

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Wonder Building (Phase 2)
Property Address: 835 N Post
Applicant: Wonder Spokane, LLC (Peter Mounsey)
Date: Application submitted September 23, 2020

MANAGEMENT AGREEMENT: The Spokane Continental Bakery Building (Wonder Building) has a signed management agreement that includes the exterior of the building.

DESCRIPTION OF REHABILITATION: Second phase of the rehabilitation of the former bakery building included the completion of the interior rehabilitation of six completed office suites as well as the artisan marketplace.

Interior:

- HVAC
- Plumbing
- Fire sprinklers
- Paint, including Lead paint abatement and encapsulation
- Carpentry
- Cabinetry
- Doors & Windows
- Drywall
- Electrical
- Flooring
- Built-in refrigeration unit in basement (checking on this)

Soft Costs:

- Architect fees
- Design fees
- Permit fees
- Taxes
- Utilities

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 Spokane Continental Bakery Building was listed on the Spokane Register of Historic Places on September 17, 2019.

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 does not include any exterior work for this phase, therefore a CoA was not required.

- 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 \$5,522,874. The applicant carefully kept track of and removed all expenses related to the rooftop additions on the building which are not eligible for Special Valuation.

REPORTS

Special Valuation site visit report: Special Valuation Committee members visited the site on 10/2/20.

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	10/5/20
Special Valuation Committee Site Visit?	yes	Site Visit:	8/13/20
Landmarks Commission Review?	pending	Meeting Date:	10/21/20