



Staff Report

TO: Clark County Historic Preservation Commission
FROM: Sharon Lumbantobing, Planner II
DATE: November 7, 2018
SUBJECT: HST2018-00006 BLAIR BUILDING, 1801 Main St., Washougal
Consideration of Application for Special Valuation Tax Incentive for
Historic Property
APPLICANT(S): Heidi and Bruce Kramer

I. SUMMARY

The applicant has submitted an application for the Special Valuation Tax Incentive Program (SVTIP). The application was submitted to Clark County, September 28, 2018, in conformance with the requirements in CCC 40.250.030 and RCW 84.26. The **Blair Building** is located at 1801 Main Street, Washougal, WA (Tax Assessor's Parcel # 73810000).

II. CLARK COUNTY HERITAGE REGISTER STATUS

The building was listed on the Clark County Heritage Register on June 5, 2018.

III. HISTORIC NAME

Blair Building

IV. BOARD AUTHORITY AND RESPONSIBILITY

Under CCC 40.250.030, the Clark County Historic Preservation Commission has the responsibility of reviewing any property for eligibility for the Special Valuation Tax Incentive Program.

V. CRITERIA

A. Revised Code of Washington

RCW 84.26.030 Special valuation criteria.

Four criteria must be met for special valuation under this chapter. The property must:

- 1) Be an historic property;
- 2) Fall within a class of historic property determined eligible for special valuation by the local legislative authority;

- 3) Be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2)¹², within twenty-four months prior to the application for special valuation; and
- 4) Be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2). [1986 c 221 § 2; 1985 c 449 § 3.]”

B. Clark County Code – Historic Preservation-Review and Monitoring of Property(ies) for Special Valuation Tax Valuation 40.250.030(I)

CCC 40.230.050(I)(3)(c) Property Review criteria.

“In its review the commission shall determine if the property(ies) meet all the following criteria:

- (1) The property is historic property which is designated to the local and/or national registers;
- (2) The property has been rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) (and identified in rules and procedures of this chapter) within twenty-four (24) months prior to the date of application and;
- (3) The property has not been altered in any way which adversely affects those elements which qualify it as historically significant as determined by applying the Washington State Advisory Council’s Standards for Rehabilitation and Maintenance of Historic Properties (WAC 254-20-100(1) and listed in the rules and procedures).

CCC 40.230.050(I)(3)(d) Rehabilitation and Maintenance Criteria.

“The Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties in WAC 254-20-100 shall be used by the Commission as minimum requirements for determining whether or not a historic property is eligible for special valuation and whether or not the property continues to be eligible for special valuation once it has been so classified.

¹ (2) "Cost" means the actual cost of rehabilitation, which cost shall be at least twenty-five percent of the assessed valuation of the historic property, exclusive of the assessed value attributable to the land, prior to rehabilitation.

² (7) "Rehabilitation" is the process of returning a property to a state of utility through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its architectural and cultural values. [1986 c 221 § 1; 1985 c 449 § 2.]

CCC 40.230.050(I)(4) Agreement

“The historic preservation special valuation agreement in WAC 254-20-120 shall be used by the Commission as the minimum agreement necessary to comply with the requirements of RCW 84.26.050(2)”.

v. STAFF REVIEW AND FINDINGS

- 1) **Finding:** For both RCW 86.24.030 and CCC 40.230.050(I)(3)(a) the requirement that the historic property be listed on the National Register of Historic Places or local register has been met. **The subject property is on the Clark County Heritage Register. It was listed on June 5, 2018.**
- 2) **Finding:** Consistent with RCW 84.26.030 (A)(3), and 020(2) and CCC 40.230.050 (I)(3) the applicant has certified that rehabilitation improvements have been completed within 24 months of the date of application for special valuation. The applicant has submitted a total of \$246,089.75. The applicant submitted an application to the Clark County Department of Assessment in July 30, 2018. Given this submittal date, allowed costs begin on July 30, 2016. The Clark County Historic Preservation Commission, in its review of the expenditures and supporting documentation, may adjust the amount considered as qualified rehabilitation expenses³. Any amended rehabilitation cost amount must be certified by the property owners.

REHABILITATION PERIOD:	July 30, 2016-July 30, 2018
SUBMITTED REHABILITATION COSTS:	\$246,089.75
STAFF DISALLOWED COSTS:	\$10,660*
ELIGIBLE REHABILITATION COSTS:	\$235,429.54

*Staff disallowed two invoices that were dated prior to July 30, 2016, totaling \$8,037.10, invoices related to a trash structure located outside the building, and invoices related to a dumpster used during construction.

- 3) **Finding:** Costs deemed “allowed” in Exhibit 2: Description of Project Expenditures, meet the definition of “qualified rehabilitation expenses” in 26CFR1.48-12(c)⁴
- 4) **Finding:** The rehabilitation work completed on the Blair Building appears to be in compliance with the Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties in WAC 254-20-100.
- 5) **Finding:** The value of the rehabilitation exceeds the twenty-five percent of the

³ “Qualified Rehabilitation costs” as defined in 26CFR 1.48-12(c) are “expenses chargeable to the project and include improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax and other expenses incurred during the rehabilitation period. Not included are costs associated with acquisition of the property, or the enlargement of the building.”

⁴ Ibid

assessed value of the structure required by RCW 84.26. The Assessor has assessed the value of the building, exclusive of the land prior to rehabilitation at \$185,400.

- 6) **Finding:** No Special Valuation Agreement has been previously signed on the subject property. A Special Valuation Agreement must be signed by the property owners and recorded with the Clark County Auditor's Office prior to the commission's approval being submitted to the Assessor's Office. The agreement stipulates that the applicants will comply with the requirements of RCW 84.26.050(2).

VI. STAFF RECOMMENDATION

The rehabilitation on the subject property appears to meet the requirements of RCW 84.26.030 and CCC 40.250.030. Staff recommends approval of the Special Valuation Tax Incentive for the Blair Building as identified by the Clark County Historic Preservation Commission and certified by the property owner Heidi and Bruce Kramer. The property owners must also sign the Special Valuation Agreement and return it to staff for recording with the Clark County Assessor's Office prior to the Commission's approval being submitted to the Assessor's Office.

VII. EXHIBITS

- A. Blair Building Special Valuation Application and Narrative
- B. Blair Building Special Valuation Affidavit
- C. Blair Building Special Valuation Worksheet
- D. Blair Building Architectural Drawings
- E. Blair Building Photos
- F. Excerpts from the Original Register Nomination and Photos