

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Hotel Collins
Property Address: 701 W 2nd Avenue
Applicant: Collins Building LLC (Steve Schmautz)
Date: Application submitted 10/1/2025

MANAGEMENT AGREEMENT: The Hotel Collins was listed on the Spokane Register of Historic Places on September 30, 2024. The Hotel Collins does have a Management Agreement that covers the exterior of the building. This project is also undergoing certification for the Federal Historic Tax Credits, therefore, we waive local design review for exterior work to the state Department of Archaeology and Historic Preservation and the National Park Service.

DESCRIPTION OF REHABILITATION: The work at the Hotel Collins is a full rehab of the building including the retail level that has been improved for office use and the two upper floors as individual micro apartments.

Interior:

- Extensive interior Demolition of first floor walls, doors, floors, ceilings, windows, etc.)
- Clean-out of the 2nd and 3rd floors - Original walls and residential floorplan on the 2nd & 3rd floors preserved
- Extensive infrastructure site work across whole building
 - Electrical upgrade of entire building
 - Domestic & fire water tap
 - Extensive plumbing work and new plumbing to all residential units
 - Stormwater collection system
 - New power supply
 - Fire suppression sprinkler system
 - Fire alarm system
 - HVAC installation (minisplits serving all residential units)
 - Installation of security system throughout building
- New Glass-Paneled, Secure/Controlled-Entry Exterior Doors
- Elevator installation
- Concrete and foundation work in basement

Rehab Construction (1st Floor, primary office suite + small secondary office suite)

- Completely new layout: New Walls & Drywall, New Offices and Conference Rooms, New Collaborative Work Spaces, New Kitchen Space
- New entry
- Infrastructure & Systems: New lighting & electrical, new HVAC ducting
- New exterior storefront windows

- New exterior & interior doors
- New flooring, lighting, & electrical
- New baseboards, trim, & paint
- Open/exposed ceiling to increase ceiling heights

Rehab Construction (2nd & 3rd Floors, 21 Residential units per floor)

- Refresh of original hard-wood flooring
- New exterior windows (2nd & 3rd floor)
- New baseboards, trim, & paint
- Installation of small bathrooms (Toilet + Shower) in each unit. Originally, the building had communal restrooms on each floor.
- Installation of kitchenette (including microwave, refrigerator, and plug-in electric cooktop) + sink in every residential unit.
- Installation of minisplit HVAC units in every residential unit.
- Installation of custom-built cabinetry and closet cabinet in every residential unit.
- New doors & doorframes.
- Design & build-out of 2 ADA-compliant residential units
- New lighting throughout
- Rebuild of common areas
- Installation of new laundry rooms on each floor
- Installation of Wifi infrastructure throughout building.

Exterior:

- Brick Facade repairs and cleaning
- Roof Repairs & drainage work
- Large, new storefront windows on 1st floor and new windows on 2nd & 3rd Floors.
- New decorative black-iron pergola over main residential entrance off Wall St.
- New building signage
- New exterior lighting
- Creation of secure trash bin storage area along alley on south side of building (built into side of building so as not to block the right-of-way in the alley).

Soft costs:

- Utility costs incurred during construction
- Utility Hook-Up/Connection Fees
- Extensive Drafting work: Architectural design, Engineering (Electrical, Structural, Civil, Etc.)
- Permitting
- Insurance
- Property Taxes
- Historical Nomination research and development/Consultant 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 Hotel Collins was listed on the Spokane Register of Historic Places on September 30, 2024.
☒ 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

CoAs were not required because the Hotel Collins is concurrently going through a Federal Historic Tax Credit project and local review is waived based on SMC 17D.100.300.
- 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 \$3,571,771. Items were removed from the eligible costs for refreshments, parking tickets, and alley cleanup totaling \$2258.65. Application was made in October of 2025, and value of the building at the beginning of the project (2023) was \$1,010,700.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	11/5/2025
Special Valuation Committee Site Visit?	yes	Site Visit:	11/6/2025
Landmarks Commission Review?	pending	Meeting Date:	11/19/2025