

## **ATTACHMENT 3**

RESOLUTION NO. CHC 24

A RESOLUTION OF THE CULTURAL HERITAGE  
COMMISSION OF THE CITY OF BEVERLY HILLS  
RECOMMENDING THAT THE CITY COUNCIL APPROVE A  
MILLS ACT CONTRACT FOR THE LANDMARK PROPERTY,  
FOX WILSHIRE – SABAN THEATRE AT 8440 WILSHIRE  
BOULEVARD, BEVERLY HILLS.

Section 1. On October 18, 2011 the City Council adopted Ordinance No. 11-R-12838 establishing a Mills Act Pilot Program for a two year period, with a capped maximum annual revenue loss to the City of \$50,000,00. The Pilot Mills Act Program was made available to “qualified historic property” within the City of Beverly Hills.

Section 2. A “qualified historic property” for the purposes of the Beverly Hills Mills Act Pilot Program is defined as:

- a. A single-family residential property, commercial property constructed as a public theater as a primary use;
- b. Located entirely within the City of Beverly Hills;
- c. Privately owned;
- d. Not exempt from property taxation; and
- e. Individually listed in the City of Beverly Hills’ official landmark register based on the property satisfying at least two landmark criteria, including architectural significance.

Section 3. On May 31, 2012 a Mills Act Contract Application was submitted to the City by Rabbi David Baron on behalf of Temple of the Arts, the property owner of the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills. In this case the City’s Pilot Mills Act Program is available for this property which is listed as a local Landmark on the City’s Register of Historic Properties.

Section 4. On July 10, 2013 the Cultural Heritage Commission considered the Mills Act application for the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills and moved to recommend to City Council approval of a Mills Act Contract. The Commission based its action on careful consideration of the maintenance plan submitted as part of the Mills Act application for incorporation into the Mills Act contract. The maintenance plan provides a list of projects to be completed by the property owner during the initial ten year contract term. In addition, the application provides an estimate of the property owner’s tax savings as well as an estimate of the City’s annual costs due to the property tax reduction. Since this estimate is based on financial data submitted by the applicant, the City will work with County Assessor to verify all calculations prior to final tax assessments. By executing the contract, the City does not corroborate the applicant’s submitted financial statement, but authorizes tax abatement for the property. The current annual property taxes for this property are approximately \$76,160.00. Under Mills Act the estimated annual property taxes would be reduced during the contract period. The actual revenue loss per annum to the City is subject to annual review and determined by the City and County Tax Assessor once the contract has been executed and

recorded with the County. The Applicant's Preservation Plan projects a total cost for all rehabilitation and maintenance works scheduled over the ten year contract period to be \$1,400,000.00

Section 5. PUBLIC NOTICE. The owner of the Fox Wilshire – Saban Theatre was notified in writing on June 20, 2013 that the Cultural Heritage Commission would consider recommending a Mills Act Contract for Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills on July 10, 2013. As of the writing of this report, no public comments have been received.

Section 6. ENVIRONMENTAL ANALYSIS. Approval of a Mills Act Contract for Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. It has been determined that the inclusion of Fox Wilshire – Saban Theatre into the City's Pilot Mills Act Program would not have a significant environmental impact and thus is exempt from CEQA pursuant to Sections 15308 and 15331 of Title 14 of the California Code of Regulations because the inclusion of Fox Wilshire – Saban Theatre into the City's Pilot Mills Act Program is an action of the City to protect and preserve an historic resource.

Section 7. GENERAL PLAN CONSISTENCY. Inclusion of Fox Wilshire – Saban Theatre into the City’s Pilot Mills Act Program is consistent with the objectives, principles, and standards of the General Plan. General Plan Policy “HP 1.3 – Promote National, State, and Local Designation of Historic Resources” encourages the establishment of programs encouraging the nomination of landmarks.

Section 8. The Cultural Heritage Commission hereby recommends that the City Council include Fox Wilshire – Saban Theatre into the City’s Pilot Mills Act Program.

Section 9. The record of proceedings for the inclusion of Fox Wilshire – Saban Theatre into the City’s Pilot Mills Act Program is maintained by the City as part of the official records of the Community Development Department at 455 North Rexford Drive, Beverly Hills, California, 90210.

Section 10. The Secretary shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Cultural Heritage Commission of the City.

Dated: July 10, 2013



\_\_\_\_\_  
RICHARD WALDOW  
Chairperson of the Cultural Heritage  
Commission of the City of Beverly Hills,  
California

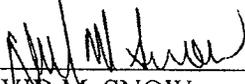
ATTEST:



\_\_\_\_\_  
Secretary

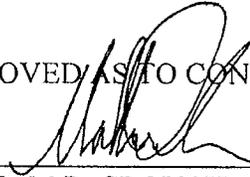
(SEAL)

APPROVED AS TO FORM:



\_\_\_\_\_  
DAVID M. SNOW  
Assistant City Attorney

APPROVED AS TO CONTENT:



\_\_\_\_\_  
WILLIAM R. CROUCH  
Urban Designer

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       )     SS.  
CITY OF BEVERLY HILLS         )

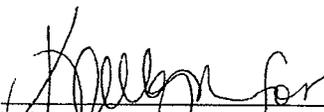
I, WILLIAM CROUCH, Secretary of the Cultural Heritage Commission and Urban Designer of the City of Beverly Hills, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. CHC 24 duly passed, approved and adopted by the Cultural Heritage Commission of said City at a meeting of said Commission on July 10, 2013, and thereafter duly signed by the Secretary of the Cultural Heritage Commission, as indicated; and that the Cultural Heritage Commission of the City consists of five (5) members and said Resolution was passed by the following vote of said Commission, to wit:

AYES:           Commissioners Pynoos, Greer, Furie, Vice Chair Beck, Chair Waldow.

