Application for Special Valuation
STAFF REPORT OF FINDINGS

Historic Name: **Kehoe Block**
Property Address: **5002 N Market Street**
Applicant: **Kehoe Block LLC c/o Bob Whittaker**
Date: **Application submitted 4/29/2026**

MANAGEMENT AGREEMENT: The Kehoe Block was listed on the Spokane Register on 05/23/2003 and does have a Management Agreement that covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The work at the Kehoe Block included the finishing of the 2nd floor residential area as well as finishing of the first floor commercial area. Period of special valuation is from April of 2024 through April of 2026. This is the second phase of Special Valuation for the Kehoe.

Exterior:

- The exterior rehabilitation of the building included restoration of the storefront to a modern design that incorporated the glazing to full height as it was originally (old photos show the Kehoe with glazed bulkheads.
- Metal canopies were added to the exterior of the storefront on both the Market Street and Olympic Avenue sides.
- 3 redesigned commercial entrances.

Interior:

- Refinished flooring on both first and second floors.
- 2nd floor central solarium and skylights installed.
    - Over 300 glass panes were fitted into handmade window frames milled from reclaimed wood in the building
- Kitchen and living areas were built out and finished with a gas fireplace, lighting, cabinetry and paint.
- Counters and bookshelves were constructed with reclaimed timber from rehab work.
- Window and door restoration and repair.
- 2nd bathroom was added with sinks, tub, toilet, tiling and wallpaper.
- Cross-laminated timber basement to roof stairwell designed, fabricated and craned into the space through the roof.
- HVAC work including mini-split installation.
- Sprinkler system upgraded.
- Electrical upgrades.
- Plumbing upgrades.

Soft costs:

- Design fees, taxes, permit fees, insurance, 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 Brewing & Malting Company Building was listed on the Spokane Register of Historic Places on 4/10/2023. The building does have a signed Management Agreement that covers the exterior of the building.

☒ **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** ☐ **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**

Façade work was approved by the Landmarks Commission in March of 2022.

- 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 (such as drapery)."

Claimed expenses are allowable? Exception noted below: ☒ **YES** ☐ **NO**

Claimed expenses are allowable in the amount of $1,278,479.80. Application was made in April of 2026, and value of the building at the beginning of the project (2024) was $288,100.

STAFF REPORT:

The submitted application is complete and should be approved.

Preservation Officer Review?	yes	Date:	11/5/2026
Special Valuation Committee Site Visit?	yes	Site Visit:	11/5/2026
Landmarks Commission Review?	pending	Meeting Date:	11/18/2026