



Meeting Agenda

Heritage Commission

City Hall
601 4th Avenue E
Olympia, WA 98501

Heritage Commission
Contact: Marygrace Goddu
(360) 753-8031

Monday, October 5, 2020

12:00 PM

Zoom

Heritage Review Committee

1. CALL TO ORDER

1.A ROLL CALL

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

3.A [20-0784](#) Approval of May 18 2020 Heritage Review Committee Meeting Minutes

Attachments: [DRAFT Meeting Minutes May 18 2020](#)

6. BUSINESS ITEMS

6.A [20-0783](#)

Attachments: [Special Valuation Guide to Eligible Expenses](#)
[Special Valuation HRC Review SOI Checklist](#)
[OMC 3.60 Special Property Tax Valuation](#)
[HistoricInventory 222 19th Ave SW](#)
[Assessor signed Valuation](#)
[Photo slides and eligible expense total](#)

9. ADJOURNMENT

Accommodations

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Advisory Committee meeting, please contact the Advisory Committee staff liaison (contact number in the upper right corner of the agenda) at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

Heritage Commission

Approval of May 18 2020 Heritage Review Committee Meeting Minutes

Agenda Date:
Agenda Item Number: 3.A
File Number:20-0784

Type: decision **Version:** 1 **Status:** In Committee

Title

Approval of May 18 2020 Heritage Review Committee Meeting Minutes



Meeting Minutes - Draft

Heritage Commission

City Hall
601 4th Avenue E
Olympia, WA 98501

Heritage Commission
Contact: Marygrace Goddu
(360) 753-8031

Monday, May 18, 2020

12:00 PM

Heritage Review Committee Meeting

1. CALL TO ORDER

Chair Garner Miller called the meeting to order at 12:11 p.m.

1.A ROLL CALL

Present: 3 - Vice Chair Holly Davies, Commissioner Jessica Bieber and Commissioner Garner Miller

2. OTHERS PRESENT

City of Olympia Community Planning and Development staff:
Historic Preservation Officer Marygrace Goddu

3. BUSINESS ITEMS

3.A [20-0408](#) Review of building permit application for 2417 Columbia Street SW

Commissioner Davies moved, seconded by Commissioner Bieber, to recommend approval based on compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties, noting particularly that it meets Standard 9. The motion passed unanimously.

4. ADJOURNMENT

The meeting adjourned at 12:37 p.m.



Heritage Commission

Agenda Date: 10/5/2020
Agenda Item Number: 6.A
File Number:20-0783

Type: decision **Version:** 1 **Status:** In Committee

Special Tax Valuation: 222 19th Avenue SW

Recommended Action

Move to recommend to the full Heritage Commission that the subject property be approved for Special Property Tax Valuation based on adherence to the Secretary of the Interior's Standards for Rehabilitation.

Report

Issue:

Whether to recommend that the Heritage Commission recommend the subject property be approved for Special Valuation based on the completed rehabilitation work adherence to applicable standards, i.e., "the rehabilitation upon which the application is based has not altered or on any way adversely affected those elements of the property which qualify it as historically significant." (OMC 3.6.020C)

Staff Contact:

Presenter(s):

Marygrace Goddu, Historic Preservation Officer, Community Planning & Development, 360.480.0923
Diane Rudeen, Homeowner

Background and Analysis:

The City of Olympia has received an Application and Certification of Special Valuation on Improvements to Historic Property from the owners of 222 19th Ave SW. This property is individually listed and also listed as a contributing property in the South Capitol Neighborhood Historic District.

The Historic Preservation Officer has confirmed that the subject property meets basic program eligibility criteria for Special Valuation:

- historic home included in a historic district or individually registered;
- application filed no later than two years after beginning the work; and
- per applicant's documentation, expenditures total at least 25% of the assessed value of the property, exclusive of land value, prior to the rehabilitation and meet eligible expenses criteria.

Timeline for Special Valuation Review and Approval:

October 05 Heritage Review Committee (HRC) evaluation and recommendation.

October 28 Heritage Commission Review of HRC recommendation
November City Council Consideration
December Submit signed agreement to Assessor

Options:

1. The project work meets the Standards and should be recommended to the Heritage Commission for Special Valuation.
2. Only [certain listed work] meets the Standards, and project eligibility should be further evaluated.
3. The completed work does not meet the Standards and the committee does not recommend referral to the Heritage Commission.

