

The Future of History in Spokane AIA Spokane An Architecture Month Presentation



# **HSW Learning Objectives**



**Objective 1**: Participants will learn how historical reuse and adaptation helps promotes relevance, context and character bridging the past to the present and giving it vision for the future. **Objective 2**: Participants will be able to know what incentives are available to owners of historical properties and review recent projects where this is demonstrated.

**Objective 3**: Participants will be introduced to the process of how the Special Valuation works from the perspective of an owner of historical properties.

# **HSW Learning Objectives**



**Objective 4**: Participants will learn about the complex issues and solutions on a well-known historical property.

#### **Presenters:**

Randy Wilson AIA, NAC Architecture Megan Duvall, City/County HPO Chris Batten, RenCorp Russ Wolfe AIA, WAG

#### The Review Building

Built: 1890 Architect / Builder: Chauncey B. Seaton National Register Date: 02/24/1975

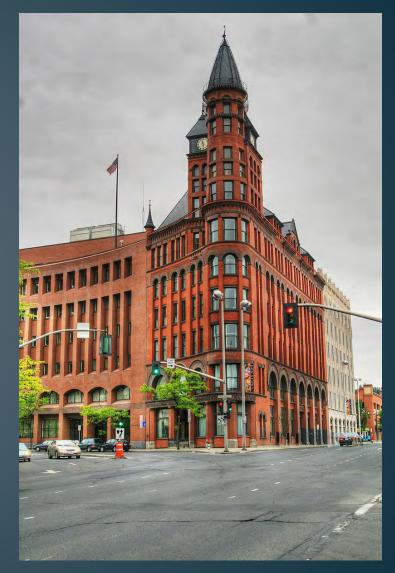


Photo by Mike Tigas from Spokane, WA

#### Fox Theater

Built: 1930 Architect / Builder: Robert Reamer, Whitehouse & Price National Register Date: 11/30/2001 Spokane Register Date: 12/10/2001



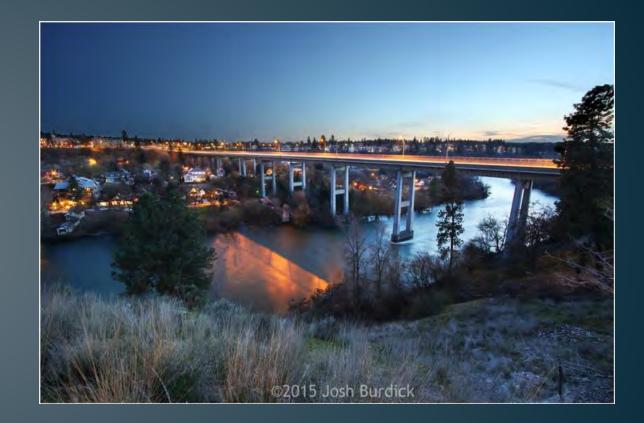
#### Monroe Street Bridge

Built: 1910 Architect: Kirtland Cutter & Karl Malmgren Engineer: Ralston/McCarthy/Kennedy/ Grieve/Cutter National Register Date: 5/13/1976 Spokane Register Date: 10/22/1990



#### Maple Street Bridge

Built: 1958



The Paulsen Medical & Dental Building

Built: 1928-29 Architect: Gustav A. Pehrson Spokane Register Date: 11/18/1996



#### **Masonic Center**

Built: 1905 Architect / Builder: Rand & Dow, Rigg & Van Tyne National Register Date: 7/30/1976 Spokane Register Date: 7/29/1991

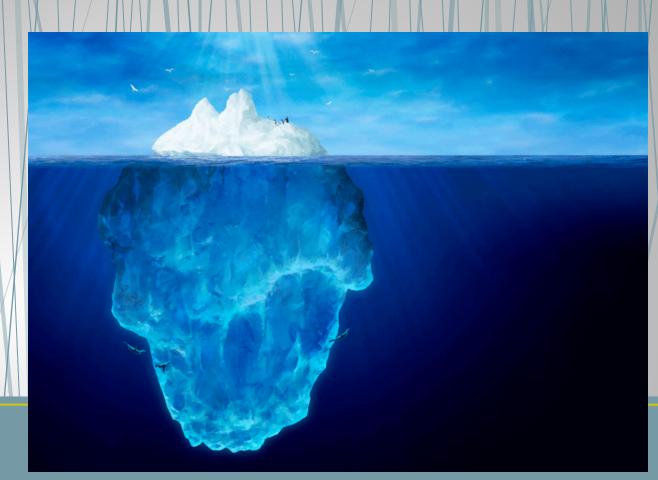


Photo by Daniel Hagerman

#### Mohawk Building

Built: 1915 Architect/Builder: John K. Dow Demolished: 2005





#### Context

the interrelated conditions in which something exists – Merriam Webster

#### **Bodie Block**

Built: 1889 Architect/Builder: Richard T. Daniel, Antone Traut, and Eugene Chamberlin Spokane Register Date: 4/18/2011



#### Jimmie Durkin Building

Built: 1910 Architect/Builder: Unknown Spokane Register Date: 11/16/2015

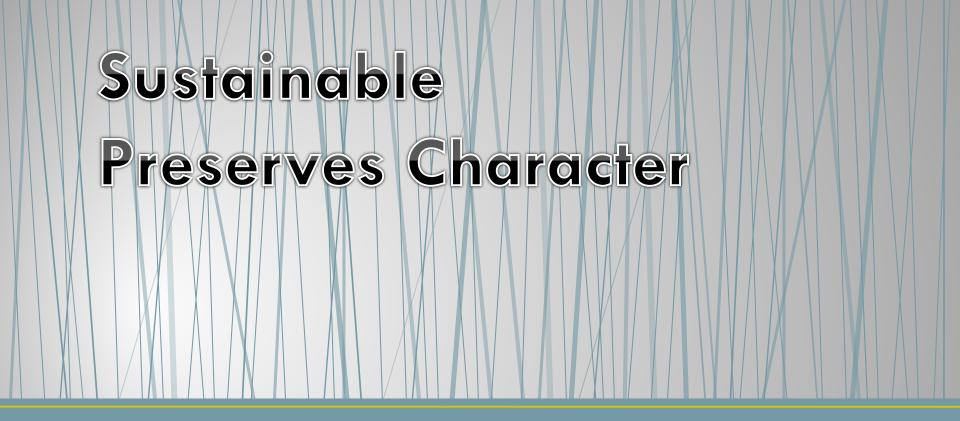


Why Preservation? A concerted effort to preserve our heritage is a vital link to our cultural, educational, aesthetic, inspirational, and economic legacies — all of the things that quite literally make us who we are.

Author Steve Berry

# Sustainable

## Why Preservation?



# Why Preservation?

# Sustainable **Preserves Character** Economic

# Why Preservation?

#### Holley-Mason Building

Built: 1905 Architect/Builder: Albert Held

National Register Date10/13/1993

Spokane Register Date: 11/17/1998



# HISTORIC PRESERVATION AS AN ECONOMIC DEVELOPMENT TOOL

Special Valuation and the Federal Historic Tax Credit in Spokane

## BACKGROUND SPECIAL TAX VALUATION

- Enabling legislation passed in 1985
- Local government implements the law through ordinance (SMC <u>17D.040.310</u>)
- Local government determines which property types are eligible
  - In Spokane, only locally listed properties are eligible – NOT National Register listed (can be on both registers, but MUST be on Spokane Register)

## HOW DOES SPECIAL VALUATION WORK?

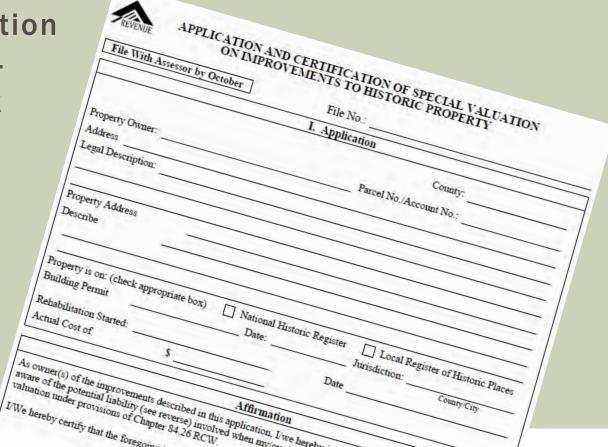
- 24 month period for work to be performed
- Can be used for a substantial rehabilitation (25% of structure value) for either residential or commercial property





#### HOW DOES SPECIAL VALUATION WORK?

- Application is made to the Assessor's office with a one-page Department of Revenue form:
- This application stops the 24 month clock



## HOW DOES SPECIAL VALUATION WORK?

- Assessor verifies the building's value prior to the start of the rehab period
- Assessor's office forwards the application to the Historic Preservation Office
  - The Spokane Historic Landmarks Commission verifies the work as "qualified expenditures"
  - We then send documentation back to Assessor
- Qualified expenses are reduced from property value for a period of 10 years



## EXAMPLE SPECIAL TAX VALUATION

Building Value = \$1M

25% = \$250,000 (minimum)

Actual amount spent on rehab = \$4.5M

Building reassessed on normal schedule = \$1.75M

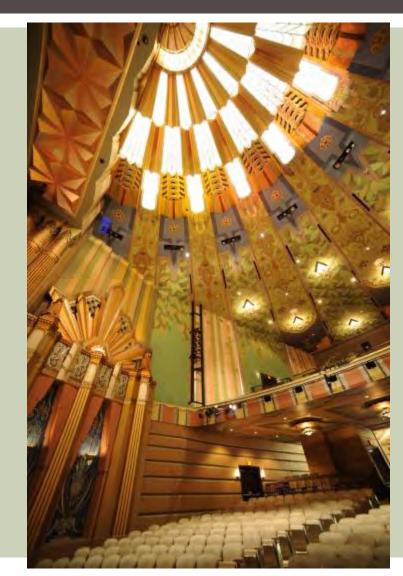
Subtract "special valuation" of \$4.5M

# Taxed on = \$0



\*\*\*This is not a property tax freeze, but is a reduction based on the amount spent on qualified rehab expenditures \*\*\*\$4.5M is reduced from the assessed value of the LAND and BUILDING for 10 years

## INCENTIVES FEDERAL TAX CREDITS



- A one-time 20% Federal Tax Credit
- Based on rehabilitation expenses
- Not locally administered
- Review by the State DAHP and National Park Service
- Very stringent interpretation
- Only income producing properties are eligible

#### WHAT COSTS ARE ELIGIBLE?

- S.V. is based on the Federal Tax Credit for allowable costs, but it is more flexible because of the local approval process
- Construction
- Materials
- "Built-in" items (cabinets, etc)
- Windows
- Paint
- Roofing
- HVAC
- Electrical

