

**WENATCHEE HISTORIC PRESERVATION BOARD  
REGULAR MEETING  
OCTOBER 3, 2018  
WENATCHEE CITY HALL COUNCIL CHAMBERS  
129 S. Chelan Avenue  
Wenatchee, WA 98801**

<b>AGENDA</b>
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- I. CALL TO ORDER: 5:30 PM**
  
- II. ADMINISTRATIVE AFFAIRS**
  - A. Approval of the minutes from the regular meeting of September 5, 2018
  
- III. PUBLIC COMMENT PERIOD (10 MINUTES)**

Comment for any matters not identified on the agenda.
  
- IV. OLD BUSINESS**

None
  
- V. NEW BUSINESS**
  - A. Application for Special Valuation – 135 N. Wenatchee Avenue – 135 Holdings LLC
  
- VI. OTHER**

None
  
- VII. ADJOURNMENT**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Mayor's office at (509) 888-6204 (TTY 711). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1.)*

MINUTES

**I. CALL TO ORDER**

Chair Bob Culp called the meeting to order at 5:30 p.m. with the following members in attendance: Jon Campbell, Mark Seman, Wendy Priest, Darlene Baker, and Stacie de Mestre. City Planning staff was represented by Stephen Neuenschwander, Planning Manager; and Kim Schooley, Administrative Assistant. Also present was Steve King, Economic Development Director.

**II. ADMINISTRATIVE AFFAIRS**

A. Approval of the minutes from the regular meeting of August 1, 2018

**Board member Baker moved to approve the minutes from the regular meeting of August 1, 2018. Board member Campbell seconded the motion. The motion carried.**

**III. PUBLIC COMMENT PERIOD (10 MINUTES)**

A. Comment for any matters not identified on the agenda.

There was no public comment.

**IV. OLD BUSINESS**

None

**V. NEW BUSINESS**

A. A request for a letter of support from the Historic Preservation Board for a grant application for the Wenatchi Oral Traditions project

Steve King, Economic Development Director, presented the staff report and provided an overview of the project.

**Board member Baker moved to recommend that a letter of support for the grant application be drafted for the board's signature. Board member Campbell seconded the motion. The motion carried.**

King advised that he would draft the letter and forward it to board members for their review and approval.

Stephen Neuenschwander, Planning Manager, advised that the order of the agenda would be changed to accommodate King's second item. Therefore, agenda item C would be addressed next.

B. Discussion: Transition – DOT building on N. Wenatchee Avenue

King presented the staff report.

King explained that there had not been any interest shown by anyone to rehabilitate and re-use the building to date. However, he advised that there were several interested parties inquiring about redevelopment.

King said the property was desirable to several parties wanting to build hotels given the prime location on north Wenatchee Avenue and future intersection that will be there.

King advised that the City intended to do a historic inventory of the property to document its history and features.

The board advised that they understood the challenges with finding a buyer or someone to rehabilitate the DOT building, however, they advised that they would prefer to see an adaptive re-use of the building as opposed to having it demolished.

Chair Culp advised that the DOT’s main building is one of only a few left in the State of Washington and that he would like to see the option for re-use pursued.

**C. An update on the DAHP Grant awarded to the City of Wenatchee**

Stephen Neuenschwander, Planning Manager, provided a brief update on the status of the grant award, project, and next steps.

**D. Discussion: Memo – ADA ramps/sidewalk replacement in the Grandview Historic District**

Neuenschwander advised that the memo was informational.

Chair Culp advised that he thought all street repairs in the Grandview Historic District were to occur in collaboration with the board for review. He advised that Wenatchee City Code 10.40.060 regarding the Grandview Historic District set out guidelines for historic streets. Culp inquired about what action needed to be taken to ensure those procedures are followed.

Neuenschwander advised that he would speak with the Public Works Director and would inquire further about the work described in the memo and about processes to be considered regarding future repairs.

**VI. OTHER**

None

**VII. ADJOURNMENT**

With no further business to come before the Historic Preservation Board, Chair Bob Culp adjourned the meeting at 6:08 p.m.

