

# Application for Special Valuation

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## STAFF REPORT OF FINDINGS

**Historic Name:** Roosevelt Apartments  
**Property Address:** 524 W 7<sup>th</sup> Avenue  
**Applicant:** JP Spokane V, LLC – David Shlachter/Daniel Weissman  
**Date:** Application submitted January of 2024

**MANAGEMENT AGREEMENT:** The Roosevelt Apartments was listed on the Spokane Register on March 6, 2000 and does have a Management Agreement that covers the exterior of the building.

**DESCRIPTION OF REHABILITATION:** The Roosevelt Apartments underwent complete renovation of 64 apartment units, common areas, roof and masonry repair.

### Exterior:

- New roof on both the main building as well as the underground parking lot
- Landscaping on the earthen parking garage roof (allowed because the parking garage was originally constructed and planted with 18" of soil).
- Brick repointing/repair
- Windows changed (not an expense that is included since the costs were outside of the two-year period).

### Interior:

- Full remodel of 64 apartment units to include:
  - New kitchen cabinetry, counters, sinks, plumbing, lighting, fixtures, tile, flooring
  - New bath cabinetry/vanities, toilets, showers, bathtubs, lighting, tile, flooring
  - Paint
  - Refinishing wood floors
- Remodeled common areas to include:
  - Paint
  - Flooring/carpet
  - Lighting
  - Wallpaper
- Rebuilt plumbing system
- HVAC upgrades
- Fire suppression systems
- Communications infrastructure within the building

### Soft costs:

- Design fees
- Construction loan interest
- Property taxes

- Mauer Construction overhead service 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 Roosevelt Apartments were listed on the Spokane Register of Historic Places on March 6, 2000.***

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 window replacement at the Roosevelt received a Certificates of Appropriateness at a hearing on 9/22/2021 for the replacement of the windows. None of the other work required a CoA.***

- 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 \$6,319,562. Application was made in January of 2024, and value of the building at the beginning of the project (2022) was \$4,239,900.**

## REPORTS

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

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

**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 Breslin Apartments does have a Management Agreement that was enacted on August 15, 2022 when it was listed on the Spokane Register which covers the exterior of the building.

**DESCRIPTION OF REHABILITATION:** The Breslin Apartments has undergone a series of improvements during the past two years to update systems as well as remodeling units as they turn over.

**Interior:**

- 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

The property is an eligible property type; the work was done within the 24-month period prior to application from October of 2021 through October 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 \$2,821,970 in 2021. Claimed expenses are allowable in the amount of \$769,192. Certificates of appropriateness were not required because the Breslin Apartments did not undertake any exterior improvements during this phase.