Attachments:

Special Valuation Guide to Eligible Expenses
Special Valuation HRC Checklist
OMC 3.60 Special Tax Valuation
Historic Inventory 222 19th Ave SE
Assessor Signed Valuation
Photo Slides and Eligible Expense Total



Special Valuation: Eligible Expenses

The Washington State Special Valuation program provides tax relief for approved repairs to designated historic properties. Expenses are reviewed and recommended for approval by the Olympia Heritage Commission to ensure that they meet certain standards and definitions.

Qualified Rehabilitation Expenditures are defined by the IRS. These generally include:

1. Direct construction costs;
2. Certain soft costs, including:
 - a. Architectural and engineering fees;
 - b. Construction permit fees;
 - c. Development management fees;
 - d. Construction loan interest and fees;
 - e. Utilities, taxes, and insurance for the construction period; and
 - f. State sales tax.

The following costs are generally **not** considered Qualified Rehabilitation Expenditures:

1. Costs related to the acquisition of the property;
2. Expenditure attributable to enlargement of the building, except to make the building fully usable such as adding a bathroom or kitchen if one is not initially existing;
3. Costs of valuation and permanent financing of the property; and
4. Overhead costs or other “costs of doing business”.

Eligible costs are further defined here:

- **Actual Cost of Rehabilitation, as per WAC-254-20-030:** “Actual cost of rehabilitation” means costs incurred within twenty-four months prior to the date of application and directly resulting from one or more of the following:
 - a) Improvements to an existing building located on or within the perimeters of the original structure; or
 - b) Improvements outside of but directly attached to the original structure which are necessary to make the building fully useable but shall not include rentable/habitable floorspace attributable to new construction; or
 - c) Architectural and engineering services attributable to the design of improvements; or
 - d) All costs defined as “qualified rehabilitation expenditures” for the purposes of the federal historic preservation investment tax credit.
- **Qualified Rehabilitation Expenditure, as per Internal Revenue Code Section 47(c)(2):** In general. The term “qualified rehabilitation expenditure” means any amount properly chargeable to capital account...in connection with the rehabilitation of a qualified rehabilitated building. Certain expenditures not included--
 - a) Cost of Acquisition: The cost of acquiring any building or any interest therein;
 - b) Enlargements: Any expenditure attributable to the enlargement of the existing building except attachments to make the building fully usable.

Reference on Expense Eligibility

Provided each expense is determined by the Olympia Heritage Commission to meet the **Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties**, below is a list of the types of expenses that:

✓ Generally **are** considered eligible ✗ Generally **are not** considered eligible

Appliances & Comfort Systems		
Water heaters HVAC & A/C units	✓ Furnaces Ventilation systems	✗ Kitchen & other home appliances Home electronics
Furnishings		
Built-ins Shelves	✓ Cabinetry Window seats/nooks	✗ Moveable furniture
Plumbing & Electrical		
Fixtures Required exterior infrastructure (like sewer lines) Fire suppression systems Other code-related requirements	✓	✗ Security & alarm systems (like CCTV) Moveable lamps
Landscaping		
Sitework required for rehabilitation (like clearing, disposal and stabilization) Sitework required for utilities and foundation Landscape stabilization	✓	✗* Plants Soil amendments Landscape design Accent lighting Sprinkler systems <i>*If the landscape itself is landmarked, landscape design and plantings may be included.</i>

City of Olympia Special Valuation Review Checklist

The local Review Board shall approve an application for a special property tax valuation if the property is eligible under Section [3.60.010](#) of this Chapter and under RCW Chapter 84.26.030, the property owner enters into an agreement with the local Review Board for a ten-year period meeting the requirements set forth below, and the rehabilitation upon which the application is based have not altered or in any way adversely affected those elements of the property which qualify it as historically significant. Whether an alteration adversely affects those elements which qualify a property as historically significant, shall be determined by the Review Board based on the **Secretary of the Interior Standards for Treatment of Historic Properties** (as amended). (OMC 3.60.020(C))

Standard 1			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
Justification, Conditions & other Notes:			

Standard 2			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	The historic character of a property will be retained and preserved. The removal of distinctive materials or alterations of features, spaces, and spatial relationships that characterize a property will be avoided.
Justification, Conditions & other Notes:			

