

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Sherwood Building (Phase 5)
Property Address: 510 W Riverside Avenue
Applicant: Sure Would, LLC (Tom Clemson)
Date: Application submitted October 3, 2023

MANAGEMENT AGREEMENT: The Sherwood Building does have a Management Agreement that was signed on February 2, 2015 and includes the exterior of the building.

DESCRIPTION OF REHABILITATION: The Sherwood Building has undergone several phases of rehabilitation work for Special Valuation which were received in 2015, 2018, 2019, and 2021. The current project (phase 5) included finishing out three more tenant spaces and expansion of one tenant. Also included are continued work in previously unoccupied spaces to ready them for future tenant improvements.

Interior:

- Basement unit:
 - Added underground plumbing and drain for future tenants
 - Drywall soffits
 - Paint
- Crafted Beauty – built out two additional offices on the basement level
- Brandcraft:
 - Added office space with glass walls/doors
 - Added conference room
 - New concrete floors
 - New glass storefront
 - Built-in cabinetry and countertops
 - Cut in new stairs to basement media room/storage area
 - New cable bannister/railing system
 - New lighting throughout
- CoolSuite:
 - Framed and finished 8 treatment rooms with casework/plumbing
 - Front display wall with reception desk/quartz countertops and wall fireplace with tile
 - New glass storefront entry from lobby
 - Added restroom and breakroom with built in casework, plumbing, and laundry facilities
 - New 20-ton unit HVAC was tied into for the space
- Greystar, Inland Wellness & Vitality, Unoccupied 2nd level suite:
 - New 20-ton HVAC unit installed; new lighting
 - Inland Wellness – new offices, conference room and lunch room built out
- Exterior/other:

- Added three sections of exterior storefront on the north side of the building (Plaza side)
- Prepped north elevation for an additional exterior storefront
- Upgraded plaza lighting to LED

Soft Costs:

- Construction phase interest
- Development Service costs (5%)
- Architects, structural engineering, consultants, permits, bond and 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 Sherwood Building was listed on the Spokane Register of Historic Places on February 2, 2015.

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 CoA because the work was interior only which did not trigger a CoA (rear storefront probably should have required a CoA, but may have been missed at permitting).

- 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 \$1,391,221. Application was made in October of 2023, and value of the building at the beginning of the project (2021) was \$4,210,910.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review:	Duvall	Date:	5/6/2024
Special Valuation Committee Site Visit:	yes	Site Visit:	5/1/2024
Landmarks Commission Review:	pending	Meeting Date:	5/15/2024