- Finish work
- Carpet/Flooring
- Plumbing/Electrical
- Lighting
- Fixtures
- Architectural Fees
- Taxes, insurance, utilities during period
- Other "soft" costs

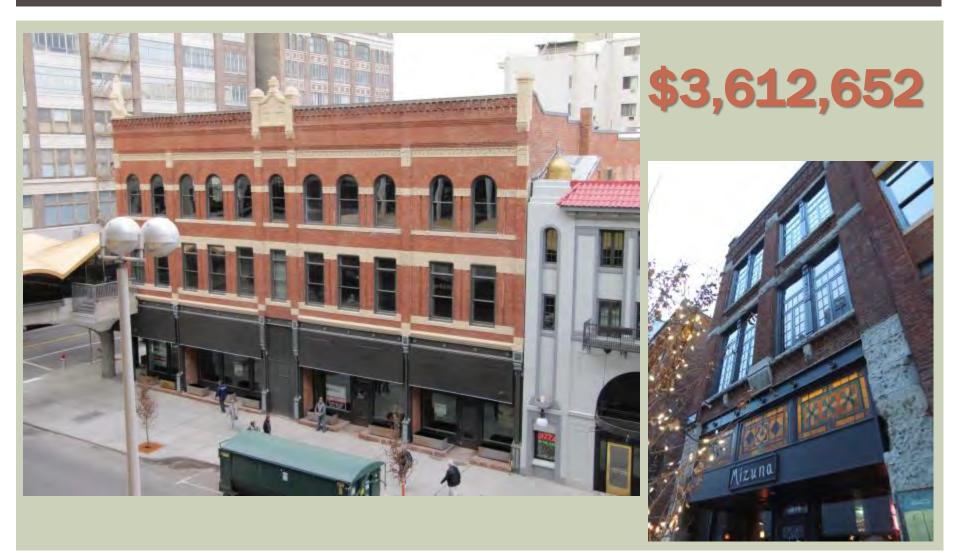
## WHAT COSTS ARE **NOT** ELIGIBLE?

- Appliances (that are not built in)
- Acquisition Costs
- Home/building owner labor
- Additions or enlargement of the structure
- Financing costs
- Overhead costs
- Landscaping/site development costs

#### WHAT ARE OUR FEES?

- Residential property: \$150 + \$73 filing fee
- Commercial property
  - Less than \$1M for project: \$250 + \$73 = \$323
  - **\$1M to \$5M: \$500 + \$73 = \$573**
  - Over \$5M: \$1000 + \$73 = \$1073

#### **BENNETT BLOCK – 530 W. MAIN**

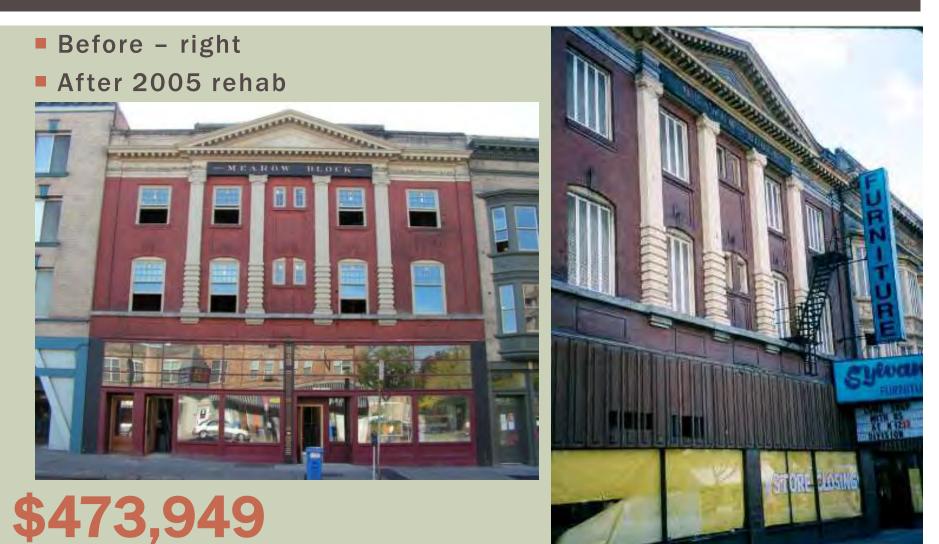


#### **BENNETT BLOCK – 530 W. MAIN**



#### **BENNETT BLOCK – 530 W. MAIN**



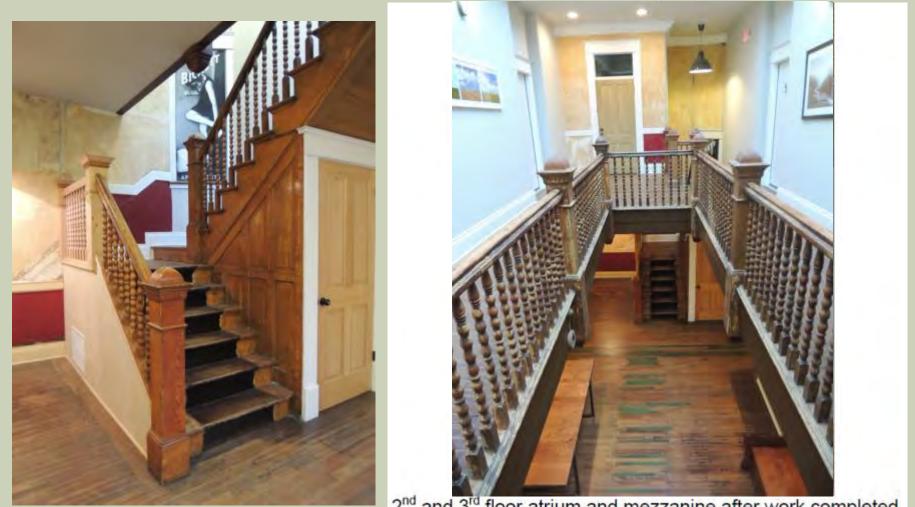




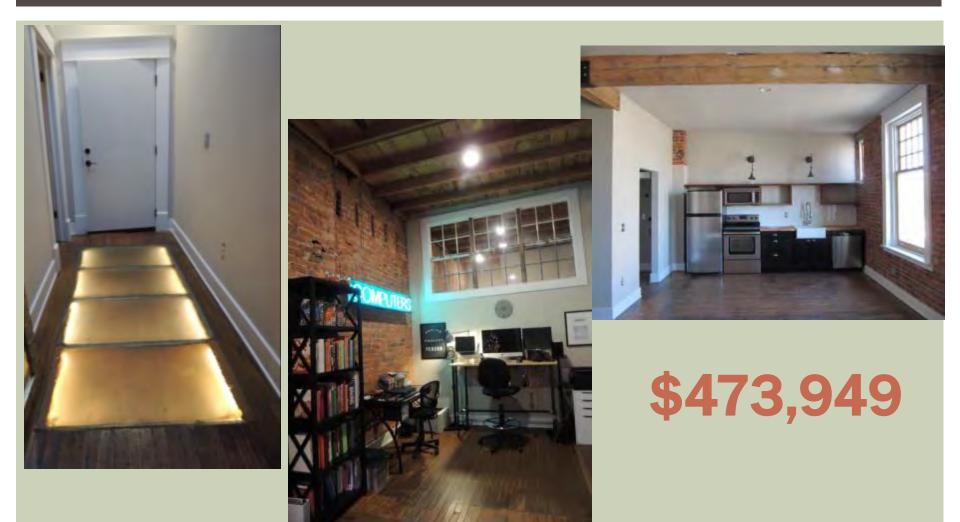
# \$473,949



2<sup>nd</sup> and 3<sup>rd</sup> floor center atrium and mezzanine before work

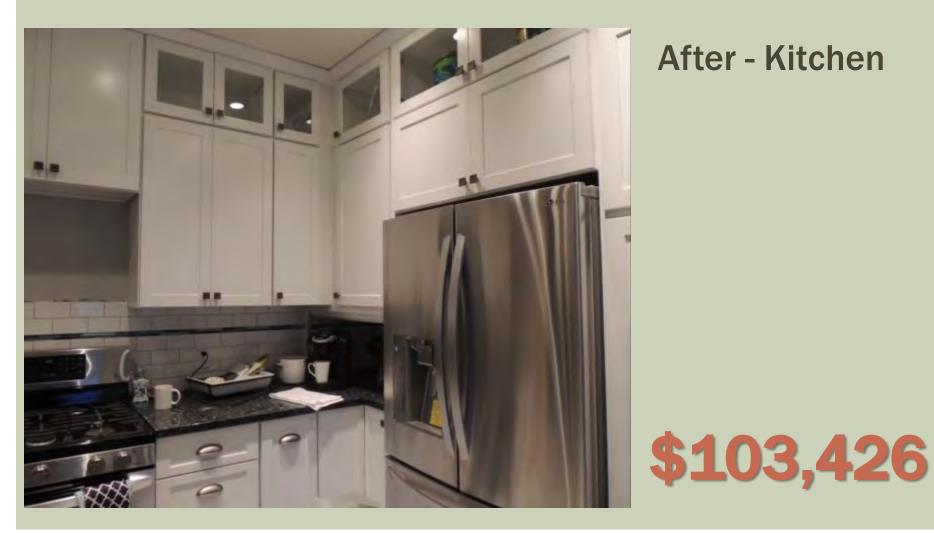


2<sup>nd</sup> and 3<sup>rd</sup> floor atrium and mezzanine after work completed