Standard 3			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
Justification, Conditions & other Notes:			

Standard 4			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Changes to a property that have acquired historic significance in their own right will be retained and preserved.
Justification, Conditions & other Notes:			

Standard 5			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
Justification, Conditions & other Notes:			

Standard 6			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
Justification, Conditions & other Notes:			

Standard 7			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
Justification, Conditions & other Notes:			

Standard 8			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
Justification, Conditions & other Notes:			

Standard 9			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
Justification, Conditions & other Notes:			

Standard 10			
Complies <input type="checkbox"/>	Conflicts <input type="checkbox"/>	N/A <input type="checkbox"/>	New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
Justification, Conditions & other Notes:			

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Chapter 3.60 SPECIAL PROPERTY TAX VALUATION

3.60.000 Chapter Contents

Sections:

- 3.60.010 Properties eligible for special property tax valuation.
- 3.60.020 Process to seek special property tax valuation; criteria for approval.
- 3.60.030 Tax reduction - expiration.

(Ord. 6370 §2, 2005, New Chapter).

3.60.010 Properties Eligible for Special Property Tax Valuation; Criteria

Properties eligible for the special property tax valuation under Chapter 449, Laws of 1985 (RCW 84.26), shall include properties on which one or more buildings have been substantially rehabilitated (i.e., the actual cost of the rehabilitation incurred by the property owner is equal to at least twenty-five (25) percent of the assessed value of the building, exclusive of the assessed value attributable to the land, prior to construction of the improvements, where the buildings meet the following criteria:

- A. All buildings individually placed upon the Olympia Heritage Register pursuant to OMC 18.12, and which have retained major historic features; or
- B. Buildings in the pivotal and primary classifications of buildings within a Heritage Register Historic District and which have retained major historic features; or
- C. Buildings which are on the Olympia Heritage Register or are within an Olympia Heritage Register Historic District and which have lost major design feature(s). The Secretary of the Interior Standards for Treatment of Historic Properties (as amended) shall guide the restoration or improvement under this section. Provided, that the developer of the property shall have the option of replacing lost features through an accurate restoration or improving the property through a new adaptive design which is compatible with the size, scale, material and color of the historic building or the original feature.

(Ord. 6370 §2, 2005).

3.60.020 Process to reduce property tax

- A. The Olympia City Council is hereby designated as the local Review Board to carry out the duties specified in this Chapter and in Chapter 449, Laws of 1985, Section 5 (RCW 84.26).
- B. A person seeking to establish a special property tax valuation for property eligible under OMC Section 3.60.010 and Chapter 449, Laws of 1985 (RCW 84.26), shall submit an application to the County Assessor under RCW 84.26.040 within twenty-four (24) months of the commencement of the rehabilitation for which the special property tax valuation is sought, and no later than October 1 of the calendar year preceding the first assessment year for which classification is requested. The County Assessor shall submit the application to the Olympia Heritage Commission within ten (10) days of receiving the application. The Heritage Commission shall review the application and make a recommendation to the local Review Board within sixty (60) days of receipt of the

application, but not later than September 1 of the calendar year preceding the first assessment year for which the classification is requested.

C. The local Review Board shall approve an application for a special property tax valuation if the property is eligible under Section 3.60.010 of this Chapter and under RCW Chapter 84.26.030, the property owner enters into an agreement with the local Review Board for a ten-year period meeting the requirements set forth below, and the rehabilitation upon which the application is based have not altered or in any way adversely affected those elements of the property which qualify it as historically significant. Whether an alteration adversely affects those elements which qualify a property as historically significant, shall be determined by the Review Board based on the Secretary of the Interior Standards for Treatment of Historic Properties (as amended). For purposes of this section, the elements of the property which are historically significant shall be those specified with the designation to the Heritage Register. The ten-year agreement with the local Review Board shall commence on the date of its approval and require the owner to:

1. Monitor the property for its continued qualification for the special valuation.
2. Comply with rehabilitation plans and minimum standards of maintenance as defined in the agreement.
3. Make the historic aspects of the property accessible to public view one day a year, if the property is not visible from the public rights-of-way.
4. Apply to the local Review Board for approval or denial of any demolition or alteration of the property.
5. Comply with any other provisions in the original agreement as may be appropriate.