Respectfully submitted,  
CITY OF WENATCHEE  
DEPARTMENT OF COMMUNITY DEVELOPMENT  
*Kim Schooley, Administrative Assistant*

## STAFF REPORT

**TO:** Wenatchee Historic Preservation Board  
**FROM:** Stephen Neuenschwander, Planning Manager, City of Wenatchee  
Community Development Staff  
**RE:** HP-18-07: Review for Special Property Tax Valuation for 135 N  
Wenatchee Avenue – Metropolitan Building  
**DATE:** September 25, 2018

### I. SUMMARY OF REQUEST

The City of Wenatchee has received an application submitted by 135 Holdings LLC to request Special Property Tax Valuation for 135 N Wenatchee Avenue. The property was formerly known as the Dore Building. The property was added to the Wenatchee Register of Historic Places by the City Council on October 13, 2016 by Resolution No. 2016-53.

### II. GENERAL INFORMATION

**Applicant/owner:** 135 Holdings LLC  
101 Wenatchee Ave, Suite D  
Wenatchee, WA 98801

**Department Review:** City of Wenatchee Community & Economic Development  
Staff

**Location and/or legal description:** The subject property is located at 135 N. Wenatchee Avenue, Wenatchee, WA and legally described as Units 1 & 2, Metropolitan Building Condominium, a condominium, Chelan County, Washington, recorded in Volume 35 of Condominiums, pages 30 through 33, according to the declaration thereof recorded February 15, 2017, under Chelan County Recording No. 2452993 and any amendments thereto.

**Zoning District:** Central Business District (CBD)

**Comprehensive Plan Designation:** Central Business District (CBD)

**Application Date:** An application was submitted to the Assessor on July 19, 2018 and determined complete on September 19, 2018.

**History:** The current building was erected in 1929. Since its construction, the building has housed several different businesses.

- Kaufman-Leonard Furniture Store operated in the building until the late 1930's.
- Isenhart Furniture Company moved in to this building in the early 1940's. This store was one of the largest furniture companies in North Central Washington. It was started by Edwin A. Isenhart. Mr. Isenhart first started in the furniture business

in 1909, when he still lived in Iowa. In 1911, Mr. Isenhart and his brother, John, came to Wenatchee and purchased the Ellis-Forde Building. In 1924, Mr. Isenhart sold the business to Kaufman-Leonard. Mr. Isenhart started another furniture store with Jay Allen and the Allen-Isenhart Furniture Company operated in the Eagles building. Mr. Isenhart sold his interest in the business to Mac Garner and Allen and once again started another furniture business in 1929. Kenneth Moore, Mr. Isenhart's son-in-law, joined the business in 1929 and in 1935, his son, Don Isenhart, joined the business. Isenhart Furniture Company continued to operate in the building until the early 1970's.

- In 1976, Dore Interiors occupied the building and remained there until the late 1980's. From the late 1980's until the late 1990's, Robinson's clothing store occupied the first floor and provided quality clothing.
- When Robinson's closed, the space has until recently been an antique and collectibles "mall." Both floors are currently empty awaiting renovation work and systems upgrades.
- The second floor was historically the Gehr Apartments with two central hallways around a middle core. The apartments served a lower income population. In the late 1980's, a water pipe broke on the second floors causing flooding. Tenants were immediately removed and not allowed to return. Furnishings remained in place for many years until vermin was detected and the furnishings and tenant belongings removed and cleaned out. The apartments have been vacant since.

This building's major significance is that it has served the merchants of Wenatchee with a place to house their businesses and has continually helped to stabilize the downtown area while providing quality service and goods to a growing community.

This building is architecturally compatible with other historic structures downtown. It was built at a time of economic growth in Wenatchee when several other downtown buildings were constructed.

(Source: Historic Property Inventory Form, State of WA, Department of Community Development Office of Archaeology).

**Physical Appearance:** This commercial building is a two-part commercial block which gains its strength from its accented structural system. Looking at the sides of the two story building, the engaged pilasters and engaged beams are clearly visible. The weight of the front is spanned to central columns and infilled with a plate glass window wall. Across the front with one single entrance which is an aluminum framed double French door.

Construction detailing differs on each floor, and from north side to south side.

