

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Contributing Property Browne's Addition – 1813 W 1st Avenue
Property Address: 1813 W 1st Avenue
Applicant: Scarlett Hepworth & Marilyn Langbehn
Date: Application submitted 4/18/2025

MANAGEMENT AGREEMENT: The contributing property was listed on the Spokane Register of Historic Places on 11/03/2019 as part of the Browne's Addition Overlay Zone Historic District. The district requires review of changes to the exterior of the building, as well as for incentives such as Special Tax Valuation.

DESCRIPTION OF REHABILITATION: The house at 1813 W 1st Avenue has undergone several rehabilitation projects over the past two years. From April of 2023 through April of 2025, the owners have had both exterior and interior work completed towards this Special Valuation application.

Exterior:

- New roof & gutters
- Custom storm door – rear

Interior:

- Bathroom remodel – 1st floor to include vanity, tub/shower, flooring, lighting, tile, etc.
- Electrical work throughout house – new wiring and switches/plugs
- Repair of a split roof rafter in the attic
- General repairs – screens, front door threshold repair
- Window treatments custom fit to house (blinds and shades)
- Lighting
- New carpeting throughout
- Hauling work
- Gas disconnect to fireplace and stove

Soft Costs:

- Property taxes paid during the period of rehabilitation

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 house at 1813 W 1st was listed on the Spokane Register of Historic Places on November 3, 2019 as contributing to the Browne’s Addition Local Historic District.
☒ 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?
Districts consist of “contributing” and “non-contributing” and the vote of property owners is considered consent. An overlay zone takes the place of individual Management Agreements within a district. ☐ 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 roofing project did receive a Certificates of Appropriateness (D23-064HCOA) on 4/24/23.
- 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 \$99,973. Costs were deducted by staff that were related to the rear deck (\$10,000) as not eligible. Application was made in April of 2025, and value of the building at the beginning of the project (2022) was \$212,300.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	8/28/2025
Special Valuation Committee Site Visit?	yes	Site Visit:	9/4/2025
Landmarks Commission Review?	pending	Meeting Date:	9/17/2025

The house at 2012 W Pacific Avenue was listed on the Spokane Register of Historic Places on November 3, 2019 as a contributing property in the Browne's Addition Local Historic District and is subject to the Design Standards and Guidelines as approved in SMC17D.100.280.

Application for Special Valuation was received by the Assessor's office in July of 2025 – so the 24-month period for accruing expenses was July of 2023 through July of 2025. The recent work at the house was as a result of catastrophic water damage that occurred when the house was unoccupied and a radiator burst.

Interior:

- Kitchen
- The kitchen underwent a complete renovation to repair damaged materials throughout
- Infrastructure Updates:
- Complete demolition to studs
- Installation of new electrical and plumbing systems
- New drywall installation
- Finishes and Features:
- New cabinetry
- Large island (drawer microwave)
- Exhaust hood and built-in refrigerator, dishwasher and stove hood

- New tile backsplashes and quartz counter tops
- Custom trim to match home's original woodwork
- Fresh paint throughout
- New flooring
- New light fixtures over island

Bathrooms

- The three bathrooms were completely rehabbed
- Infrastructure Updates:
- Full demolition to studs
- New framing
- Updated electrical and plumbing systems
- New drywall
- Fixtures and Finishes:
- New lighting and fixtures
- New toilets
- New medicine cabinets
- New tile flooring
- New tile showers, shower fixtures, vanity, and pedestal sinks
- Fresh paint throughout

General Work:

- Demolition to the studs in the entire house (not included in these costs/demo was outside of the window for special valuation)
- Drywall, framing and trim
- Hardwood flooring, carpeting
- New electrical, insulation, plumbing throughout
- New HVAC, boiler, water softener, tankless water heater
- New doors

Soft Costs:

- Owner hired an independent insurance adjustor to advocate for his interests with his insurer. The costs are considered as “consultant fees”

Claimed expenses are allowable in the amount of \$486,270.46. Costs were deducted by staff that fell outside of the 2-year period including demolition work that was done prior to the start of the

rehabilitation. Staff also removed the cost of the stove which is free-standing and not allowed (\$10,323). Some costs were added in the amount of \$43,620.50 for consulting fees directly tied to the project. Application was made in July of 2025, and value of the building at the beginning of the project (2022) was \$517,700.