



City Council

Approval of a Resolution Confirming Special Valuation for 222 Capitol Way North

Agenda Date: 12/18/2018
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Title

Approval of a Resolution Confirming Special Valuation for 222 Capitol Way North

Recommended Action

Committee Recommendation:

The City Council previously approved the special valuation application for 222 Capitol Way North, as recommended by the Olympia Heritage Commission. An oversight during the process of the owner selling this property now requires confirmation by the City Council.

City Manager Recommendation:

Move to approve the resolution confirming special property tax valuation status for the historic property at 222 Capitol Way North.

Report

Issue:

Whether to confirm the previous approval of property tax valuation based on historic property rehabilitation costs.

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning & Development, 360.753.8206

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City of Olympia participates in the Washington State Special 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 rehabilitation expenses must be equal to or greater than 25 percent of the value of the building (not the land value).

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. If

approved, the City enters into a ten-year agreement with the property owner to ensure no additional modifications are made without written consent by the City. Beginning in the following year (2019) the property tax is reassessed and the total approved expenditures are subtracted from the new property tax value (based on the improvements) for ten years.

On October 23, 2018, the City Council approved the application for special tax valuations for 222 Capitol Way North (former Thorp Motors building, now known as 222 Market). The Thurston County Assessor's Office observed that, during a subsequent sale of the property, the sales documents did not include indication that the special tax valuation would be continued to the new property owner (Urban Olympia 8). The attached resolution would confirm the City's agreement with the new owner to continue the special tax valuation under the same terms as the agreement approved by the City Council October 23, 2018.

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 222 Capitol Way North.
2. Do not approve the resolution with findings of inconsistency with program requirements.

Financial Impact:

Approving the resolution 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