



## City Council

### Approval of a Resolution Granting Special Tax Valuation for the Olympia Heritage Site at 204 4th Avenue West

**Agenda Date:** 12/7/2021  
**Agenda Item Number:** 4.C  
**File Number:** 21-1146

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

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#### **Title**

Approval of a Resolution Granting Special Tax Valuation for the Olympia Heritage Site at 204 4<sup>th</sup> Avenue West

#### **Recommended Action**

##### **Committee Recommendation:**

The Heritage Commission recommends approval of the special valuation application for 204 4<sup>th</sup> Avenue West.

##### **City Manager Recommendation:**

Move to approve a Resolution granting special property tax valuation status for the historic property at 204 4<sup>th</sup> Avenue West.

#### **Report**

##### **Issue:**

Whether to approve a Resolution granting special property tax valuation status for the historic property at 204 4<sup>th</sup> Avenue West.

##### **Staff Contact:**

Marygrace Goddu, Historic Preservation Officer, Community Planning & Development, 360.480.0923

##### **Presenter(s):**

None - Consent Calendar Item.

#### **Background and Analysis:**

##### Special Tax Valuation

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 Olympia Municipal Code 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 approved or denied by the City Council before December 31, 2021. 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 (2022) 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.

### History of The Angelus Hotel

Constructed circa 1900, the Angelus Hotel has been a stalwart contributor to affordable housing in our downtown for more than a century. The building is remarkable for its continuous use as a residential structure to the current day, and the history of building occupancy offers a window on the shifting economic conditions and social norms of the entire 20<sup>th</sup> century, worthy of additional research.

The story begins with early Olympia's logging industry, emerging wood mills, and port; and the attendant growth that allowed for the paving of streets, trolley lines, and sidewalk improvements. Census records show exclusively single men housed at the Angelus in the 1920's, many of them European immigrants working in trades. Its early storefronts included a grocery and hay, grain and feed store functions.

In the 1930's the census reveals a shift to a more diverse population of working-class couples and families, and by 1940 residents included single women and female head-of-household residents. Commercial tenants showed a progression as well that reflects an active downtown community, with a barber, restaurant, saloon, meat market, shoe repair, and a confectioner, with a long-standing corner grocery.

### Rehabilitation

While it received several renovations over time, the building today retains its 1919 form and much of that same appearance.

The recent rehabilitation continues the building's historic use, with commercial below (even a barber and a "confectioner") and modestly-priced residential units above. The owner made efforts to retain existing tenants, some of whom stayed in the building and relocated to temporarily to other units during renovation work.

The project cleaned and repainted the exterior, repaired and restored roof, windows, cornice, storefronts, signage and lighting. The building's residential entry was cleaned and repainted.

On the interior, cleaning and repairs were extensive but successfully retained or restored many original elements including stair railings and wainscoting, and cleaned and painted primary hallways to restore a cohesive finished character to the halls and stairway.

Work in the building's living units included extensive repairs, cleaning, floor-leveling, and some reconfiguration. Most of the bathrooms, kitchens, and fixtures were in very poor condition and were upgraded. New trim and door casings were configured to match the original, and where present, original built-in cabinets were retained and restored.

Building systems received major upgrades, with new mechanical, electrical and plumbing systems throughout the upper two floors. This replaced all wiring and plumbing systems servicing the apartment units with modern, code compliant systems. The building received major safety upgrade with a new fire alarm system.

#### Application for 204 4<sup>th</sup> Avenue West

On August 25, 2021, the Olympia Heritage Commission passed a unanimous motion to recommend approval of the application for Special Valuation at 204 4<sup>th</sup> Avenue West. The Heritage Commission recommendation is based on the following:

1. The property is individually listed on the Olympia Heritage Register and is a contributing property in the nationally registered Olympia Downtown 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 August 2, 2021. The committee unanimously recommended approval to the full Heritage Commission.
4. The assessed value of the structure prior to rehabilitation work was \$1,000,000.00. Total Qualified Expenditure must meet or exceed a value of \$250,000.00 to meet the 25 percent threshold.
5. Staff conducted a review of all receipts and found the Total Qualified Expenditure is \$1,661,508.06 and exceeds the 25 percent value threshold.

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 204 4th Avenue West.
2. Do not approve the Resolution granting special valuation for the historic property at 204 4<sup>th</sup> Avenue West.
3. Consider the Resolution granting special valuation for the historic property at 204 4th Avenue West at another time.

#### **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.

#### **Attachments:**

Resolution  
Agreement

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Photos

Heritage Commission Recommendation

Certificate of Approval