 Attic Space/ Structural System



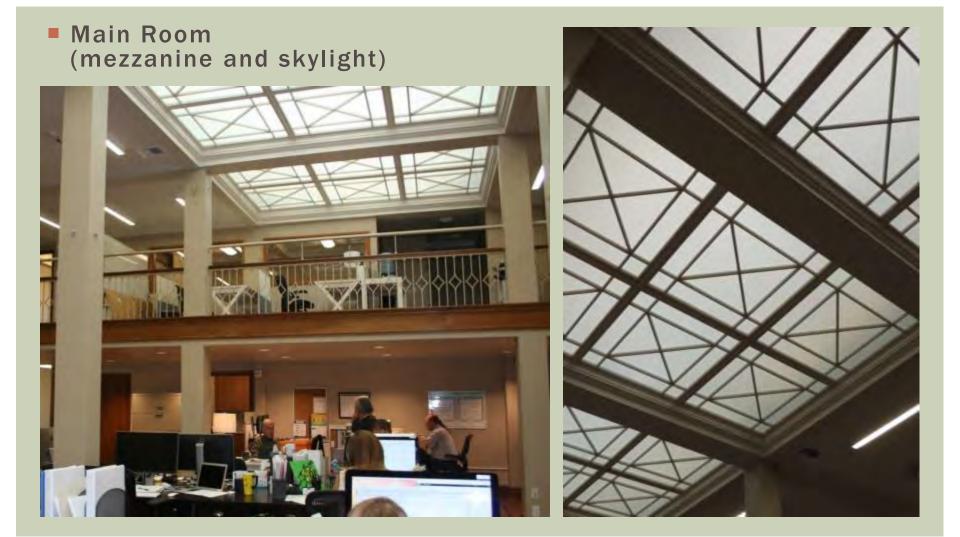


### Auditorium (Lower Level)











#### Basement Before



#### Basement After





Floors/ Cabinetry

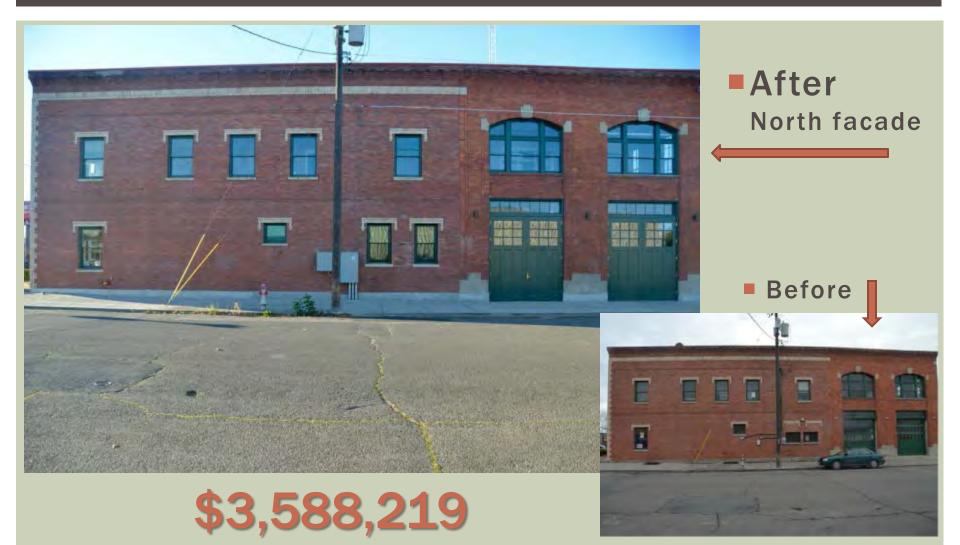


Windows

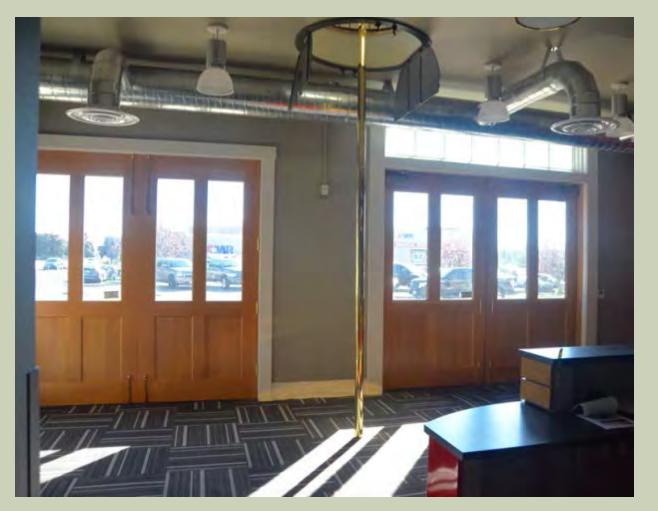
Basalt Rock Walls and **Features** 







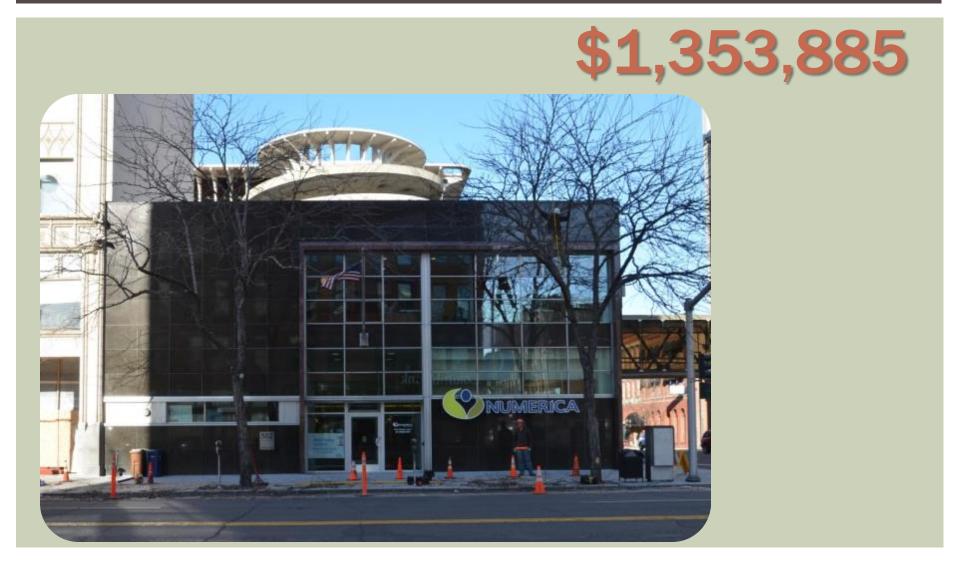




After Lobby Area



## FIRST NATIONAL BANK BUILDING 502 W. RIVERSIDE AVENUE



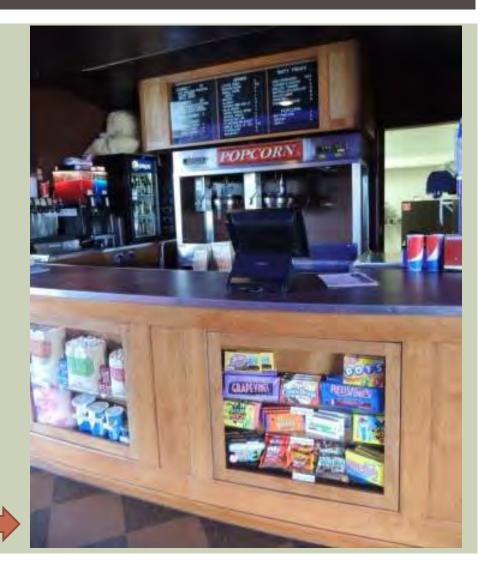




Concession

\$494,382

# Concession



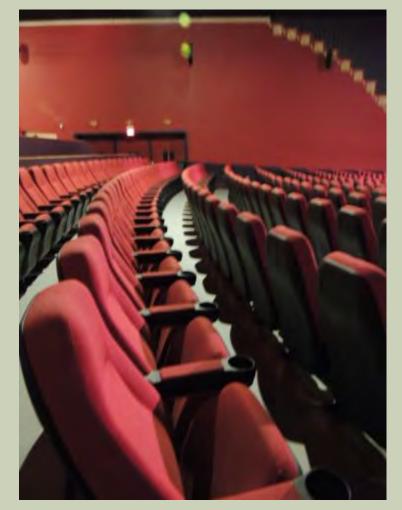


Carpet before and after



# \$494,382



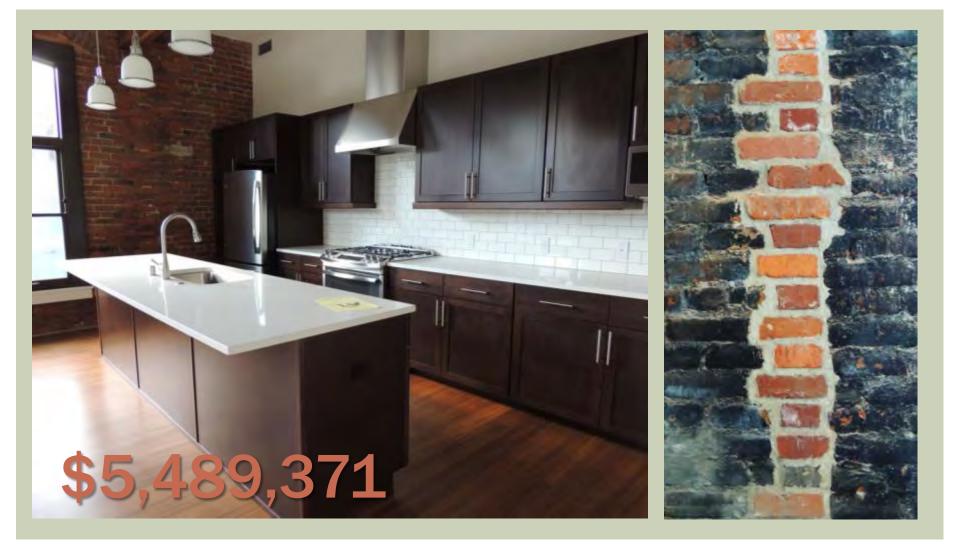












## GOODYEAR TIRE & RUBBER BUILDING 123 E SPRAGUE







### Present

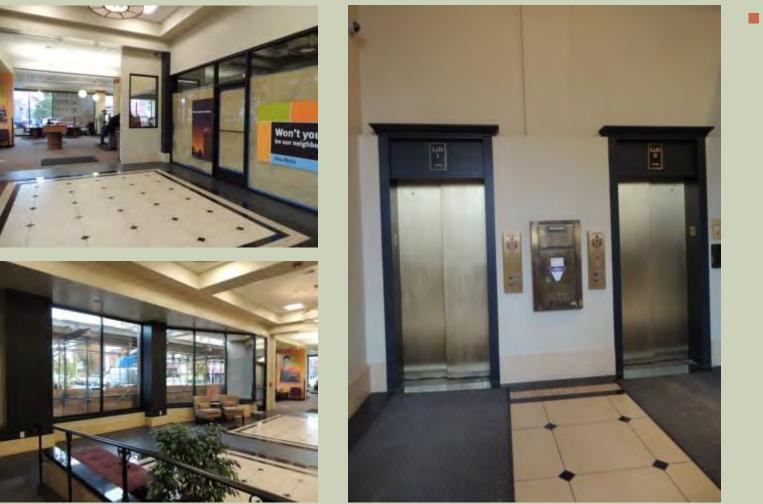
\$3,143,962





### Office Space





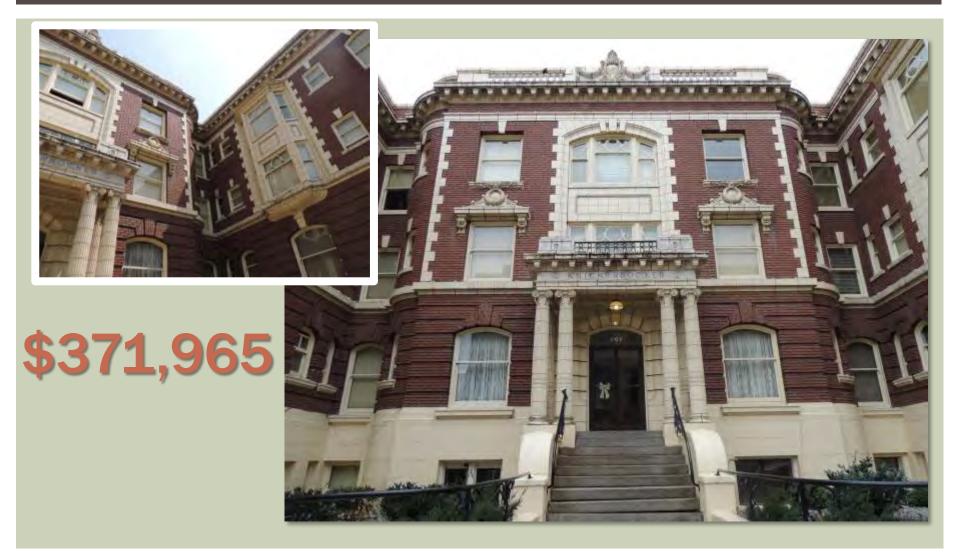
Lobby after



# JIMMIE DURKIN BUILDING 409 - 415 W. MAIN AVE.



### KNICKERBOCKER APARTMENTS 507 S. HOWARD STREET







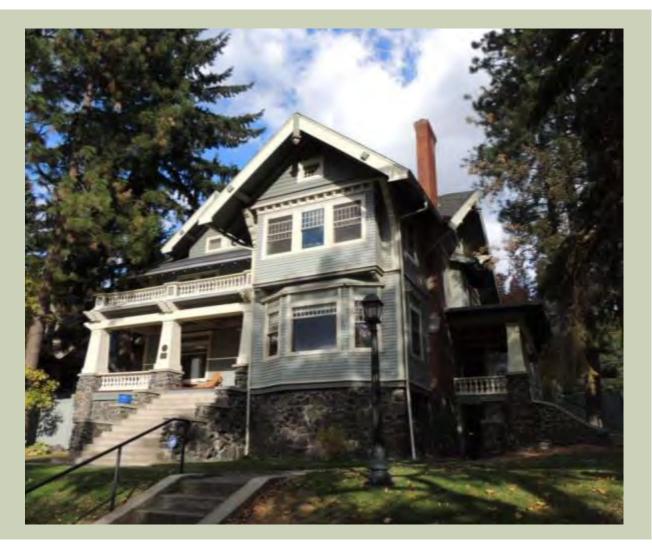






