

## **Application for Special Valuation**

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### **STAFF REPORT OF FINDINGS**

**Historic Name:** Doran Building/DCI Engineers  
**Property Address:** 707 W. 2<sup>nd</sup> Avenue  
**Applicant:** Cody Coombs and Craig Crowley (707 Partners LLC)  
**Date:** November 2016

**MANAGEMENT AGREEMENT:** Agreement covers the exterior of the building.

#### **DESCRIPTION OF REHABILITATION: Interior and Exterior Expenses**

##### **Exterior:**

- New membrane roof
- Skylights
- New storefront system (glass/steel)
- Paint

##### **Interior:**

- New concrete floor slabs
- Structural steel
- Carpentry
- Doors and windows
- New elevator
- New HVAC system
- 3<sup>rd</sup> exit installation
- New plumbing
- New insulation
- Carpeting
- Paint
- Fire protection (including fire shutters on 2<sup>nd</sup> floor windows)
- New electrical

\*\*These costs do not include any windows on the second floor as well as their installation.\*\*

#### **FINDINGS OF FACT:**

**Authority to review the Special Valuation application: Under Ordinance No. C-31094, 6.05.100 (SMC 17D.040.310) the Landmarks Commission has the authority to “serve as the local review board for special valuation of historic property in Spokane” and to “approve or deny applications for special valuation.”**

**Does the application meet the Special Valuation criteria set forth in RCW 84.26?**

- The property must “be a historic property” and “fall within a class of historic property determined eligible for special valuation by the local legislative authority.” RCW 84.26.030

*Listed on Spokane Register? Council approved 11/7/2016*

**XYES**       **NO**

- The property must “be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) (“at least 25% of the assessed valuation of the property, exclusive of the assessed value attributable to the land, prior to rehabilitation”) within twenty-four months prior to the application for special valuation.”

*Rehab cost over 25% of the assessed valuation?*      **XYES**       **NO**

*Rehab work within 24 months prior to application?*      **XYES**       **NO**

- The property must be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2).

*Property owners entered into Management Agreement?*      **XYES**       **NO**

- The rehab work must meet the standards, “not be altered in a way which adversely affects those elements which qualify it as historically significant” RCW 84.26.050. The work must meet rehabilitation guidelines, as defined in WAC 254-20-030(10) as “the process of returning a property to a state of utility through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its architectural and cultural values.”

*Certificates of Appropriateness issued for exterior work?*       **YES**      **x NO**

**Certificates of Appropriateness were not required – all work was done prior to the property being listed on the Spokane Register of Historic Places.**

- The application must be complete, as defined by WAC 254-20-090 (4) “applications shall include a legal description of the historic property. The owner shall also provide comprehensive exterior and interior photographs of the historic property before and after rehabilitation, architectural plans or other legible drawings depicting the completed rehabilitation work, and a notarized affidavit attesting to the actual cost of the rehabilitation work completed prior to the date of application and the period of time during which the work was performed.”

*Completed application?*      **XYES**       **NO**

- The rehab costs must result from one or more of the following (WAC 254-20-030):
  - (a) Improvements to an existing building located on or within the perimeters of the original structure;
  - (b) Improvements outside of, but directly attached to the original structure which are necessary to make the building fully useable (not including rentable/habitable floor space attributable to new construction);
  - (c) Architectural and engineering services attributable to the design of the improvements;
  - (d) “qualified rehabilitation expenditures” as defined by the federal historic preservation investment tax credit.

As noted in “*Tax Aspects of Historic Preservation: Frequently Asked Questions & Answers*” (Mark Primoli, Internal Revenue Service), examples of expenses that do not qualify for the rehabilitation tax credit are acquisition costs, appliances, cabinets, carpeting (if tacked in place and not glued), decks (if not part of original building), demolition costs (removal of a building on property site), enlargement costs (increase in total volume), fencing, feasibility studies, financing fees, furniture, landscaping, leasing expenses, moving (buildings) costs (if part of acquisition), outdoor lighting remote from building, parking lot, paving, planters, porches and porticos (not part of original building), retaining walls, sidewalks, signage, storm sewer construction costs, window treatments.”

*Claimed expenses are allowable? Exception noted below:*

**X**YES NO

*Claimed expenses are allowable in the amount of \$1,231,440.90*

## REPORTS

**Special Valuation site visit report:** SHLC Special Valuation committee members Ernie Robeson, Jerry Baldwin and Wendy Budge; HPO Temp Seasonal Employee, Yvonne Lacoursiere and HPO Megan Duvall visited the property on 11/10/16 to evaluate claimed rehabilitation expenditures for a special valuation application. Claimed work was verified.

**Staff Report:** The submitted application is complete.

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Preservation Officer Review?	yes	Date:	11/4/16
Special Valuation Committee Site Visit?	yes	Site Visit:	11/10/16
Landmarks Commission Review?	pending	Meeting Date:	11/16/16

## **FOR SHLC MEETING:**

The Farline House at 2205 E Girard Place was listed on the Spokane Register of Historic Places on October 17, 2016 by the Spokane City Council. The application for Special Valuation covers the time period from July of 2014 to July of 2016. Certificates of Appropriateness were not required because the property was not listed on the Spokane Register at the time of construction.

### **Exterior:**

- New paint
- Replaced glass in windows of bedrooms with dual pane glass inside original openings
- Replaced front and rear doors with custom-made doors
- Replaced siding on lower portion of the exterior where a brick planter had caused original siding to rot

### **Interior:**

- New electrical throughout the home along with a new electric panel
- Added central air and replaced original furnace with high-efficiency gas furnace
- New paint throughout interior
- Remodeled kitchen keeping original cabinets and layout as much as possible – added some additional cabinets and drawers
- Remodel of powder room
- Rehabilitated full bathroom – retaining original vanity, drawers, etc.
- New hot water heater
- Remodel of laundry room/pantry
- New carpet, flooring, tile
- Added a wall at the bottom of the stairs so that the basement and garage were separated
- Created a removable top for the brick planter in the foyer, saving the planter, but covering up the “dirt”
- New lighting installed throughout the home

Soft costs included insurance, utilities and taxes during the period of construction

The property is an eligible property type; the work was done within a 24 month period prior to application; and the work does equal at least 25% of the assessed value of the

property at the start of the project. The claimed expenses are allowable at the expense of \$88,304.85. That dollar amount is the total after expenses totaling **\$1880.01** were removed as eligible expenses since they were for window blinds.