

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Solby House
Property Address: 1325 E 20th Avenue
Applicant: Steele Revocable Living Trust (Richard and Karen Dorn-Steele)
Date: Application submitted September 2022

MANAGEMENT AGREEMENT: The Solby House does have a Management Agreement that was signed on November 27, 2006 which covers the exterior of the house.

DESCRIPTION OF REHABILITATION: The Solby House has undergone a kitchen makeover during the past two years. This is a second phase of Special Valuation – the first of which took place in 2017 for mainly exterior work and some electrical work on the interior. From fall of 2020 through September of 2022, the owners invested in an updated kitchen and rear porch that was transformed for year-round use.

Exterior:

- The rear screened-in porch received glass panes in place of the screens to accommodate it becoming part of the kitchen as an eating area
- A window between the kitchen and the porch was cut into a doorway allowing access from the kitchen to the eating area

Interior:

- Demolition in kitchen
- Electrical work – removal of knob & tube, and addition of new wiring, outlets
- Framing work on the south wall of the kitchen which wasn't deep enough for electrical boxes
- Asbestos removal from porch area
- Removal of three layers of old flooring from the kitchen
- Removal of lead pipe
- Rehabilitation of light fixtures and cabinetry
- Built-in banquette
- Tile flooring and custom designed tile rug
- Insulation for the porch
- Heating for porch and heating under the floors of both the kitchen and porch
- Lighting
- Built-in refrigerator, dishwasher, microwave/hood, cabinetry, countertops

Soft Costs:

- Historic Preservation fees
- Design fees
- Engineering fees
- Permit 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 Solby House was listed on the Spokane Register of Historic Places on November 27, 2006.
 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 work did not require a Certificates of Appropriateness because changes were mainly to the interior and the change to the back porch was only to replace the existing screens with glass that was the same size and configuration. Owners did consult with the HPO at the time the work commenced and it was decided that a CoA would not be required for the work.

- 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 \$187,195.97. \$5322.81 was removed for pillows, fabric, porch table and accessories. Application was made in September of 2022, and value of the building at the beginning of the project (2020) was \$273,400.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	11/2/22
Special Valuation Committee Site Visit?	yes	Site Visit:	11/2/22
Landmarks Commission Review?	pending	Meeting Date:	11/16/22

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 Hansen House was listed on the Spokane Register of Historic Places on August 1, 2022 and does have a Management Agreement that was signed in July of 2022 which covers the exterior of the building.

The Hansen House has undergone a series of improvements over the past two years. From April of 2020 through April of 2022, the owner invested in a new roof; exterior painting; chimney work, HVAC work, electrical and more.

Exterior:

- Restoration of front porch face and structure - jacked, added porch skirt, and painted
- Painted house exterior
- Installation of Nest security cameras and doorbell
- Window repair and installation of missing storm windows
- Masonry brick, fireplace, chimney, and basalt foundation restoration and tuck pointing
- Roof replacement
- Air conditioner purchase and installation

Interior:

- Cellulose installation for wall and attic to increase energy efficiency
- New dishwasher install (built-in) and general plumbing maintenance
- Repair of cracked drain line in basement
- Carpet cleaning
- Gas fireplace insert service and new thermostat
- Removal of knob and tube electrical, installation of antique brass push button switches and plate covers throughout the house, installation of smart smoke alarms, replacement of a few light fixtures with period appropriate reproduction
- Texturing of ceiling throughout house, painting, patching of holes from electrical work
- Install of new water efficient toilets for both bathrooms
- Stain, shellac, and touch up of Douglas fir trim throughout house

Soft Costs:

- Historic preservation nomination fees

The property is an eligible property type; the work was done within a 24-month period prior to application; and the work does equal at least 25% of the assessed value of the property at the start of the project which was \$234,000 in 2020. Claimed expenses are allowable in the amount of \$78,856. The house was not listed on the Spokane Register of Historic Places until after the work was completed and therefore did not require any Certificates of Appropriateness.