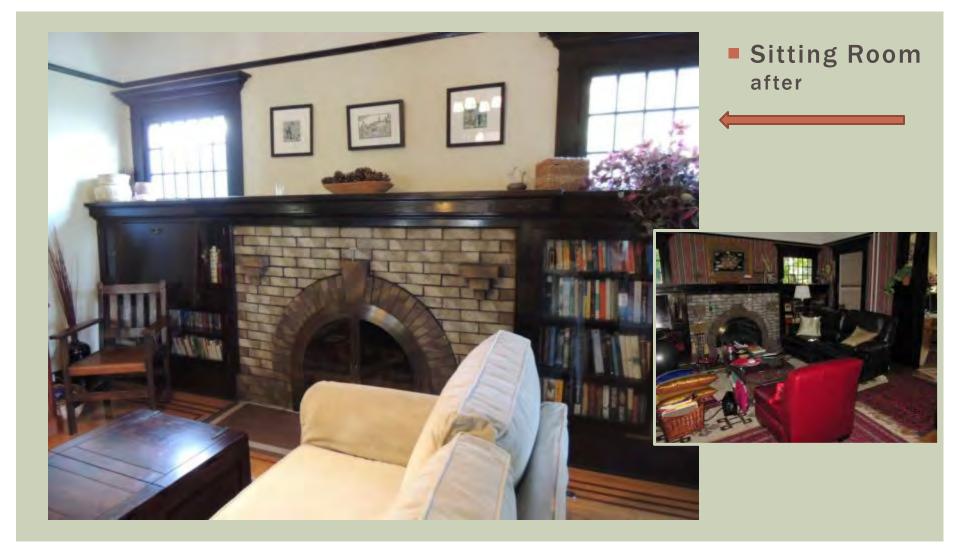


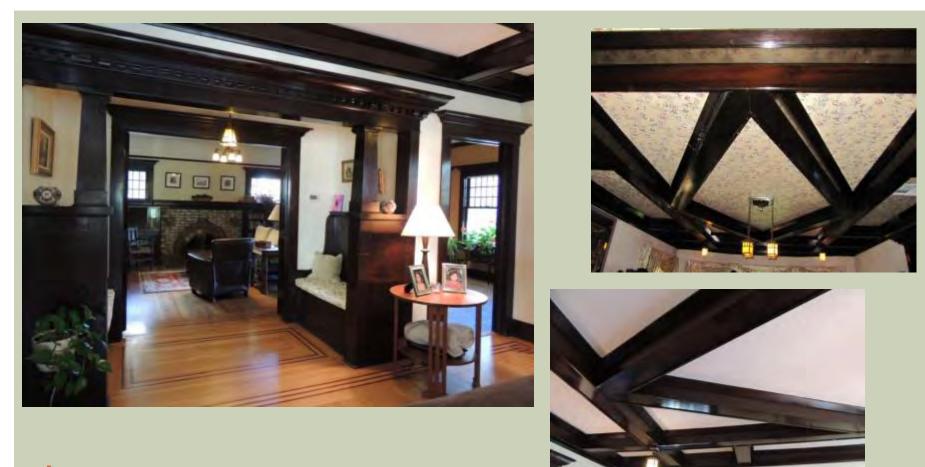
## \$288,138











# \$288,138





#### Front Vestibule Original Woodwork







Basement 1899 Foundation





#### Electrical

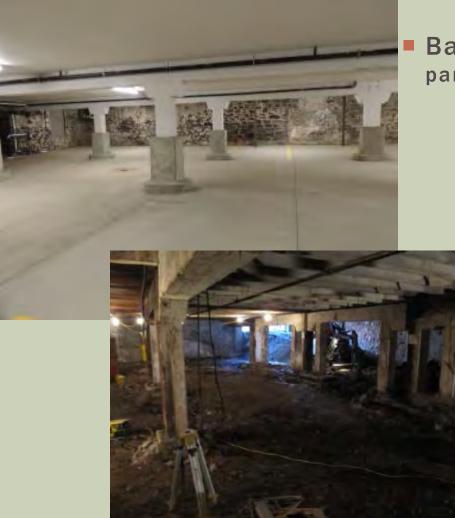




# \$2,990,172

#### Before



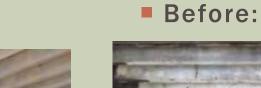


#### Basement parking

#### Basement power



#### 1<sup>st</sup> Floor





### PAULSEN CENTER 421 W RIVERSIDE

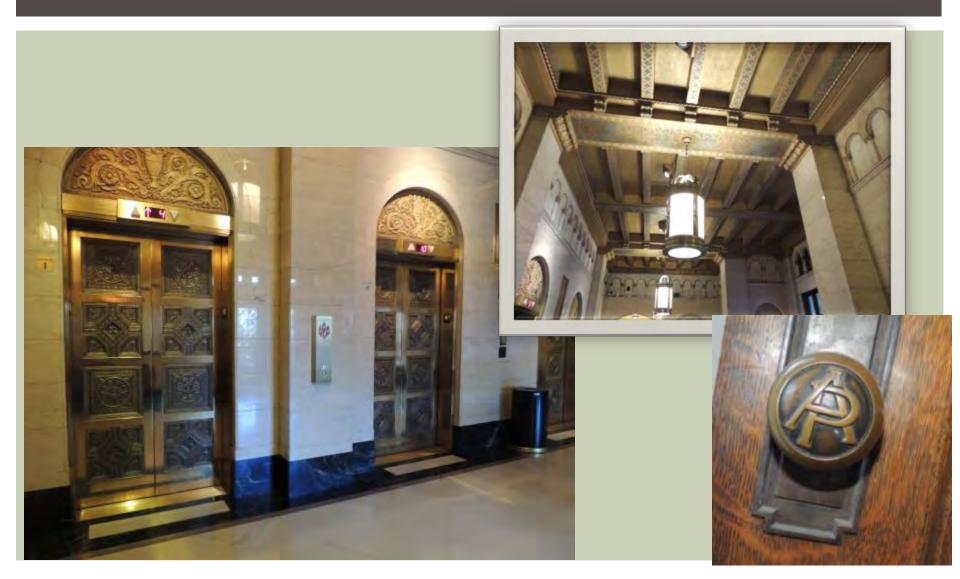
#### 1908 & 1929







### PAULSEN CENTER 421 W RIVERSIDE



### PAULSEN CENTER ELEVATOR EQUIPMENT



### PAULSEN CENTER HVAC SYSTEM

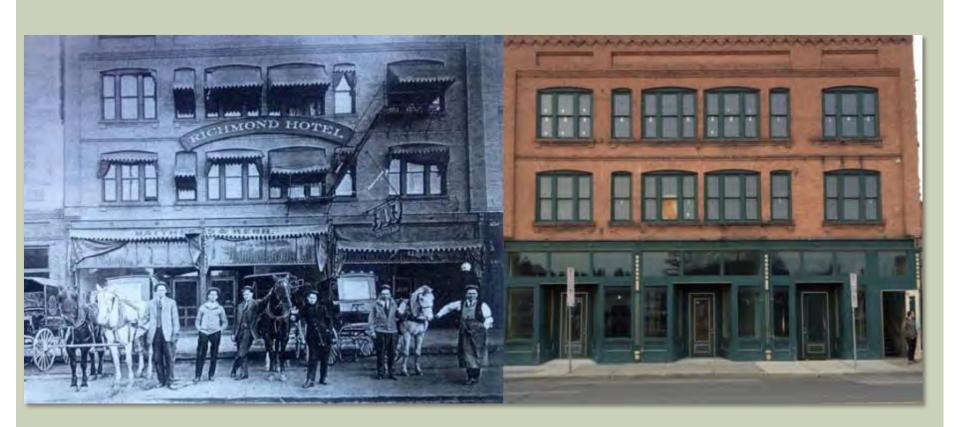


### PAULSEN CENTER TENANT IMPROVEMENTS



### PAULSEN CENTER BATHROOM REMODEL - AFTER









#### AFTER







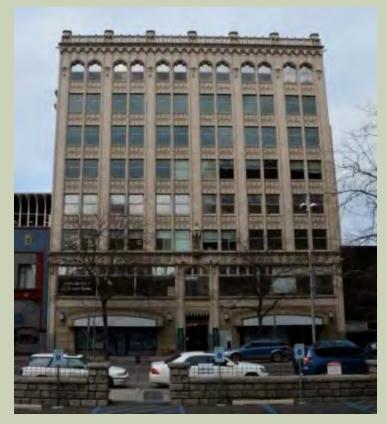
# ROMBECK BUILDING/DUTCH'S LOAN/HUPPIN'S 421 W. MAIN AVE.





