

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Union Block
Property Address: 218 N Howard Street
Applicant: Howard Partners LLC (Kevin Edwards)
Date: Application submitted 11/22/2024

MANAGEMENT AGREEMENT: The Union Block was listed on the Spokane Register of Historic Places on 09/17/2025. The building does have a Management Agreement which covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The Union Block has undergone a series of improvements over the past two years. From November of 2022 through November of 2024, the owners created 8 housing units on the upper two floors as well as exterior changes.

Exterior:

- New roof
- New windows – costs removed as ineligible
- Entry doors

Interior:

- Selective demolition
- Structural framing, crane services, materials and trusses created a new building skeleton
- New stairway
- Plumbing
- HVAC – installation of pipes, fixtures and climate controls
- Electrical improvements
- Insulation
- Drywall
- Interior painting
- New flooring to include carpet, LVP, tile
- Cabinetry in kitchens, bathrooms and laundry facilities
- Interior doors/trim
- Appliances (waiting on a breakdown of costs to remove refrigerators and stoves, washer/dryer)
- Light fixtures
- Safety and systems upgrades
- Acoustical ceilings for improved acoustics and for fire rating to separate the upper residential floors from the restaurant and retail use below

Soft Costs:

- Plans and permits
- Inspector fees
- Utilities
- Insurance
- General operational costs
- Dump fees, rentals

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 Union Block was listed on the Spokane Register of Historic Places on 9/17/25.

☒ 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

Permits for this project had been received prior to the listing on the Spokane Register.

- 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):
 - Improvements to an existing building located on or within the perimeters of the original structure;
 - 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);
 - Architectural and engineering services attributable to the design of the improvements;
 - “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 \$2,143,113. Costs of windows, appliances, excavation work, parking lot and sidewalk work, and trash enclosures were removed from the costs as not allowable in the amount of \$231,517. Application was made in November of 2024, and value of the building at the beginning of the project (2022) was \$228,100.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	9/24/2025
Special Valuation Committee Site Visit?	yes	Site Visit:	10/2/2025
Landmarks Commission Review?	pending	Meeting Date:	10/15/2025