in the Mills Act contract.

Section 3. The procedures and qualifying criteria for approval of historical property contracts for historical properties are as follows:

A. **Application Filing:** Any person owning a qualified historic residential, property may file an application for an historical property contract with the Development Services Department. The filing period is January 1st to March 31st of each year. The application shall be made on the form provided by the department and submitted with the application fee, and such documentation, information, and photographs as may be required by the department evidencing qualities and characteristics of the property for which the historical property contract is requested, and a description of, and timeframe for, proposed improvements to the property.

B. **Criteria for Mills Act Contract:** A Mills Act contract will be approved only if all the following criteria are satisfied:

(i). The property meets the eligibility requirements for a Mills Act contract pursuant to California Government Code Section 50280.1 in that the property is a qualified historic property is a property listed on any federal, state, or city register, including the National

Register of Historic Places, California Register of Historical Resources, California Historical Landmarks, State Points of Historical Interest, and locally designated landmarks.

(ii). Significant features that define the historical character of the property, and its buildings have not been destroyed or can be restored based on documentary, physical, or pictorial evidence; and

(iii). The owner of the property proposes to make significant improvements to the property that will not impact the architectural, historical, or aesthetic integrity of the property; and

(iv). The property is wholly located within the City of Redlands, is privately owned, and is not exempt from property taxation.

C. Preparation of Historical Property Contract: Upon receipt of a complete application for a property meeting the above criteria, the City Manager or designee shall assist the property owner in preparing a draft historical property contract and agreement conditions, and an example of tax savings. The City Attorney shall review the proposed contract to ensure it conforms to statutory guidelines.

D. Contract Recordation: Upon approval and execution of the contract, the City Clerk shall submit a copy of the contract for recording to the San Bernardino County Recorder and the County Assessor's Offices. Written notice of the contract shall also be provided to the State Office of Historic Preservation.

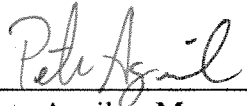
E. Periodic Review of Contract: The City Manager, or his or her designee, will conduct an annual review of all Mills Acts program contracts and cause the inspection of the properties subject to the contracts to determine the property owners' compliance with such contracts. The owner of the property shall provide the City with an annual written report, with photo documentation, describing the improvements completed during the preceding year, and a copy of all receipts for improvements to verify total costs expended during the preceding year.

F. Cancellation of Contract: No Mills Act contract shall be cancelled without compliance with Government Code Section 50280 et seq., including proper notice and public hearing.

Section 4. The City Council has determined that adoption of the City's Mills Act Historic Property Tax Incentive Program will have no potential for causing a significant effect on the environment and therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061, is not subject to CEQA.

Section 5. The Mayor shall sign this Resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

ADOPTED, SIGNED AND APPROVED this 20th day of November, 2012.



Pete Aguilar, Mayor

ATTEST:



Sam Irwin, City Clerk

I, Sam Irwin, City Clerk of the City of Redlands, County of San Bernardino, State of California, hereby certify that the foregoing Resolution No. 7225 was regularly adopted by the City Council of said City of Redlands at a regular meeting of said council held on the 20th day of November, 2012, by the following vote:

AYES: Councilmembers Bean, Foster, Gardner; Mayor Aguilar

NOES: None

ABSTAIN: None

ABSENT: Councilmember Harrison



Sam Irwin, City Clerk