### SHERWOOD BUILDING 510 W RIVERSIDE

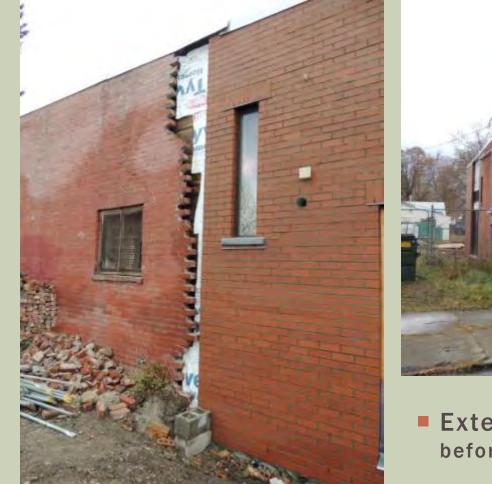














Exterior before



Interior before







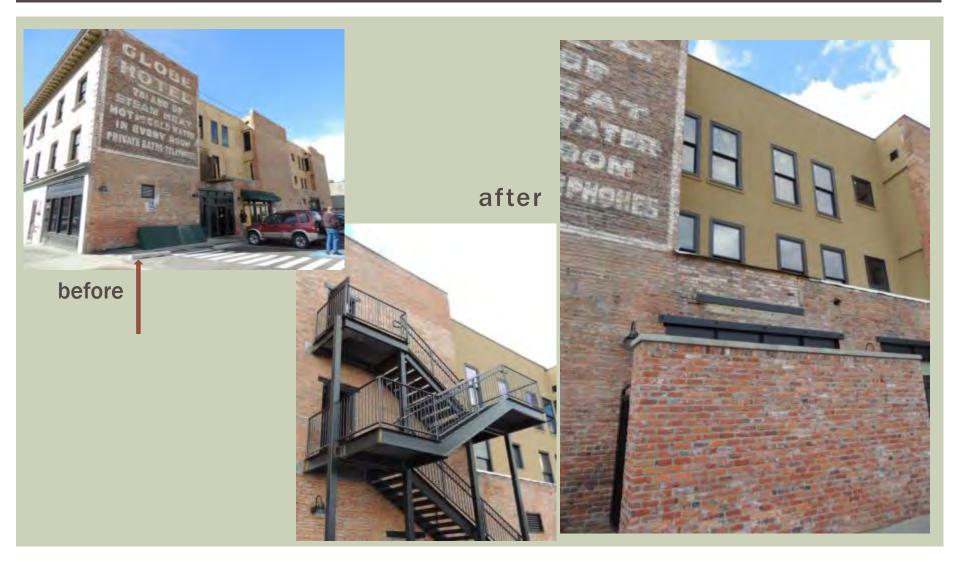


### THE GLOBE 204 N. DIVISION ST.

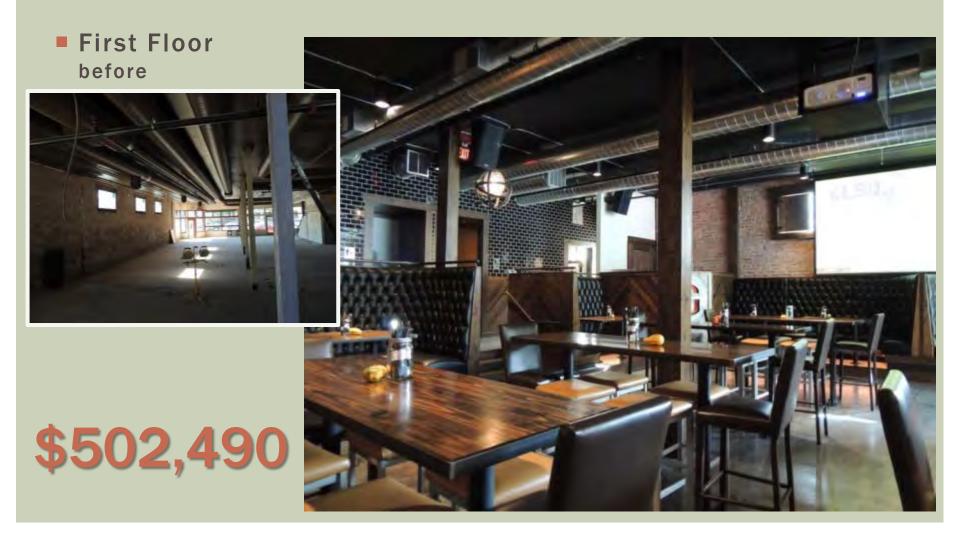




### THE GLOBE 204 N. DIVISION ST.



### THE GLOBE 204 N. DIVISION ST.





## Kitchen/Family Room – BEFORE/DURING CONSTRUCTION







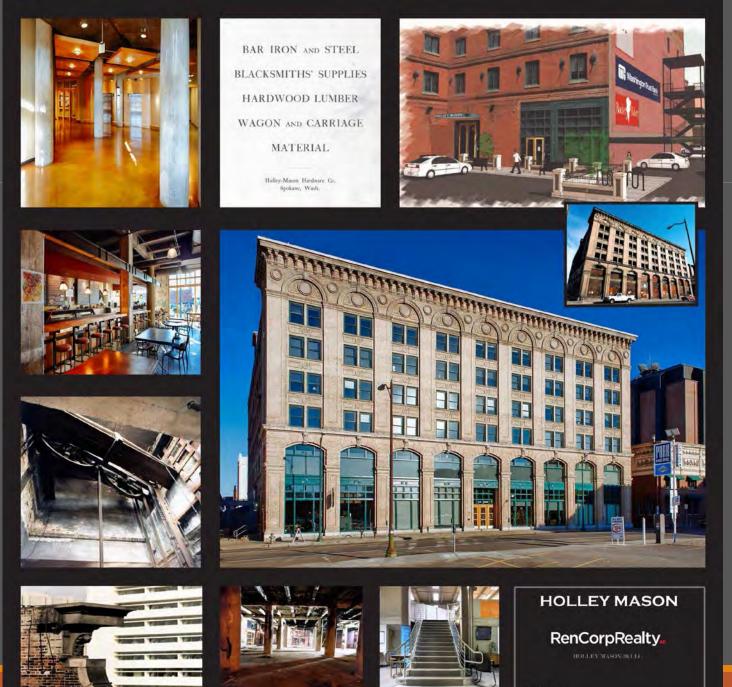
# SPECIAL TAX VALUATION 2015 FINAL NUMBERS!

# **23** Projects = **\$37,327,280**

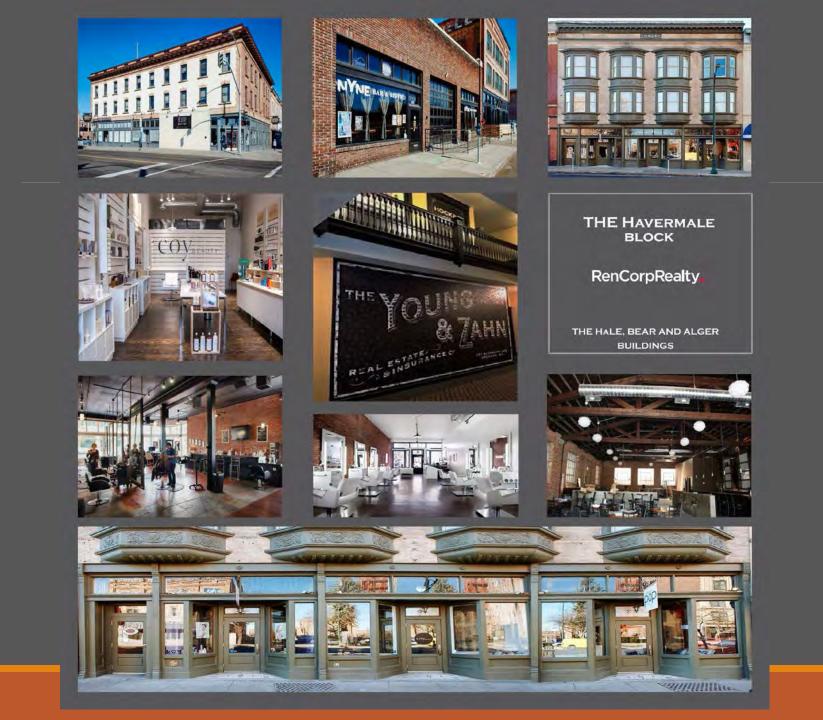
- The 23 properties that were rehabilitated were valued by the Spokane County Assessor's Office at a total of \$19,121,350 pre-rehabilitation
- Between 2000 and 2015, 180 historic rehabilitation projects have taken advantage of the tax incentive.



