

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Spokane Brewing & Malting Company Building
Property Address: 901 W Broadway Avenue
Applicant: Brad Stinebaugh for Lawrence B Stone Properties #901, LLC.
Date: Application submitted July of 2024

MANAGEMENT AGREEMENT: The Spokane Brewing & Malting Company Building listed on the Spokane Register on 4/10/2023 and does have a Management Agreement that covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The Spokane Brewing & Malting Company Building has undergone demolition work to the interior only as well as soft costs for design of the space.

Exterior:

- None

Interior:

- Demolition of the interior of the building.
 - All non-structural elements were removed including walls, flooring, cabinets, countertops, HVAC ducting, plumbing lines, and electrical conduits
- Environmental cleanup.
- Demolition of the electrical panel and power disconnected to prepare for new use (office).

Soft Costs:

- Environmental survey for asbestos or other hazardous materials.
- Architect and engineering team was hired to design a new office building.
- A contractor was also hired to assist this pre-development process and pursue a design build strategy for completing the work.
 - Plans were developed and partial construction drawings have been completed.
- An historic consultant was hired to evaluate and prepare a nomination to the Spokane Register of Historic Places

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?

Yes, the Spokane Brewing & Malting Building was listed on the Spokane Register on April 10, 2023.

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 on the Spokane Brewing & Malting Company Building was all interior and did not require a Certificate 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;

- (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 \$404,668. A cost of \$30,000 that was outside of the 24-month period for cost accumulation and was removed from the total. Application was made in July of 2024, and value of the building at the beginning of the project (2022) was \$1,453,100.

REPORTS

Staff Report: The submitted application is complete.

Preservation Officer Review?	yes	Date:	9/26/2024
Special Valuation Committee Site Visit?	pending	Site Visit:	4/3/2025
Landmarks Commission Review?	pending	Meeting Date:	4/16/2025

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 Spokane Brewing and Malting Company Building was placed on the Spokane Register on April 10, 2023 – the property does have a signed Management Agreement that covers the exterior of the building.

DESCRIPTION OF REHABILITATION: The Spokane Brewing & Malting Company Building has undergone demolition work to the interior only as well as soft costs for future design of the space.

No exterior work has been done at this point in the project.

Interior:

- Demolition of the interior of the building. o All non-structural elements were removed including walls, flooring, cabinets, countertops, HVAC ducting, plumbing lines, and electrical conduits
- Environmental cleanup.
- Demolition of the electrical panel and power disconnected to prepare for new use (office).

Soft Costs:

- Environmental survey for asbestos or other hazardous materials.
- Architect and engineering team was hired to design a new office building.
- A contractor was also hired to assist this pre-development process and pursue a design build strategy for completing the work.
- Plans were developed and partial construction drawings have been completed.
- An historic consultant was hired to evaluate and prepare a nomination to the Spokane.

Register of Historic Places

The property is an eligible property type; the work was done within the 24-month period prior to application from July of 2022 through July of 2024; and the work does equal at least 25% of the assessed value of the property at the start of the project which was \$1,453,100 in 2022. Claimed expenses are allowable in the amount of \$404,668. \$30,000 in costs were removed because the work was outside of the 24-month period for

accumulation of expenses. The work did not require a Certificate of Appropriateness because none of the work was on the exterior.