- The north side has windows where the south side has cast concrete infill between post and beam.
- At the basement level there are two windows divided by an engaged mini-pilaster, one floor high. They are symmetrically placed between the pilasters and capped with a beam.
- On the south side, there are a series of inter-columned mini-pilasters only.

- The basement windows have a concrete lug sill except where a doorway replaces the window.
- On the main floor, the pilasters rise directly from the beam and extend to the roofline passing through two beams, both the beams and the pilasters are engaged.
- Centered between the pilasters and the beams on the north side, are a series of fixed, (two sash/no mullion) windows, having no lintel or sill.
- The front wall is an extensive structural window wall system which does not have an engaged beam from which the pilasters rise. The pilasters instead rise from a continuous sill on the top floor.
- On the top floor, the windows (four sash/with mullion) are centered between the pilasters. The windows have a continuous sill both front and side. The lintel is an engaged beam, with both side and front being treated similarly.
- The pilasters rise above this lintel/beam to support a capped parapet wall. The cap is a beam and concrete cornice. The recessed bay between the beam and cornice is cast concrete.
- The only ornamentation on the building is this top recessed bay in front which has been scored to simulate mortared stone block. By using a base color and an accent color, the advancing grid of the post and beam system contrasts with the play on squares and rectangles to create a building with a very nice “rhythm.”

Alterations are recognizable in the front entrances and storefront windows. The central entries were for the storefront spaces on the first floor and featured an entry door and display windows. Smaller multi-paned windows above the first floor windows let in light to the floor areas. A central door featured with separate pilasters and an arched centerpiece, denoted the Gehr Apartments. An arched window with 4 mullions was above the apartment’s double doors.

The awning seen today did not originally exist. Alterations to the front first floor doors and windows eliminated the multi-paned lights and original storefront doors and windows along with the addition of a metal awning across the front of the structure. The windows and entrance are aluminum. The central opening pilaster and arched window have been removed.

**Interior:** The main floor has largely been used as a furniture and clothing store with an open floor plan.

On the second floor, apartments were created for tenant use. Prior to the 1990’s the tenant spaces have been unoccupied. Included in the apartment areas were living, bedroom, kitchen and bathroom areas. There is also a roof access and stairway to the roof from the second floor.

(Source: Historic Property Inventory Form, State of WA, Department of Community Development Office of Archaeology).

**Historic Photos 1-2:**

Photo 1 –



Photo 2 -



Photo 3 –



Photo 4 –





Photo 5 –



Photo 6 –



### **III. NOTICE AND PUBLIC COMMENT**

The Notice of Application and Notice of Public Hearing before the Wenatchee Historic Preservation Board was mailed to surrounding property owners and posted on site on September 19, 2018 and published in the newspaper in accordance with the requirements of Title 13, Wenatchee City Code (WCC) on September 20, 2018.

### **IV. APPLICABLE POLICIES AND ANALYSIS**

#### **Wenatchee City Code 2.36.210(2) Application Criteria.**

Complete applications shall consist of the following documentation:

- (a) A legal description of the historic property;
- (b) Comprehensive exterior and interior photographs of the historic property before and after rehabilitation;
- (c) Architectural plans, existing architectural plans (if available) or other legible drawings depicting the completed rehabilitation work; and
- (d) A notarized affidavit attesting to the actual cost of the rehabilitation work completed prior to the date of application and the period of time during which the work was performed and documentation of both to be made available to the board upon request; and
- (e) For properties located within historic districts, in addition to the standard application documentation, a statement from the Secretary of the Interior or appropriate local official, as specified in local administrative rules or by the local government, indicating the property is a certified historic structure is required.

**Staff Analysis:** The applicant submitted a complete application including all the items identified in Section 2.36.210(2).

#### **Wenatchee City Code 2.36.210(3) Property Review Criteria.**

In its review the board shall determine if the properties meet all the following criteria:

- (a) The property is historic property;
- (b) The property is included within a class of historic properties determined eligible for special valuation by the city of Wenatchee under WCC 2.36.110 through 2.36.140;
- (c) The property has been rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) (and identified in WCC 2.36.110 through 2.36.140) within 24 months prior to the date of application; and
- (d) The property has not been altered in any way which adversely affects those elements which qualify it as historically significant as determined by applying Washington State Advisory Council's Standards for Rehabilitation and Maintenance of Historic Properties (WAC 254-20-100(1) and listed in WCC 2.36.110 through 2.36.140).