Developer/Owner Perspective

























#### WETZEL WAREHOUSE

ARCHITECT, BROKER, CONSTRUCTION & DEVELOPMENT:

RenCorpRealty

114 W Pacific







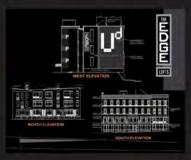














ARCHITECT, BROKER, CONSTRUCTION & DEVELOPMENT,

RenCorpRealty

ge Investig Cimup, LDC

103 E. Sprague:





THE AUTO LOFTS ARCHITECT, BROKER, CONSTRUCTION & DEVELOPMENT

RenCorpRealty

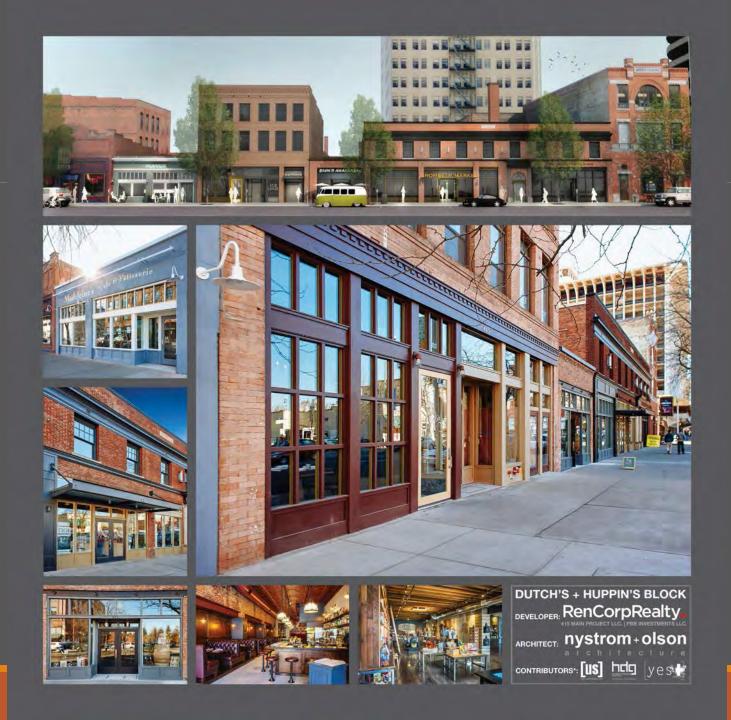


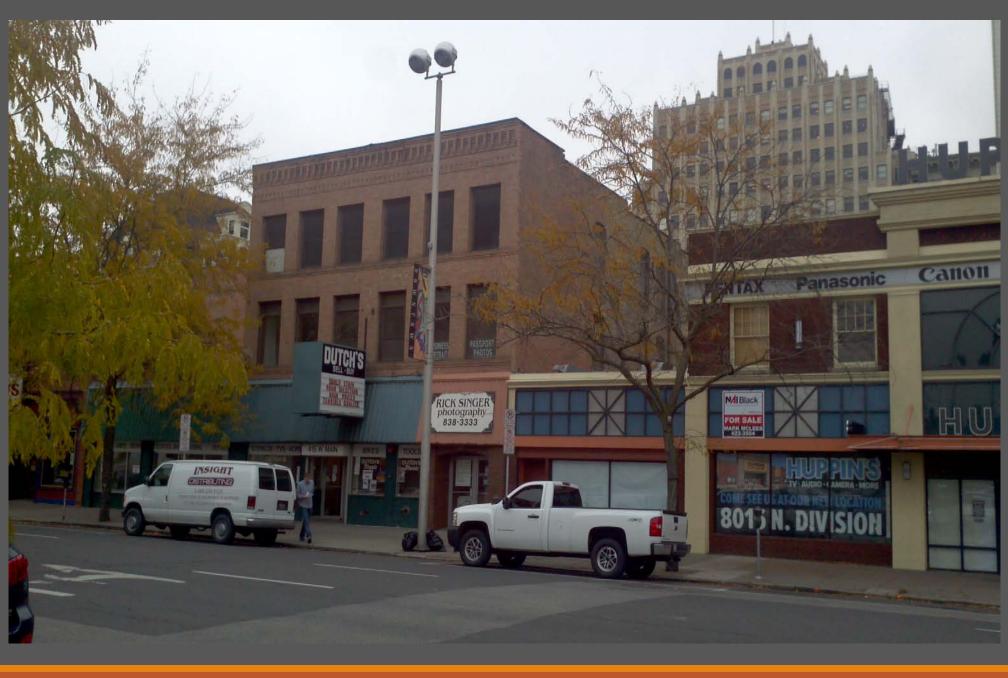