NOES:           None.

ABSTAIN:       None.

ABSENT:        None.

  
\_\_\_\_\_  
WILLIAM CROUCH, AIA, AICP  
Secretary of the Cultural Heritage  
Commission / Urban Designer  
City of Beverly Hills, California



City of Beverly Hills

Planning Division

455 N. Rexford Drive Beverly Hills, CA 90210  
TEL. (310) 485-1141 FAX. (310) 858-5966

## Cultural Heritage Commission Report

**Meeting Date:** July 10, 2013

**Subject:** Approval of Mills Act Program for the Landmark Property, Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills.

**Recommendation:** Adopt a Resolution recommending City Council approve a Mills Act Contract for the Landmark Property, Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills.

---

### REPORT SUMMARY

On May 31, 2012, a Mills Act Contract Application was submitted to the City by Rabbi David Baron representing the non-profit ownership of the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills. The City's Pilot Mills Act Program specifically enables Public Theaters which qualify as local Landmarks to participate in the program. In this case, the Fox Wilshire Theater is a Listed National Register Property and designated as Local Landmark No. 13. At the request of the applicant, formal consideration of the Mills Act Application by the Cultural Heritage Commission was deferred to the 2013-2014 Financial Year.

The Fox Wilshire - Saban  
Theatre, Landmark Property  
at 8440 Wilshire Boulevard,  
Beverly Hills.



Attachment(s):

1. Mills Act Application
2. Preservation Plan
3. Resolution

Report Author and Contact Information:

William Crouch, AIA, AICP

Urban Designer

(310) 285-1116

wcrouch@beverlyhills.org

## **DISCUSSION**

If approved for the City's Pilot Mills Act Program, City staff and the County Tax Assessor's office will use specific formulae to determine the value of the historic property based upon net operating income rather than upon the traditional assessed valuation method, to calculate property tax reduction. In exchange for the property tax reduction, the owner agrees to protect, maintain, and if necessary, restore the historic property. The Mills Act contract is for a ten (10) year period. The applicant plans to use Mills Act Contract savings for:

- Design, fabricate and install removable seating.
- Remodel existing Dressing Rooms and expand Green Room Area.
- Remove Lobby Concession Area and provide portable stands.
- Restoration of Main Lobby Rotunda.
- Prep and paint all exterior elevations.
- Refurbish historic seats in Mezzanine and Balcony Areas.
- Provide new LED Reader-boards for the Marquee.
- Motorized lift for Orchestra Pit.
- Upgrade, expand and modernize HVAC systems.

The Applicant's completed Preservation Plan was initially reviewed by the Commission on their Bus Tour of October 2, 2012. The Preservation Plan for this property is a part of the Mills Act application and will be incorporated into the Mills Act contract. The Preservation Plan provides a list of projects to be completed by the property owner during the initial ten year contract term. In addition, the application provides an estimate of the property owner's tax savings as well as an estimate of the City's property tax reduction. Since this estimate is based on financial data submitted by the applicant, the City will work with County Assessor to verify all calculations prior to final tax assessments. By executing the contract, the City does not corroborate the applicant's submitted financial statement, but authorizes tax abatement for the property.

Execution of this Mills Act contract would result in reduced property tax revenue to the City of approximately \$10,400.00 per annum and to the School District of approximately \$9,100.00. The City's Pilot Mills Act Program caps the total property tax losses to the City at a maximum of \$50,000.00 per annum. The current annual property taxes for this property are approximately \$76,160.00 which would reduce under the Mills Act Program to approximately \$16,708.00. Under a Mills Act contract the estimated annual property taxes would be reduced over the period of the contract. The actual yearly revenue loss is subject to annual review and determined by the County Tax Assessor once the contract has been executed and recorded with the County. The Applicant's Preservation Plan projects a total cost for all rehabilitation and maintenance works scheduled over the initial ten year contract period to be \$1,400,000.00

## **PUBLIC NOTICE**

The owner of the Fox Wilshire Theater-Saban Theater was notified in writing on June 20, 2013, that the Cultural Heritage Commission would consider the Mills Act Application for the Fox Wilshire Theater-Saban Theater on July 10, 2013. As of the writing of this report, no public comments have been received.

**ENVIRONMENTAL REVIEW**

Approval of a Mills Act Program for the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. It has been determined that approval of a Mills Act Program for the Fox Wilshire – Saban Theatre would not have a significant environmental impact and is exempt from CEQA pursuant to Sections 15308 and 15331 of Title 14 of the California Code of Regulations because approval of a Mills Act Program for the Fox Wilshire – Saban Theatre is an action of the City to protect and preserve a historic resource.

**GENERAL PLAN CONSISTENCY**

Approval of a Mills Act Program for the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills, is consistent with the objectives, principles, and standards of the General Plan. General Plan Policy “HP 1.3 – Promote National, State, and Local Designation of Historic Resources” encourages the establishment of programs encouraging the nomination of landmarks.

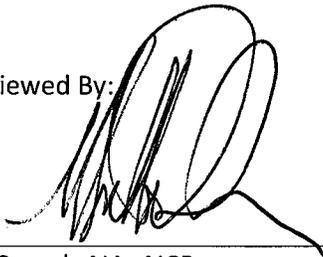
**SUMMARY**

It is recommended that the Cultural Heritage Commission support a Mills Act contract for the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills and forward a recommendation to City Council for approval.

**NEXT STEPS**

Once the Cultural Heritage Commission has deliberated, staff will forward to City Council the Commission’s recommendation regarding a Mills Act Contract for the Fox Wilshire – Saban Theatre at 8440 Wilshire Blvd., Beverly Hills.

Report Reviewed By:



---

William R. Crouch AIA, AICP  
Urban Designer