



City Council

Approval of a Resolution Granting Special Tax Valuation for the Olympia Heritage Site at 1616 Capitol Way South

Agenda Date: 12/10/2019
Agenda Item Number: 4.I
File Number: 19-1133

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Granting Special Tax Valuation for the Olympia Heritage Site at 1616 Capitol Way South

Recommended Action

Committee Recommendation:

The Heritage Commission recommends approval of the special valuation application for 1616 Capitol Way South.

City Manager Recommendation:

Move to approve the resolution granting special property tax valuation status for the historic property at 1616 Capitol Way South.

Report

Issue:

Whether to approve the application for property tax revaluation based on the historic property rehabilitation costs.

Staff Contact:

Marygrace Goddu, Historic Preservation Officer, Community Planning & Development, 360.753.8031

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City of Olympia participates in the Washington State Special Tax Valuation program. The program provides owners of designated historic buildings with the opportunity to apply for a property tax revaluation following the completion of approved rehabilitation work. The purpose is to incentivize historic preservation by offsetting the costs to maintain and upgrade older buildings. To qualify for special valuation, the qualified rehabilitation expenses must be equal to or greater than 25 percent of the value of the building, exclusive of land, prior to rehabilitation.

As outlined in OMC 3.60 Special Property Tax Valuation the Olympia Heritage Commission (OHC)

performs a full review of each application and its related expenses. The OHC then makes a recommendation to City Council for approval or denial.

The application must be reviewed or denied by the City Council before December 31, 2019. If approved, the City enters into a ten-year agreement with the property owner to ensure no additional modifications are made that adversely impact the property's historic value, without written consent by the City.

The Thurston County Assessor completes the final processing of the special valuation. Beginning in the following year (2020) the property is reassessed (to include the new improvements) and the Total Qualified Expenditures are subtracted from the newly assessed property value for a period of ten years.

1616 Capitol Way South

On November 20, 2019, the Olympia Heritage Commission passed a unanimous motion to recommend approval of the application for Special Valuation at 1616 Capitol Way South. The Heritage Commission recommendation is based on the following:

- 1) The property is listed on the Olympia Heritage Register as a contributing property in the South Capitol Neighborhood National Historic District.
- 2) The rehabilitation work was completed within the requisite 24 months prior to application.
- 3) The rehabilitation work and related expenses were reviewed by the Heritage Review Committee on October 28, 2019. The committee recommended approval to the full Heritage Commission.
- 4) The assessed value of the structure prior to rehabilitation work was \$181,200.00. Total Qualified Expenditure would have to meet or exceed a value of \$45,300.00 to meet the 25 percent threshold.
- 5) Staff conducted a review of all receipts and found the Total Qualified Expenditures is \$188,922.00, and exceeds the 25 percent value threshold.

The City Attorney has approved the attached ten-year agreement as to form. The attached Certificate of Approval will be submitted to the Thurston County Assessor.

Neighborhood/Community Interests (if known):

The public has an interest in preserving the places that are important to Olympia's history, culture, and sense of place.

Options:

1. Approve the resolution granting special valuation for the historic property at 1616 Capitol Way South.
2. Do not approve the resolution with findings of inconsistency with program requirements.

Financial Impact:

Approving the application will result in no direct financial impact to City budgets. Staff time for processing Special Valuation applications is included in the operating budget.

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Attachments:

Resolution

Agreement

Heritage Commission Recommendation

Certificate of Approval