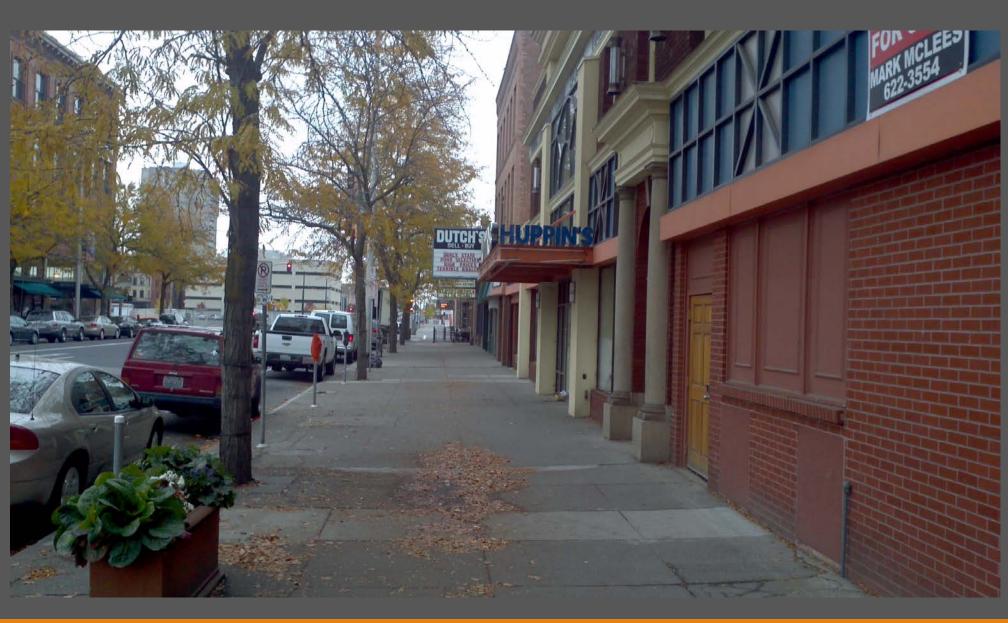






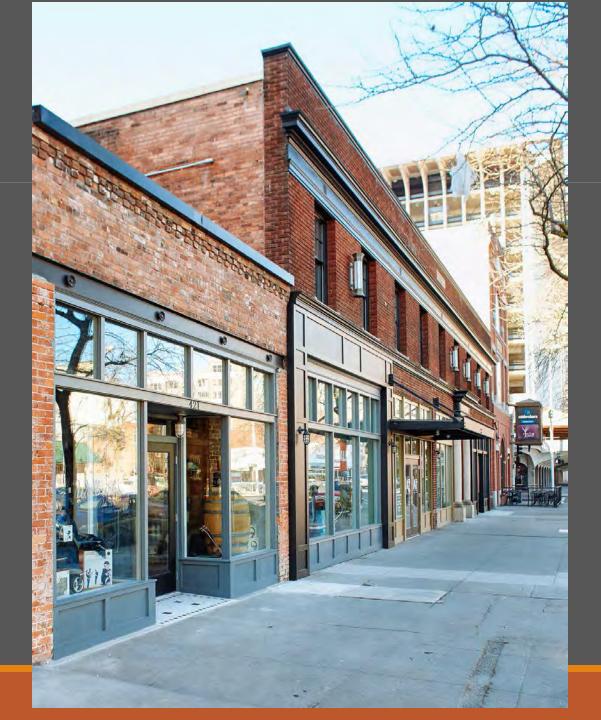


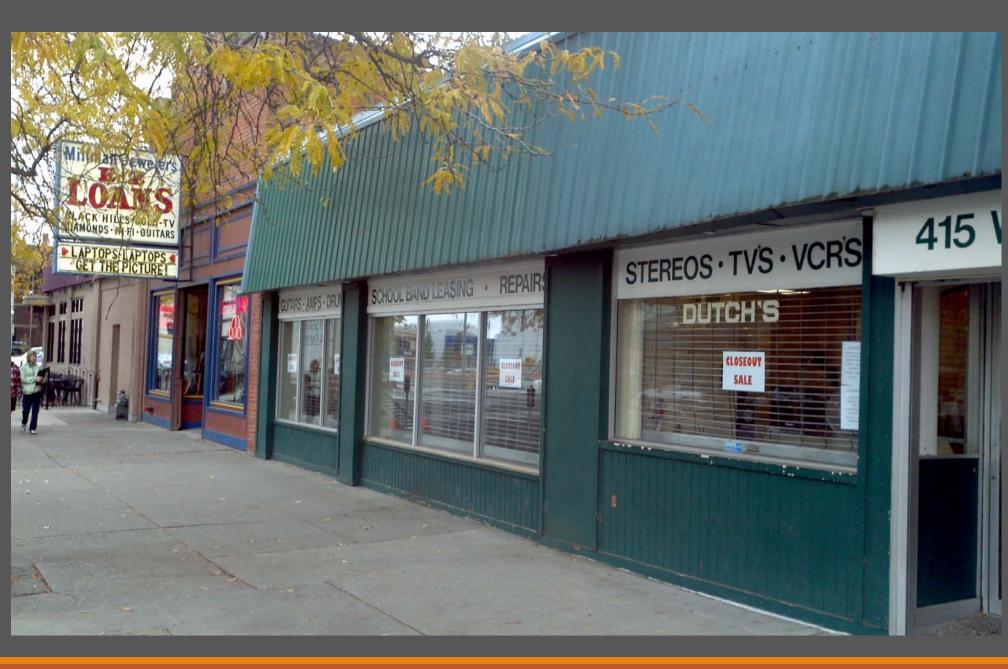


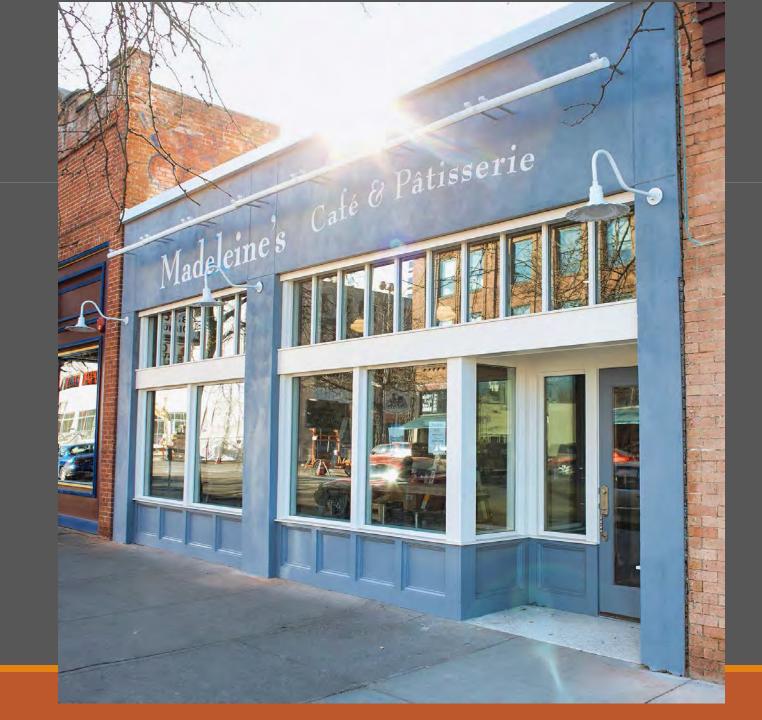




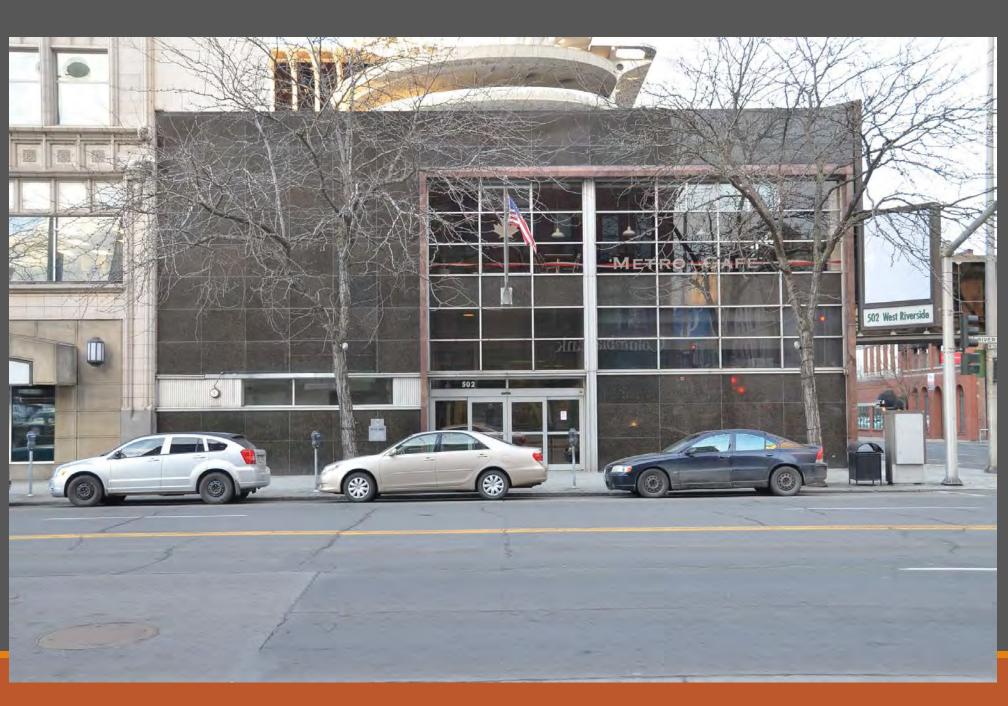


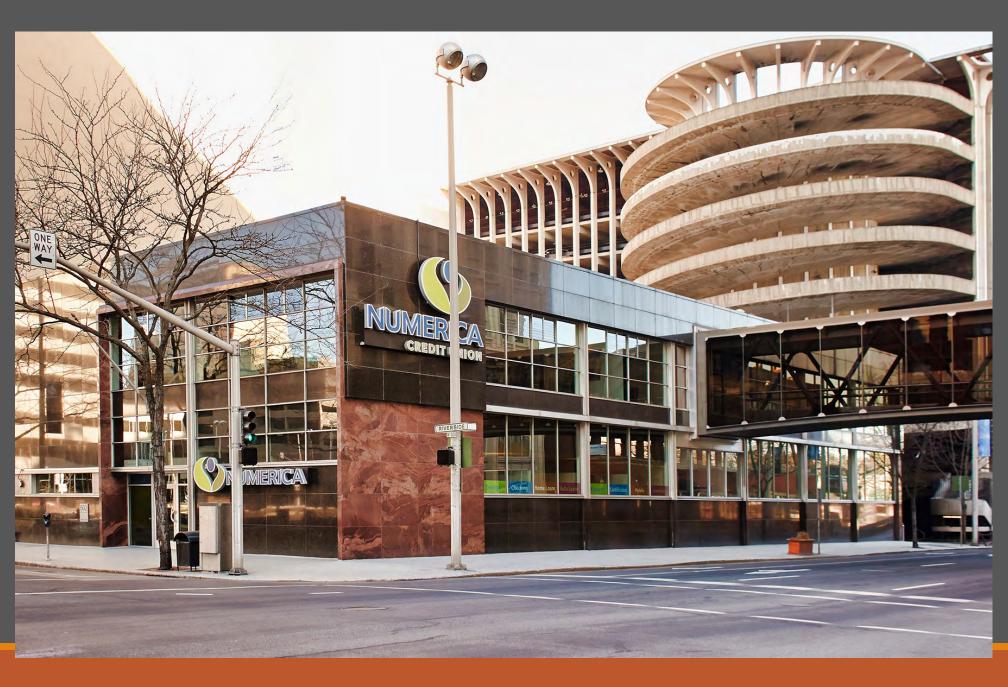


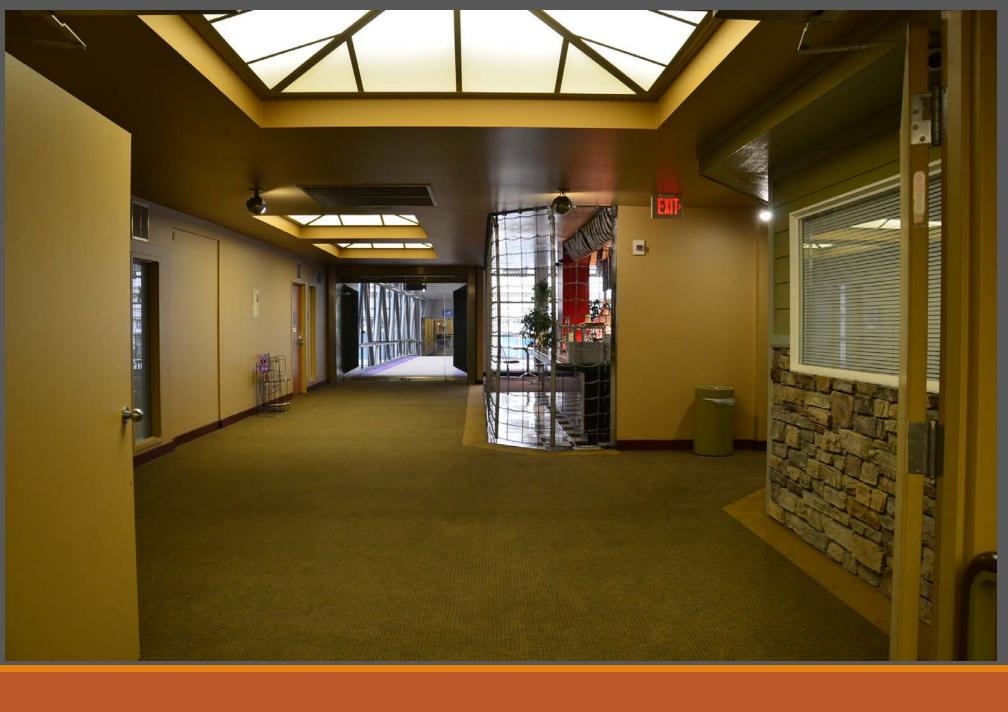










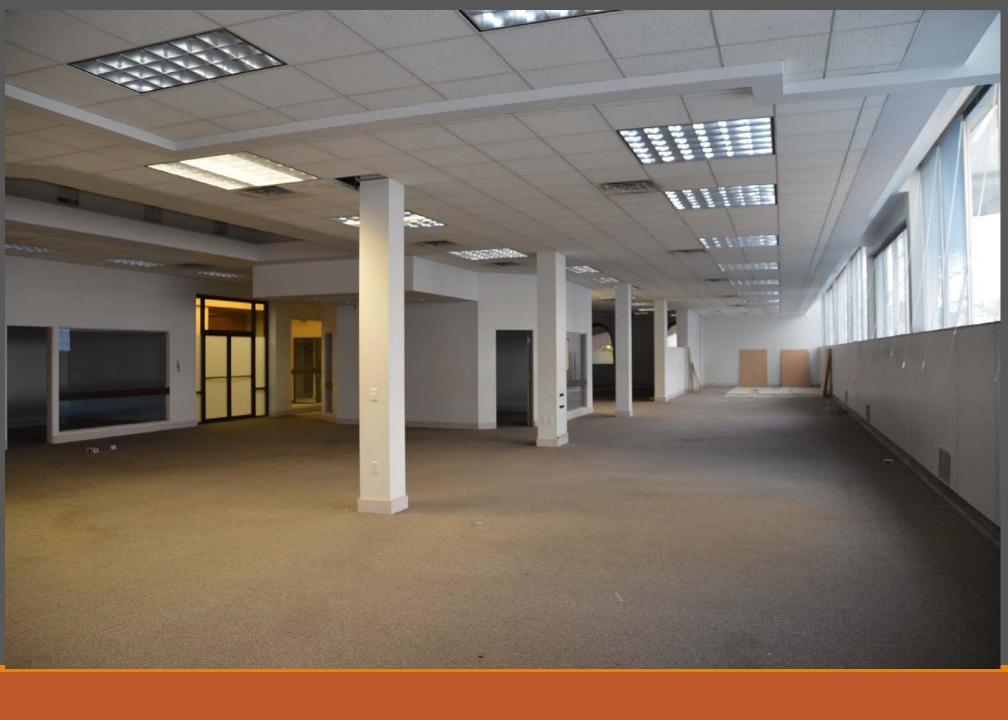


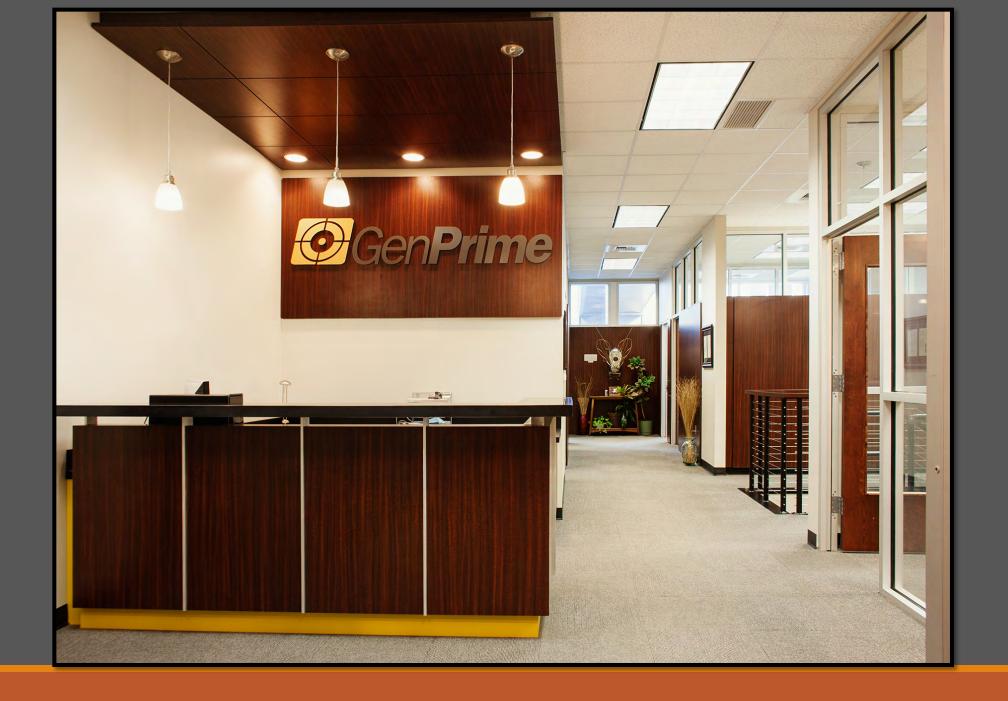


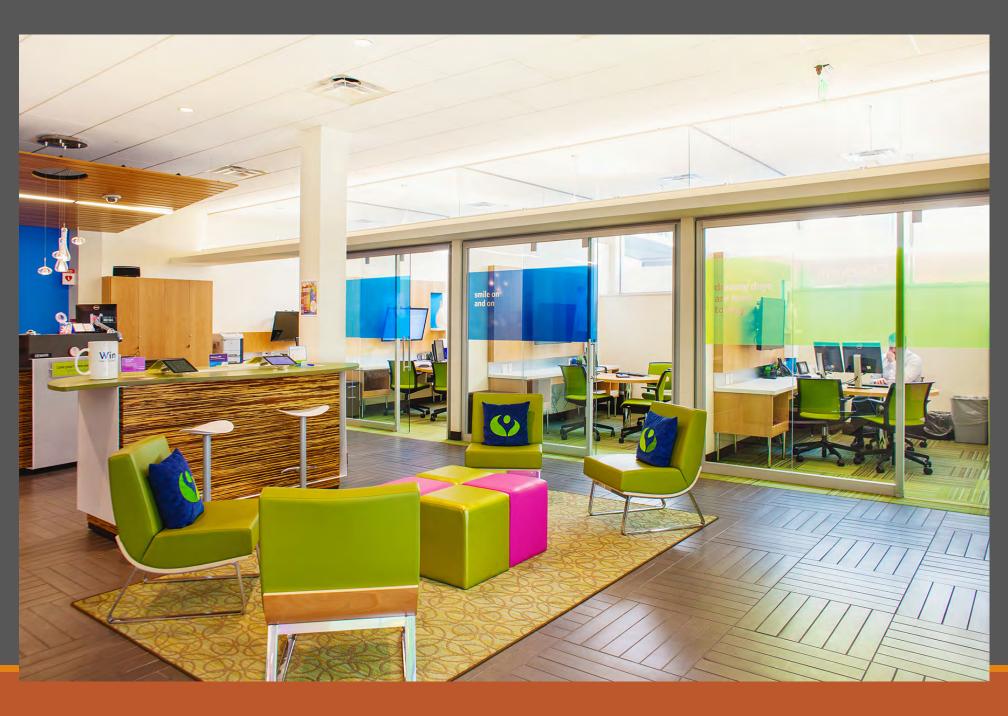




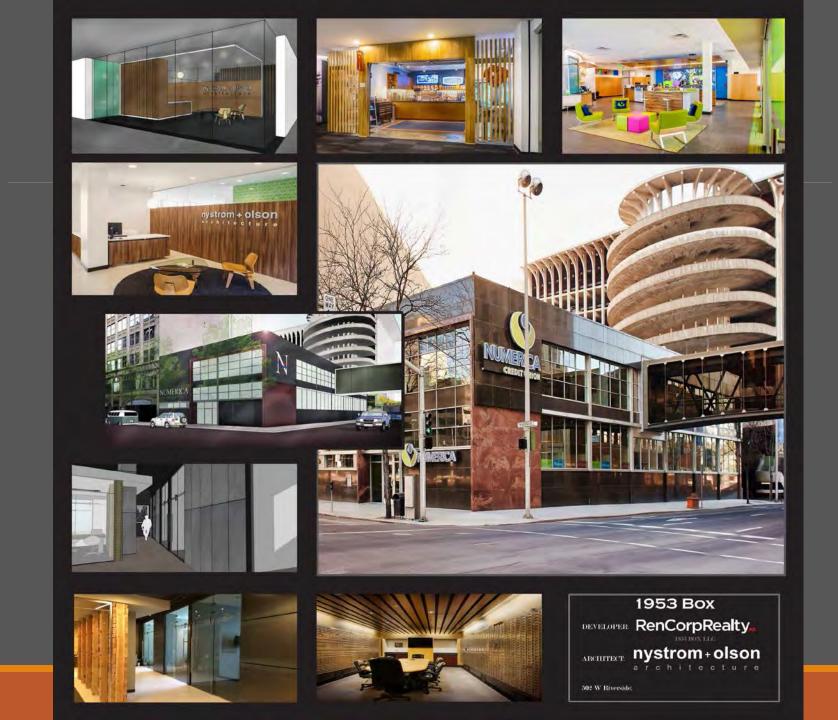












