



Nova Romero &lt;nromero@ci.carmel.ca.us&gt;

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## Esperanza's Mills Act application

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STEVEN HILLYARD [REDACTED]  
To: Nova Romero <nromero@ci.carmel.ca.us>

Wed, Feb 28, 2024 at 2:01 PM

Ms. Romero,

Please provide this to the city council for their meeting at which they will discuss the subject application.

Thank you.

Steve Hillyard

City of Carmel-By-The-Sea

Council Members  
City Council  
Carmel-by-the-Sea

FEB 28 2024

Office of the City Clerk

Re: Esperanza's Mills Act Application— Walker House

The staff report for Esperanza's Mills Act application fails to provide you with an adequate basis for balancing the competing public and private interests as required by the municipal code.

The report cites the General Plan for the proposition that the public and private interest are balanced because the plan "encourages providing incentives for property owners to preserve and rehabilitate historic properties." This is true, but it does not describe a balance.

The city incents owner to care for historic properties by (1) requiring owners to maintain their historic properties, and (2) implementing the Mill Act program, which provide tax incentives to owners to maintain those property. (Note that both programs focus on the owner, Esperanza in this case, not the property.)

Esperanza has demonstrated its sophistication in real estate affairs and its deep financial resources. Thus, you should assume that Esperanza has the professional capacity to understand its legal obligations to maintain the Walker House and has the financial capacity to do so. It follows that the city has provided sufficient incentive—if any were needed—for Esperanza to maintain this property.

Subsidizing Esperanza by approving this application would waste taxpayers' money, serve no public purpose, and merely enrich Esperanza. Thus, the balance between public and private interests tilts grossly in favor of the private interests. At the most fundamental level, the public has a substantial interest in spending its money wisely. Your evaluation of the balance presented here should reflect this imperative.

Best regards,

Steve Hillyard

N.B. The report suggests that you assess the tax expenditures associated with this application at about \$115,000 per year. To arrive at this low figure, the assessor would have to place the rental value of the property at about \$120,000 per month for twelve months. I suggest that this rental value is too high, so using \$115,000 for any purpose is inappropriate.