

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Breslin Apartments
Property Address: 729 S Bernard Street
Applicant: Breslin Holdings 2022, LLC; Rudy Munzel, Manager
Date: Application submitted October 2023

MANAGEMENT AGREEMENT: The Breslin Apartment does have a Management Agreement that was signed on 08/15/2022 and covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The property at 729 S Bernard mostly underwent work on the interior of the rental units as they turned over as well as common areas.

Interior/Mechanical:

- Upgraded electrical throughout the building
- Kitchens upgraded with new cabinetry, counter tops, flooring, built-in ventless washer/dryers.
- As units have turned over, new paint, flooring, lighting, bathroom vanities/cabinets
- Units with carpets have been returned to the original hardwood flooring
- Removed wallpaper and repainted hallways
- Upgraded elevators
- Entrance upgraded with security system

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 Breslin Apartments were listed on the Spokane Register of Historic Places on August 15, 2022.

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?
Rehab work within 24 months prior to application?

YES NO
 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 work at the Breslin has been concentrated on the interior and did not require Certificates of Appropriateness.

- 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 \$769,192. Application was made in October of 2023, and value of the building at the beginning of the project (2021) was \$2,821,970.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	10/24/23
Special Valuation Committee Site Visit?	yes	Site Visit:	11/1/23
Landmarks Commission Review?	pending	Meeting Date:	11/15/23

FOR SHLC MEETING:

The Spokane Historic Landmarks Commission has the authority to review properties for the Special Valuation Property Tax incentive under Spokane Municipal Code 17D.100.310. The property at 1314 W 8th Avenue is covered under the Cannon Streetcar Suburb Historic District and is a contributing property to the district. This allows the property to access the Special Valuation tax incentive. The district was officially enacted on April 23, 2023.

DESCRIPTION OF REHABILITATION: The property at 1314 W 8th Avenue mostly underwent work on the second-floor bedrooms (3); bathroom; laundry; hallway and staircase.

Exterior:

- Remodel improvements included some exterior house painting and chimney repair.

Interior:

- Restoration of three bedrooms, bathroom, laundry, hallway, and staircase between first and second floor.
- The floorplan was changed for a better use of space and added or revived built-in storage.
- Removed all the carpet from the bedrooms, hallway and stairs. Refinished the original fir flooring, and a new carpet runner was installed on the stairs.
- In the bathroom the original clawfoot tub was restored. An unused chimney from the roof through the second-floor bath was removed, swapped the location of the toilet and sink, refurbished original built-in cabinets and added built-in storage from former bedroom closet space. The bath and laundry floors have matching hex tile patterns, white with a black border.
- Popcorn texture was removed from the ceilings. Damaged wall and ceiling plaster was repaired with a fiberglass mesh over the walls and then a “float and coat” process to finish with a smooth look. The mesh is used to prevent further cracking in the plaster walls. Picture rail, floor trim and corner protectors were milled to match the original.
- All of the bedrooms were expanded and improved closet storage with built-in storage and organizers was added. The laundry room was reorganized and split in half to create a master closet. Doors original to the house were used to make the two new pocket doors.

- Chimney removal created more space in the bathroom and created an opening to install an attic fan to bring up cooler air from lower floors in the house. A new cold air return run was created from the ceiling of the second floor hallway to the furnace in the basement, which doubled the cold air return capacity of the house.
- Second floor exterior walls were insulated from R-0 to R-15 by drilling holes on the inside and filling them with a cellulose insulation.

The property is an eligible property type; the work was done within the 24-month period prior to application from May of 2021 through May of 2023; and the work does equal at least 25% of the assessed value of the property at the start of the project which was \$386,600 in 2020. Claimed expenses are allowable in the amount of \$162,995. The work did not require a Certificate of Appropriateness because changes were mainly interior and completed prior to the house being listed on the Spokane Register.