

ORANGE COUNTY REGISTER

Orange to allow more historic properties access to tax incentives

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ORANGE – The doors have opened for more Orange homeowners than ever to receive property tax reductions when they spruce up their historic homes.

Previously restricted to 10 historic homes a year, the City Council unanimously voted last week to remove the annual cap on Mills Act contracts in Orange.

Through the Mills Act program, in return for property tax relief for 10 years, homeowners agree to maintenance and renovations to their property that preserve the historic nature, the cost estimates of which must roughly equal the tax savings they will receive. The average

property tax reduction for Orange residents is \$2,970 a year. There is an initial \$1,000 application fee and a \$30 yearly fee. The City Council will consider at a later date increasing the annual fee from \$30 to \$100.

Preserving Orange's historic properties will benefit the city financially in the long run, Mayor Teresa "Tita" Smith said, despite the reduction in tax revenue to the city.

"Where the city makes it up, is when we approve the investment in the preservation of a home, that increases the value of property," Smith said. "Ultimately, the property value goes up, which means the property tax goes up, and the property tax eventually ends up back in Orange."

About 16 percent of the estimated 1,300 eligible properties have taken advantage of Mills Act contracts to date.

Properties must be considered historic to qualify; they must appear on official federal, state or local registries of historic or landmark places. They can also be considered architecturally significant.

"The Mills Act was designed to be a preservation tool, so why wouldn't anyone who's a preservationist want more of it?" Jeff Frankel of the Old Towne Preservation Association said. "It's the best preservation tool out there – in fact, one of the only ones."

With rising property values in Old Towne, city staff expect demand under the Mills Act to rise. Also, three tracts of homes, 300 properties designed by developer Joe Eichler, are expected to be designated historic in the near future.

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