**Staff Analysis:** The subject property is a historic property listed on the Wenatchee Register of Historic Places making it eligible for special valuation. The building has been rehabilitated at cost that is at least 25 percent of the assessed valuation of the building prior to the rehabilitation.

**Wenatchee City Code 2.36.210(4) Rehabilitation and Maintenance Criteria.**

The Washington State Advisory Council's Standards for Rehabilitation and Maintenance of Historic Properties, also known as the Secretary of the Interior's Standards for Rehabilitation.

The following rehabilitation and maintenance standards shall be used by the board as minimum requirements for determining whether or not an 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:

(a) Rehabilitation.

(i) Every reasonable effort shall be made to provide a compatible use for an historic property which requires minimal alteration of the building, structure, or site and its environment, or to use an historic property for its original intended purpose.

(ii) The distinguishing original qualities or character of a building, structure, or site and its environment shall not be destroyed. The removal or alteration of any historic material or distinctive architectural features should be avoided when possible.

(iii) All buildings, structures, and sites shall be recognized as products of their own time. Alterations that have no historical basis and which seek to create an earlier appearance shall be discouraged.

(iv) Changes which may have taken place in the course of time are evidence of the history and development of a building, structure, or site and its environment. These changes may have acquired significance in their own right and this significance shall be recognized and respected.

(v) Distinctive stylistic features or examples of skilled craftsmanship which characterize a building, structure, or site shall be treated with sensitivity.

(vi) Deteriorated architectural features shall be repaired rather than replaced, whenever possible. In the event replacement is necessary, the new material should match the material being replaced in composition, design, color, texture, and other visual qualities.

Repair or replacement of missing architectural features should be based on accurate duplication of features, substantiated by historical, physical, or pictorial evidence rather than on conjectural designs or the availability of different architectural elements from other buildings or structures.

(vii) The surface cleaning of structures shall be undertaken with the gentlest means possible. Sandblasting and other cleaning methods that will damage the historic building materials shall not be undertaken.

(viii) Every reasonable effort shall be made to protect and preserve archaeological resources affected by, or adjacent to, any project.

(ix) Contemporary design for alterations and additions to existing properties shall not be discouraged when alterations and additions do not destroy significant historical, architectural or cultural material, and such design is compatible with the size, scale, color, material, and character of the property, neighborhood, or environment.

(x) Wherever possible, new additions or alterations to structures shall be done in such a manner that if such additions or alterations were to be removed in the future, the essential form and integrity of the structure would be unimpaired.

**Staff Analysis:** The applicants have undertaken a substantial remodel of the historic building. Care and craftsmanship have been employed to ensure that the historic integrity of the building has been preserved while updating the building with modern infrastructure to ensure that this historic building can be enjoyed for years into the future. Rehabilitation of the property is consistent with the review criteria in Section 2.36.210(4).

### **Policies - Wenatchee Urban Area Comprehensive Plan**

#### CULTURAL AND HISTORIC RESOURCES ELEMENT

HISTORIC PRESERVATION - Preserve, maintain and honor the city's significant historic resources.

Policy 3: Identify and implement incentives to private property owners for the preservation and rehabilitation of historic buildings, structures, sites, districts and objects.

**Staff Analysis:** The property being listed on the Wenatchee Register of Historic Places makes it eligible for special valuation which is an incentive to the property owner to rehabilitate the historic building for an adaptive reuse.

### **V. RECOMMENDATION**

The applicant has requested special valuation for 135 N. Wenatchee Avenue. Qualifying expenses were determined using the guidelines from the U.S. Department of the Interior for the federal rehabilitation tax credit provided as Exhibit A.

The applicant provided documentation for costs incurred during the rehabilitation process. The total amount of money spent on the rehabilitation of the property totaled \$546,677.74. Staff compared the expenditures to the guidelines from the U.S. Department of the Interior for the federal rehabilitation tax credit to determine the total qualifying expenses. The federal guidelines state that qualifying expenses are "any expenditure for a structural component of the building..." and completed within 24 months of the date of application.

