

# Application for Special Valuation

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## STAFF REPORT OF FINDINGS

**Historic Name:** United States Rubber Building  
**Property Address:** 1011 W First Avenue  
**Applicant:** GVD Partners LP (Jerry Dicker)  
**Date:** Application submitted May 28, 2020

**MANAGEMENT AGREEMENT:** The US Rubber Building does have a Management Agreement that was signed on October 17, 2018 and includes the exterior of the building.

**DESCRIPTION OF REHABILITATION:** The US Rubber Building underwent an extensive rehabilitation from May of 2018 through May of 2020. The project included creating apartments in the upper three floors which had been open warehouse spaces and retail businesses on the first floor and mezzanine level. This project also underwent review for Federal Historic Tax Credits so local review was waived to the State's Department of Archaeology and Historic Preservation and the National Park Service.

### Exterior:

- Added windows on the east elevation in order to allow more natural light into the new apartment units, doors and balconies
- New roof
- Exterior wall repairs
- Repainting of the cornice
- Wood windows were repaired and repainted
- Wood trim on storefronts
- Replacement of front entry doors
- Removal of sheetmetal bulkhead cladding and replacement of broken glass and deteriorated trim on original glass panel bulkhead walls
- New entry in the southwest corner of the building
- Windows and fire doors were repaired and refurbished on the rear façade
- Ground floor windows on the rear alley were bricked in for safety of tenants

### Interior:

- Selective demolition of the basement, first and mezzanine level, and upper floors
- HVAC
- New electrical, plumbing, HVAC, fire systems
- New communications systems
- New elevator
- Two new stair towers added
- First floor commercial space was dividing into two spaces with communal access to new restrooms, entry vestibule, central corridor, stair lobby, and storage areas

- Mezzanine was configured into a common area for the apartment tenants and includes a restroom
- Build out of 14 loft style apartments on the top three floors and included:
  - Kitchens, bathrooms, living rooms, bedrooms
  - Sheetrock walls and partial ceilings
  - New floors

**Soft Costs:**

- Architect fees
- Design fees
- Permit fees

**FINDINGS OF FACT:**

**Authority to review the Special Valuation application: Under Ordinance No. C-31094, 6.05.100 (SMC 17D.100.310) 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?***

***The US Rubber Building was listed on the Spokane Register of Historic Places on November 5, 2018.***

YES       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?***

YES       NO

***Rehab work within 24 months prior to application?***

YES       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?***

**Yes**

YES       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  NO

***The application did not require a local COA because it is also undergoing Federal Historic Tax Credits which means we waive local review to the State’s Department of Archaeology and Historic Preservation and the National Park Service.***

- 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?***

YES  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:***

YES  NO

***Claimed expenses are allowable in the amount of \$6,459,411.37. The applicant removed costs that are not allowable such as appliances, televisions and furniture in the amount of \$130,505.92.***

## REPORTS

**Special Valuation site visit report:** Special Valuation Committee members visited the site on 10/15/20.

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

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Preservation Officer Review?	yes	Date:	10/5/20
Special Valuation Committee Site Visit?	yes	Site Visit:	10/15/20
Landmarks Commission Review?	pending	Meeting Date:	10/21/20