D. Once an agreement between an owner and the Review Board has become effective pursuant to Chapter 449, Laws of 1985 (RCW 84.26), there shall be no changes in standards of maintenance, public access, alteration or report requirements, or any other provisions of the agreement, during the period of the classification without the approval of all parties to the agreement.

E. An application for classification of an historic property as eligible for a special property tax valuation shall be approved or denied by the Review Board before December 31 of the calendar year in which the application is made. Prior to making its decision to approve or deny an application, the local Review Board is authorized to examine an applicant's records.

F. The Review Board shall notify the County Assessor and the applicant of the approval or denial of the application.

G. If the Review Board determines that the property qualifies as eligible historic property, the Review Board shall certify the fact in writing and shall file a copy of the certificate with the County Assessor within ten (10) days. The certificate shall state the facts upon which the approval is based.

H. Any decision of the Review Board acting as the local Review Board on any application for classification as historic property eligible for special valuation may be appealed to Superior Court under RCW 34.05.510 - .598 in addition to any other remedy of law. Any decision on the disqualification of historic property eligible for special valuation, or any other dispute, may be appealed to the County Board of Equalization in accordance with RCW 84.40.038.

(Ord. 6491 §1, 2007; Ord. 6370 §2, 2005).

3.60.030 Tax reduction –Expiration

When property has once been classified and valued as eligible historic property, it shall remain so classified and be granted the special valuation provided by this Chapter and RCW 84.26.070 for ten (10) years, or until the property is disqualified by the circumstances set forth in RCW 84.26.080 or as it may be amended from time to time. Whenever property granted a special property tax valuation hereunder becomes disqualified for the special valuation, additional tax shall be assessed and payable as provided in RCW 84.26.090 - .100, as they may be amended from time to time.

(Ord. 6370 §2, 2005).

The Olympia Municipal Code is current through Ordinance 7199, passed July 16, 2019.

Disclaimer: The City Clerk's Office has the official version of the Olympia Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

Olympia's Codification Process (<http://olympiawa.gov/city-government/codes-plans-and-standards/municipal-code.aspx>)

Municipal Code contact information:

Email: adminservices@ci.olympia.wa.us
(<mailto:adminservices@ci.olympia.wa.us>)

Telephone: (360) 753-8325

City Website: <http://olympiawa.gov>
(<http://olympiawa.gov>)
Code Publishing Company
(<https://www.codepublishing.com/>)

Historic Property Luepke House

Inventory Report for 222 Southwest 19th Avenue Olympia, Thurston, 98501

LOCATION SECTION

Historic Name: Luepke House
Common Name: Talcott House (#34-538)
Property Address: 222 Southwest 19th Avenue Olympia, Thurston, 98501
Comments: OLYMPIA

Field Site No.: 653
OAHP No.:

County **Township/Range/EW** **Section** **1/4 Sec** **1/4 1/4 Sec** **Quadrangle**
Thurston T18R02W 23 SW TUMWATER

UTM Reference

Zone: 10 **Spatial Type:** Point **Acquisition Code:** TopoZone.com
Sequence: 0 **Easting:** 507480 **Northing:** 5208490

Tax No./Parcel No. **Plat/Block/Lot**
60500101200 Main Street L112 Blk 1

Supplemental Map(s) **Acreage**
City of Olympia Planning Department < one

IDENTIFICATION SECTION

Field Recorder: Shanna Stevenson/Tom C **Date Recorded:** 9/27/1985 **Survey Name:** OLYMPIA

Owner's Name: **Owner Address:** **City/State/Zip:**
Diane Rudeen 222 West 19th Olympia, WA 98501

Classification: Building **Resource Status** **Comments**

Within a District? Yes Survey/Inventory

Contributing? Yes Local Register

National Register Nomination: 0

Local District:

National Register District/Thematic Nomination Name: SOUTH CAPITOL NEIGHBORHOOD HISTORIC DISTRICT

DESCRIPTION SECTION

Historic Use: Domestic - Single Family House

Current Use: Domestic - Single Family House

Plan: Rectangle **No. of Stories:** 2 1/2

Structural System: Balloon Frame

Changes to plan: Moderate

Changes to original cladding: Intact

Changes to windows: Intact

Changes to interior: Unknown

Changes to other:

Other (specify):

