

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Framingham Building
Property Address: 1724 E Sprague Avenue
Applicant: Steve Schmautz, 1724 Sprague LLC
Date: Application submitted August 2021

MANAGEMENT AGREEMENT: The Framingham Building does have a Management Agreement that was signed on September 22, 2021 which covers the exterior of the building. City Council approved the Management Agreement on October 25, 2021.

DESCRIPTION OF REHABILITATION: The Framingham Building has undergone a complete rehabilitation from September of 2019 through August of 2021.

Exterior:

- The roof was repaired and new coating and flashing installed
- Removed inappropriate storefronts and replaced with appropriate storefronts and glass based on photographs of the building
- Rebuilt rear stairwells for second egress and safety

Interior:

- Demo of degraded interior
- Removed added layers of flooring to expose the original wood
- Refinished wood flooring throughout
- Repaired original windows – garage building at rear
- All new windows added to the 2nd floor – aluminum clad wood windows
- Added an elevator
- Added fire suppression equipment, fire alarms
- Upgraded electrical to 3-phase, all electrical upgraded throughout building
- New HVAC system
- New ADA restrooms (1st and 2nd floors)
- Kitchen/breakroom on the 2nd floor
- Added insulation in the walls, 2nd floor ceiling
- New interior/exterior doors
- Added concrete in basement
- Added storage areas in the basement
- New lighting throughout – both interior and exterior
- Refinished wood beams and columns
- Added door access control system
- Repaired skylights in shop area

- Cabinets/casework
- Paint throughout

Soft Costs:

- Asbestos abatement
- Equipment rental
- Interior design fees
- HP Consultant fees
- Architect/engineering fees
- Labor, Project Management
- Utilities, permits, legal fees, insurance, taxes

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 Framingham Building was listed on the Spokane Register of Historic Places on October 25, 2021.

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 Framingham Building was not listed on the Spokane Register of Historic Places prior to work being done on the exterior 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 \$1,871,719. Application was made in August of 2021, and value of the building at the beginning of the project (2019) was \$165,100.

REPORTS

Staff Report: The submitted application is complete.

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| Preservation Officer Review? | yes | Date: | 10/26/21 |
| Special Valuation Committee Site Visit? | TBD | Site Visit: | 11/4/21 |
| Landmarks Commission Review? | pending | Meeting Date: | 11/17/21 |