

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: The T.H. and Bessie Tollefsen House
Property Address: 517 W Sound Avenue
Applicant: Steve and Sybil MacDonald
Date: Application submitted 12/19/2024

MANAGEMENT AGREEMENT: The T.H. and Bessie Tollefsen House was listed on the Spokane Register of Historic Places on 04/28/2025. The Tollefsen House does have a Management Agreement which covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The Tollefsen House has undergone a series of improvements over the past two years. From December of 2022 through December of 2024, the owners made improvements to the house which included a kitchen remodel and a 2nd floor closet and bathroom remodel.

Exterior:

Structural Changes

- Demolition, expansion and reconstruction of kitchen's south-facing wall
- Separate mud room with sink and cabinets along east end of south wall
- Installation of windows and doors on new south wall.
- Removal of two west-facing windows
- Front porch structural work

Exterior Finishes

- Installation of period-appropriate stucco
- Updated outdoor trim on all new windows and doors to maintain historical consistency
- Enhanced insulation
- New electrical outlets
- Exterior paint

Interior:

Kitchen Transformation

The kitchen underwent a complete renovation to modernize functionality

Infrastructure Updates:

- Complete demolition to studs
- Removal of outdated knob and tube electrical system
- Installation of new electrical and plumbing systems
- Enhanced insulation
- New drywall installation

Finishes and Features:

- Custom shaker-style cabinetry

- Large island with sink and appliances (drawer microwave, wine refrigerator)
- In-wall double oven, gas stove and exhaust hood
- New tile floor, tile backsplashes and quartz counter tops
- Custom-built trim to match home's original woodwork
- Fresh paint throughout
- Unlacquered brass hardware
- New light fixtures over island
- Custom boot bench matching counter tops

2nd floor bedroom and bath converted into primary bath and closet

The bathroom was completely modernized

Infrastructure Updates:

- Full demolition to studs
- New framing
- Updated electrical and plumbing systems
- Enhanced insulation
- New drywall

Fixtures and Finishes:

- Double sink floating vanity with quartz countertops
- New windows in bedroom, bathroom and closet replacing vinyl windows
- New toilet/bidet
- New linen cabinetry
- Unlacquered new brass hardware and faucets
- Large format tile floors and walls in new walk-in shower
- New lighting
- Custom-built trim and wainscoting matching home's original woodwork
- Fresh paint throughout

Soft Costs:

- Architecture fees – design, engineering and interior design

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 Tollefsen House was listed on the Spokane Register of Historic Places on April 28, 2025

☒ 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

This project had been completed prior to listing on the Spokane Register and therefore did not require CofAs.

- 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 \$491,859. Property owners removed costs associated with the exterior rear deck construction and the refrigerator. Other costs were deducted by staff including design fees outside of the 2-year period and backyard privacy lattice (\$23,450 for design work 11/2022 and lattice for backyard at \$1250.78). Application was made in December of 2024, and value of the building at the beginning of the project (2022) was \$489,300.

REPORTS

Staff Report: The submitted application is complete.

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| Preservation Officer Review? | yes | Date: | 5/6/2025 |
| Special Valuation Committee Site Visit? | yes | Site Visit: | 5/8/2025 |
| Landmarks Commission Review? | pending | Meeting Date: | 5/21/2025 |