## THE LUMINARIA BUILDING



## 154 S. MADISON







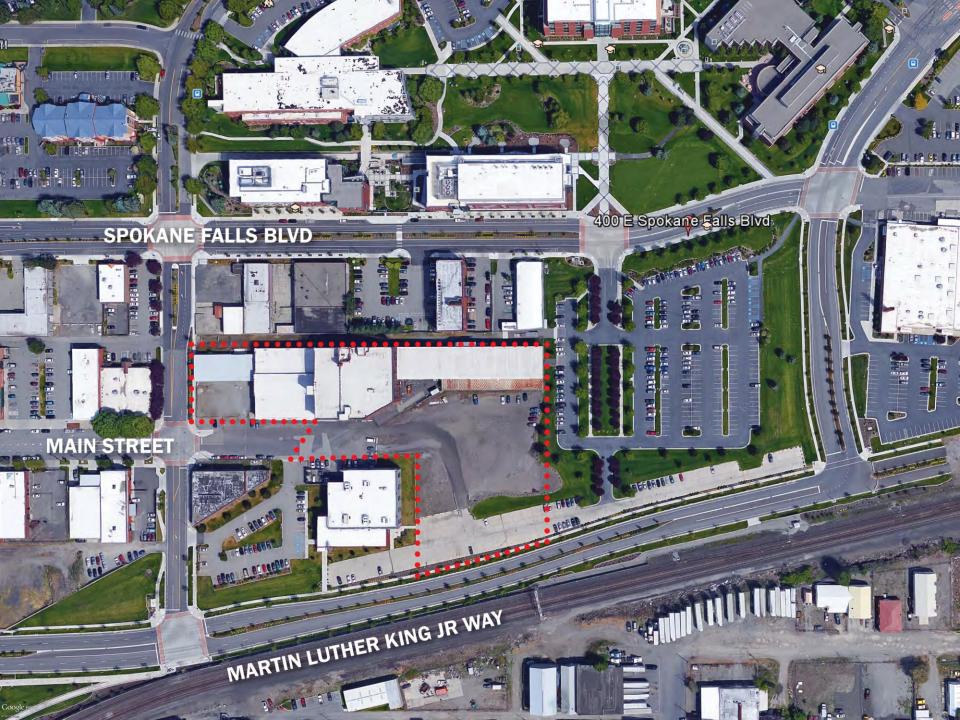


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# The Eutre

Russ Wolfe, Wolfe Architectural Group (WAG) Jensen Byrd Adaptive Reuse

























# Thank you

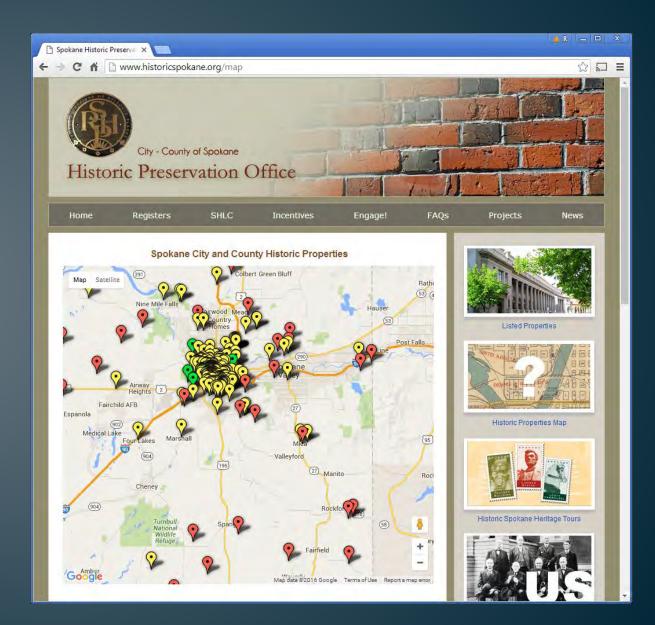
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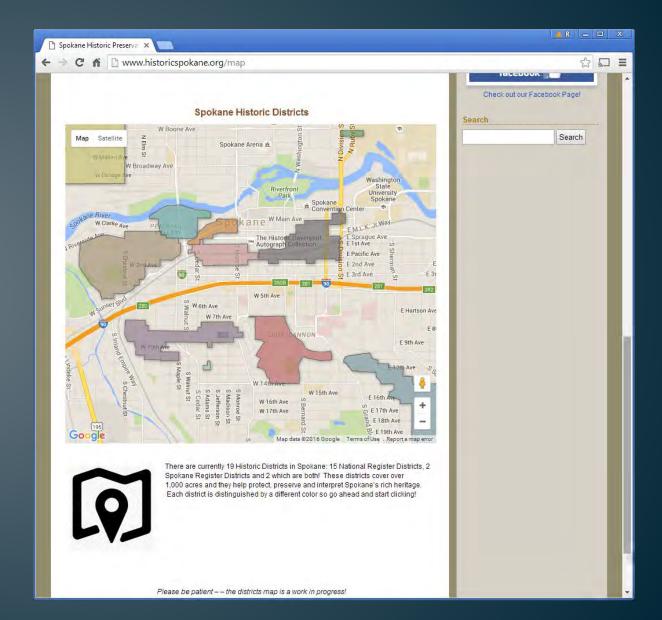
TITLE STATE

PERSONAL STREET

THE REPORT OF TH

A REAL PROPERTY OF THE PROPERT







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