



Date: November 8, 2022

Honorable Mayor and Council Members

Author and title: Laura Dabe, Associate Planner

Title: Mills Act Historic Preservation Contract Agreements

Approved By: Jen Callaway, Town Manager

Recommended Action: That the Town Council authorize the Town Manager to execute one Mills Act Historic Preservation contract, for the following property: 10236 Donner Pass Road (APN 019-080-025-000).

The contract is required to be executed no later than Tuesday, November 15, 2022.

Discussion: The Town of Truckee Planning Division has received one Mills Act application for 2022. The Mills Act is a state sponsored legislative historic preservation program that allows a local government to enter into a contract with a property owner; the property owner then receives reduced property taxes in exchange for a long-term contract to preserve their historic building. The purpose of the Mills Act is to protect, preserve, and rehabilitate historic buildings by providing property tax savings to property owners who can reinvest the property tax savings money back into the property. Any property owner that has a Category A, B, or C building identified in the Town Historic Preservation Program is eligible to participate in the Town's Mills Act Historic Preservation Program.

Since the Town Council's approval of the Mills Act Historic Preservation Program in August 2004 via Ordinance 2004-05, the Town Council has approved the following 39 contracts (all of which have been recorded and are currently in effect):

1.	Carole Sesko	10326 High Street	Category A Building
2.	Diana Alouise	10037 S.E. River Street	Category A Building
3.	Mark Waters	10211 E. River Street	Category A Building
4.	David Kean	10144 High Street	Category A Building
5.	Michael & Gretchen Kydd	10114 E. Jibboom Street	Category B Building
6.	Jeff Bender	10037 East River Street	Category B Building
7.	Yvette Durant	10049 East River Street	Category A Building
8.	Hawks Peak, LLC	10035 Church Street	Category B Building
9.	Dorothy Carlo	10117 East River Street	Category B Building
10.	Luthea Thomas	10021 Riverside Drive	Category B Building
11.	Luthea Thomas	10106 Church Street	Category B Building
12.	Luthea Thomas	10132 High Street	Category C Building
13.	Truckee Star Hotel, LLC	10015 West River Street	Category A Building
14.	Anthony J. Hardy	10230 Donner Pass Road	Category A Building
15.	Deforest Fox, LLP	10154 High Street	Category A Building
16.	Claus & Alison Pratt Shelling	10069 West River Street	Category A Building
17.	Julie Guarnotta	10069 Riverside Drive	Category A Building
18.	William Kenny/Nancy Costello	10145 West River Street	Category C Building
19.	Il Trovatore, LLC	10089 West River Street	Category A Building

		10090 West River Street	Category B Building
20.	Wergland House, LLC	10178 Donner Pass Road	Category B Building
21.	The Gadow Rafferty Family Revocable Trust	10031 West River Street	Category A Building
22.	Gasser Family Trust	10144 East Jibboom Street	Category B Building
23.	Eric Seel	10118 Church Street	Category B Building
24.	H Peter Werbel	10019 Bridge Street	Category A Building
25.	Sharon and David Freeman	10083 East River Street	Category A Building
26.	Zachary Cowan	10101 West River Street	Category B Building
27.	Valeria Kelly and George Cano	10260 Donner Pass Road	Category B Building
28.	Mountain Vibe, LLC	10187 West River Street	Category A Building
29.	Megan R. Olson	10098 High Street	Category B Building
30.	Brian Biega	10016 Keiser Avenue	Category A Building
31.	Daniel & Suzanne Cockrum	10016 High Street	Category B Building
32.	Michelle Casagrande and Canute Sweeney	10305 East River Street	Category B Building
33.	Yvette Durant Trustee and Jeff C Bender Trustee	10017 East River Street	Category B Building
34.	Jibboom LLC	10129 Jibboom Street/ 10130 Donner Pass Road	Category A Building
35.	Zachary N Cowan	10131 West River Street	Category B Building
36.	Patricia Ramacciotti Trustee and R Ramacciotti	10107 East River Street	Category B Building
37.	Durant-Bender Family Trust	10335 East River Street	Category B Building
38.	Xinyi McKinny and Reed McKinny	10199 West River Street	Category B Building
39.	Mountain Trail LLC	10124 E Street	Category B Building

For 2022, the Town has received the following application, which is listed in Table 1 below.

Table 1. 2022 Mills Act Applications

Property	Owner Name(s)	Historic Inventory Rating
10236 Donner Pass Road (APN 019-080-025-000)	Massif Ventures LLC	Category B

A copy of the Historic Architectural Inventory and Supplemental Sheet, which summarizes the key property features, is included in Attachment #2. The property is developed with one historic structure at the front of the property and a nonhistoric structure at the back of the property. The Mills Act would apply only to the historic structure on the property.

Background on Mills Act Contracts

Existing Mills Act regulations allow an owner of a qualified property to contract with a city to restrict the use of the property in exchange for lowered assessment values. Under these regulations, periodic inspections by representatives of the County Assessor, California Department of Parks and Recreation—Office of Historic Preservation, California Board of Equalization, and/or the local jurisdiction are required. The Planning Division has been conducting informal property inspections since the Town's Mills Act Program's creation in 2004. No fees have been collected for these informal inspections. Fees will be collected when a more formal inspection program is implemented.

In 2011, Assembly Bill No. 654 was adopted which changed the standards for any new or renewed Mills Act agreement. This law requires an inspection of the interior and exterior of the building every five years.

As part of the application process, the applicants are required to submit photos of the interior and exterior of the historic resource for reference. The Town may charge a fee equal to the reasonable cost of the inspection and may appoint someone to conduct the inspection to ensure the inspections are completed. Once a formal inspection program is implemented, inspections will be based on staff's actual time, which will be tracked and charged to the applicant unless an inspection fee is adopted by the Council as part of a fee schedule update. Contract modifications to address AB 654 are reflected in the attached draft contract (Attachment #1). The Town Attorney has reviewed the draft contract language for compliance with AB 654 and finds the revisions to be consistent; it is the Town Attorney's opinion that specifying the Town representative within the contract is not necessary.

Priority:

<input type="checkbox"/>	Enhanced Communication	<input type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input checked="" type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

Fiscal Impact: The estimated loss of revenue to the Town's General Fund for the one residential property is approximately \$1,520.664 for fiscal year 2023/2024. This estimate is based on Town revenue of approximately 15% of County collected property taxes (which are approximately 1% of the assessed property value), and includes a reduction for Mills Act assessed value. This is an ongoing loss of revenue for a minimum of 10 years (the minimum contract term).

Staff notes that the fiscal impacts were considered by the Council when the Mills Act Ordinance was adopted and it was determined by Council that the fiscal impacts related to the Mills Act were acceptable in order to further historic preservation goals. The exception is that the Town is now obligated to perform annual inspections for new contracts in effect as of December 2013. Due to ongoing high workloads, priority projects, and staffing constraints, annual inspections have not been performed to date. Staff anticipates that the Planning Division will begin inspections on the properties once staffing vacancies have been filled. The purpose of the inspections is to ensure that owners are investing their property tax saving in their historic building consistent with the contract requirements..

Public Communication: Except for standard noticing of this Council meeting and agenda, there has been no public notice regarding this item; the property owners were notified individually.

Attachments:

1. Draft Mills Act Contract
2. Architectural Resources Inventory and Supplemental Sheet