Cladding Wood - Clapboard

Style American Foursquare

Roof Material Asphalt / Composition

Foundation Concrete - Poured

Form/Type

Roof Type Pyramidal

NARRATIVE SECTION

Study Unit

Other

Date Of Construction: 1915

Architecture/Landscape Architecture

Architect:

Commerce

Builder:

Engineer:

Property appears to meet criteria for the National Register of Historic Places:

No

Property is located in a historic district (National and/or local):

No

Property potentially contributes to a historic district (National and/or local):

**Statement of
Significance**

Built ca. 1915 by R. H. Luepke who was a cashier with the Olympia Brewing Company, the house was later purchased by G. Noyes Talcott and also owned by his son Richard. The Talcotts have owned and operated a jewelry store in Olympia for over 100 years and designed the state seal of Washington. G. Noyes Talcott was unofficial city historian during his long life and has a street named for him in Olympia. Listed on the Olympia Heritage Register.

**Description of
Physical
Appearance**

The Talcott House is a square, two-and-one-half-story wood frame structure built in the Foursquare style on a poured concrete foundation. Its pyramidal roof is covered with composition shingles and has a wide soffit; it is broken by a wide hip-roofed dormer on the front facade and a brick chimney rising on the west wall. Walls are clad with clapboards and have frieze boards below the eaves. Spanning the front (south) facade is a hip-roofed porch with square columns, which shelter the main entry door. Fenestration includes double-hung windows with one-over-one lights, most of which have Craftsman-style shutters, as well as some smaller rectangular windows with decorative mullions. A one-story addition of later vintage extends to the north, connecting the house to a double garage.

**Major
Bibliographic
References**

Pioneer Title Company Records.
Interview with Mrs. Richard Talcott.

PHOTOS



View of south facade

taken 9/27/1985

Photography Neg. No. (Roll No./Frame No.):

21-26A

Comments:

**Application and Certification of Special Valuation
on Improvements to Historic Property**

Chapter 84.26 RCW

ASSESSOR

JUL 15 2020

RECEIVED

File With Assessor by October 1

File No: HIS-2020-0001

I. Application

County: Thurston

Property Owner: Diane Stinson Rudeen

Parcel No./Account No: 60500101200

Mailing Address: 222 19th Ave SW

Legal Description: Section 23 Township 18 Range 2W Quarter NW SW Plat MAIN STREET
ADDITION TO OLYMPIA BLK 1 LT 12 Document 008/014

Property Address (Location): 222 19th Ave SW

Describe Rehabilitation: Remodeled kitchen, bath, mudroom...an extensive remodel, down to studs, half of main floor. Replaced plumbing and electrical in that area, added insulation, replaced wood floor. Replaced 2 windows, added 6 storm windows. Repaired window wood rot.

Property is on: (check appropriate box) ☐ National Historic Register ☒ Local Register of Historic Places

Building Permit No: 19-1508

Date: 05/15/2019

Jurisdiction: City of Olympia
County/City

Rehabilitation Started: 05/15/2019

Date Completed: 09/13/2019

Actual Cost of Rehabilitation: \$ 215,785

Affirmation

As owner(s) of the improvements described in this application, I/we hereby indicate by my signature that I/we am/are aware of the potential liability (see reverse) involved when my/our improvements cease to be eligible for special valuation under provisions of Chapter 84.26 RCW.

I/We hereby certify that the foregoing information is true and complete.

Signature(s) of All Owner(s):

[Signature]

II. Assessor

The undersigned does hereby certify that the ownership, legal description and the assessed value prior to rehabilitation reflected below has been verified from the records of this office as being correct.

Assessed value exclusive of land prior to rehabilitation: \$ 379,100

Date: 7/15/20

[Signature]
Assessor/Deputy



2020 Special Valuation Application Review

222 19th Ave NW

The Leupke House, ca 1915



Rudeen Residence 2020



Interior Improvements and Functional Upgrades



Kitchen
Before





Kitchen After



“Hutch” Before and After



Bath Before and After



Boiler Before and After



Qualified Expenses and Assessed Value

\$	106,325		Remodel Contractor			
\$	43,751		Cabinetry			
\$	23,007		Boiler			
\$	26,629		Design, wood restoration, lighting, hardware, misc.			
\$	199,712		Total Qualified Expenses			
\$	379,100		Assessed Value prior to improvement			
\$	94,775		25% of Assessed Value			