The applicant included documentation of expenses for work occurring greater than 24 months from the date of application, July 19, 2018, totaling \$16,992.48. These costs cannot be included in the rehabilitation costs as a qualifying expense.

The applicant included documentation of expenses for monthly City of Wenatchee and Chelan County PUD Utilities totaling \$11,464.73. These ongoing expenses are not qualified expenses.

The applicant submitted labor expenditures for a total of \$3,447.64 covered on a separate invoice and cannot be calculated twice.

The total of qualifying expenses, minus the exceptions noted above, for actual costs incurred is \$529,878.49. The assessed value for the building prior to rehabilitation was \$509,815 as verified by the Chelan County Assessor's office. The actual cost of rehabilitation equated to 103.94 percent of the assessed value.

The rehabilitation work has occurred at an actual cost of greater than 25 percent of the assessed value of the building prior to rehabilitation and therefore qualifies to receive special valuation based on the criteria reviewed in Wenatchee City Code Section 2.36.210.

**Draft Motion:** I move to approve HP-18-07, request for Special Property Tax Valuation for 135 N Wenatchee Ave based upon the findings of fact and conclusions of law contained within the September 25, 2018 staff report.

**Suggested Findings of Fact:**

1. The subject property is located at 135 N. Wenatchee Avenue, Wenatchee, WA.
2. The applicant/owner is 135 Holdings LLC, 101 Wenatchee Ave, Suite D Wenatchee, WA 98801
3. The subject property is listed on the Wenatchee Register of Historic Places.
4. The application was received by the Chelan County Assessor on July 19, 2018.
5. A complete application for the was Special Property Tax Valuations for modifications was submitted in accordance with Wenatchee City Code on September 14, 2019 and determined complete on September 19, 2018.
6. Appropriate notice was accomplished in accordance with Wenatchee City Code Title 13.
7. Wenatchee Historic Preservation Board is empowered by Wenatchee City Code (WCC), Title 2 with the ability to hear and make decisions on matters relating to Historic Preservation within the City of Wenatchee, which includes but is not limited to recommending removal of properties from the Wenatchee Register of Historic Places to the Wenatchee City Council.
8. On October 3, 2018, the Wenatchee Historic Preservation Board held a duly advertised public hearing on a request for Special Property Tax Valuations.
9. The Historic Preservation Goal of the Cultural and Historic Resources Element of the City of Wenatchee Urban Area Comprehensive Plan states: "Identify and implement

incentives to private property owners for the preservation and rehabilitation of historic buildings, structures, sites, districts and objects”.

10. The total of qualifying expenses for actual costs incurred was \$529,878.49. The assessed value for the building prior to rehabilitation is \$509,815 as verified by the Chelan County Assessor’s office. The actual cost of rehabilitation equated to 103.94 percent of the assessed value.
11. The rehabilitation work has occurred at an actual cost of greater than 25 percent of the assessed value of the building prior to rehabilitation and qualifies to receive special valuation based on the criteria reviewed in Wenatchee City Code Section 2.36.210.
12. The application is consistent with the special property tax valuation criteria in Section 2.36.210 WCC
13. Any Conclusion of Law that is more correctly a Finding of Fact is hereby incorporated as such by this reference.

**Suggested Conclusions of Law:**

1. The Historic Preservation Board has been granted authority to render this Decision.
2. WCC 2.36.210 provides criteria for reviewing eligibility for receiving special valuation.
3. Any Finding of Fact that is more correctly a Conclusion of Law is hereby incorporated as such by this reference.
4. The application is consistent with the goals and policies of the Wenatchee Urban Area Comprehensive Plan.

**Exhibit A – National Park Service Qualified Expenses**

# Technical Preservation Services



[Home](#) > [Tax Incentives](#) > [Before You Apply](#) > Qualified Expenses

## Qualified Expenses

Not every expense associated with a rehabilitation project contributes toward the calculations for the 20% rehabilitation tax credit. In general, only those costs that are directly related to the repair or improvement of structural and architectural features of the historic building will qualify.





