

## **Application for Special Valuation**

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### **STAFF REPORT OF FINDINGS**

**Historic Name:** Studio Apartments  
**Property Address:** 1102 W 6<sup>th</sup> Avenue  
**Applicant:** Sixth Avenue Venture LLC (Steve Schmautz, Heather Bryant)  
**Date:** Application submitted September 2022

**MANAGEMENT AGREEMENT:** The Studio Apartments does have a Management Agreement that was signed on October 19, 2022 which covers the exterior of the building. The building was listed on the Spokane Register of Historic Places on November 7, 2022.

**DESCRIPTION OF REHABILITATION:** The Studio Apartments has undergone a series of improvements during the past two years to bring it back into use as an apartment building. The building was converted to office space on the upper floor and studio apartments on the lower level.

#### **Exterior:**

- Siding/Railings
  - Removed the exterior vinyl siding to expose original siding
  - Painted building a modern “Urban Bronze” color
  - wood railings were left intact, but the balusters were replaced with horizontal steel rods
  - Wood accent was added to the south face of the building.
- Windows/Doors
  - Replaced broken windows; maintained the fenestration pattern of original building
  - Replaced a previously replaced operable window in each kitchen with vinyl unit
  - The six panel doors were replaced with flat slab doors.

#### **Interior:**

- Demo
- Updated finishes existing in the existing building
  - Wall hung cabinets
  - Tiled showers w/ Glass doors
  - New cabinets/Countertops
  - Paint throughout
  - Lower Studio apartments- Installed New Murphy beds
- New appliances and plumbing fixtures
  - In-unit Washer/Dryers (not eligible cost)
  - New Toilets, Vanities, Water Heaters
  - New Sink, Dishwasher, Refrigerator, and stove in each unit (some items eligible)
- Updated systems
  - Lighting/Electrical
  - Installed Fire Alarm and required detectors throughout
  - Installed Fire Sprinklers-Top Floor Only (Change of Use Requirement)

- HVAC heating/cooling systems
- Updated wood burning fireplace to electric
- General Changes
  - Change of Use from Office back to Apartment
  - Opted for going with two (2) 2-Bedroom units; varies from original of one (1) 1-bedroom unit with balcony and two (2) 20x20 Studios

**Soft Costs:**

- Historic Preservation fees
- Permit fees
- Labor costs
- Interior Design fees
- Utility expenses
- Security costs
- Property 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 Studio Apartments was listed on the Spokane Register of Historic Places on November 7, 2022.***

☒ 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 property was not listed at the time of the exterior work 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):
  - 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 \$620,426.94. Items removed from the application as ineligible expenses were appliances (stoves, refrigerators, washers/dryers) and sewer connection in the amount of \$19,162.25. Application was made in September of 2022, and value of the building at the beginning of the project (2020) was \$204,000.***

## REPORTS

**Staff Report:** The submitted application is complete.

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Preservation Officer Review?	yes	Date:	12/5/22
Special Valuation Committee Site Visit?	yes	Site Visit:	12/7/22
Landmarks Commission Review?	pending	Meeting Date:	12/21/22