



## Heritage Commission

### **SPECIAL VALUATION APPLICATION: Rehabilitation of 1701 4th Avenue E (Permit #16 -9096-P)**

**Agenda Date:** 11/30/2016  
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#### **Title**

SPECIAL VALUATION APPLICATION: Rehabilitation of 1701 4<sup>th</sup> Avenue E (Permit #16-9096-P)

#### **Recommended Action**

Move to recommend approval of the special valuation application and all qualified rehabilitation expenditures as submitted for 1701 4<sup>th</sup> Avenue E.

#### **Report**

##### **Issue:**

Whether to recommend approval of the special valuation application and all qualified rehabilitation expenditures as submitted for 1701 4<sup>th</sup> Avenue E.

#### **Staff Contact:**

Michelle Sadlier, Historic Preservation Officer, Community Planning & Development, 360.753.8031

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

Michelle Sadlier, Historic Preservation Officer

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

The Heritage Commission will review and provide a recommendation to the Olympia City Council on the approval or denial of this submitted application for the Washington State Special Valuation program, a tax incentive for approved rehabilitation of certain designated historic properties.

The City of Olympia received an application from Tina Roose and Teresa Guajardo for rehabilitation of the Richard & Lydia Stoecker House at 1701 4<sup>th</sup> Avenue E (Attachment 1). This rehabilitation work was conducted to convert the building from a residential to a commercial use as a health center.

Details on the special valuation program can be found in Attachments 2 and 3, and at:  
<http://www.dahp.wa.gov/special-tax-valuation>.

#### Minimum Expense Threshold

As described in Olympia Municipal Code 3.60.010 (Attachment 4), to qualify for special valuation, the

value of the approved rehabilitation expenses must be equal to or greater than 25% of the value of the building (not the land value). The expenses submitted for consideration are found in the submitted application and total **\$461,351.60**.

The Application and Certification of Special Valuation on Improvements to Historic Property signed by the Thurston County Assessor indicates that the current value of the building is \$182,100.00. In order to meet the 25% threshold, the approved expenses would need to be valued at \$45,525.00 or higher. As the submitted expenses are over ten times that amount, it is likely that the approved expenses will meet the value threshold.

### Designation Eligibility

Because the building is individually listed on the Olympia Heritage Register (Attachment 5), it meets the designation eligibility requirement for the program (OMC 3.60.010(A)).

### Review Process

The City of Olympia's Historic Preservation Officer conducted an initial review of the application and submitted expenses. She made the initial determination that the building and reported expenses were eligible for the program under IRS guidelines. She then recommended the application be reviewed by the Heritage Review Committee to determine the eligibility of the expenses under the U.S. Secretary of the Interior's Standards for Rehabilitation (Standards) (Attachment 6).

The Heritage Review Committee held an open public meeting at the property on October 31, 2016 to view the rehabilitation work. Using the Standards, the Committee considered all elements of the rehabilitation work completed by the applicants. Photographs of the rehabilitation work taken at this meeting are provided in Attachment 7. As a result of this review, the Committee voted unanimously to recommend that the expenses meet the Standards and forwarded the application to the full Heritage Commission.

Tonight the Heritage Commission will discuss the Committee's recommendation and make a final recommendation to the City Council on whether to approve or deny the application. The City Council will consider the Commission's recommendation and make a final decision at the Council's regular meeting on December 13, 2016.

### **Options:**

1. Recommend approval of the application for Special Valuation.
2. Recommend denial of the application for Special Valuation.

### **Attachments:**

1. Application Form & Expenses
2. DAHP Special Valuation Information
3. Guide to Expenses
4. OMC 3.60
5. Historic Property Report
6. Secretary of the Interior's Standards
7. Current Photos