### **Costs associated with these items are generally eligible**

- Walls
- Partitions
- Floors
- Ceilings
- Permanent coverings, such as paneling or tiles
- Windows and doors
- Components of central air conditioning or heating systems
- Plumbing and plumbing fixtures
- Electrical wiring and lighting fixtures
- Chimneys
- Stairs
- Escalators, elevators, sprinkler systems, fire escapes
- Other components related to the operation or maintenance of the building

### **Expenses that do not qualify for the rehabilitation tax credit**

- Acquisition costs
- Appliances
- Cabinets
- Carpeting (if tacked in place and not glued)
- Decks (not part of original building)
- Demolition costs (removal of a building on property site)
- Fencing
- Feasibility studies
- Financing fees
- Furniture
- Landscaping
- Leasing Expenses

- Moving (building) costs (if part of acquisitions)
- New construction costs or enlargement costs (increase in total volume)
- Outdoor lighting remote from building
- Parking lot
- Paving
- Planters
- Porches and Porticos (not part of original building)
- Retaining walls
- Sidewalks
- Signage
- Storm sewer construction costs
- Window treatments

### **Expenses that Qualify for the Rehabilitation Tax Credit**

Any expenditure for a structural component of a building will qualify for the rehabilitation tax credit. Treasury Regulation 1.48-1(e)(2) defines structural components to include walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building.

In addition to the above named "hard costs", there are "soft costs" which also qualify. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees paid that would normally be charged to a capital account.

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### **Are solar panels, wind turbines or geothermal systems eligible expenses?**

Because IRS regulations define structural components to include all features (whether in, on, or adjacent to the building) of a central air conditioning or heating system, plumbing and plumbing fixtures, electric wiring, and other components relating to the operation or maintenance of a building, the function and purpose of a renewable energy system will determine if it is an eligible expense. Solar panels, wind turbines, and geothermal systems that are essential to the operation or maintenance of the rehabilitated historic building should qualify for this tax credit. However, systems that produce electricity to back feed the power grid may not qualify.

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## **Exhibit B - Application materials**



# Application and Certification of Special Valuation on Improvements to Historic Property

Chapter 84.26 RCW

RECEIVED

JUL 19 2018

File With Assessor by October 1

File No: HP-18-07

CHELAN COUNTY ASSESSOR

## I. Application

County: CHELAN  
 222003591020  
 Parcel No./Account No: 11 10 01

Property Owner: 135 HOLDINGS LLC

Mailing Address: 101 WENATCHEE AVE SOUTH, SUITE D, WENATCHEE, WA

Legal Description: SEE ATTACHED

Property Address (Location): 135 N WENATCHEE AVE - # 15 2<sup>ND</sup> STREET

Describe Rehabilitation:

BPC 16-143-8/10/16 - BPC 16-202-2/23/17 - FD-16-020-12-19-16

Property is on: (check appropriate box)  National Historic Register  Local Register of Historic Places

Building Permit No: BPC-16-168 Date: 9-9-16 Jurisdiction: WENATCHEE  
 County/City

Rehabilitation Started: JUNE 2016 Date Completed: ONGOING

Actual Cost of Rehabilitation: \$ 1,250,000 +

## Affirmation

As owner(s) of the improvements described in this application, I/we hereby indicate by my signature that I/we am/are aware of the potential liability (see reverse) involved when my/our improvements cease to be eligible for special valuation under provisions of Chapter 84.26 RCW.

I/We hereby certify that the foregoing information is true and complete.

Signature(s) of All Owner(s):

[Signature]  
MANAGING MEMBER  
135 HOLDINGS, LLC

## II. Assessor

The undersigned does hereby certify that the ownership, legal description and the assessed value prior to rehabilitation reflected below has been verified from the records of this office as being correct.

Assessed value exclusive of land prior to rehabilitation:

591010 - 4,174,638 591001 - 80  
591020 - 3,335,177

Date: 7/19/2018

[Signature]  
Assessor/Deputy

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

### **Who can file this application?**

The owner of record may file an application with the county assessor in which the property is located.

### **When should I file my application?**

The application must be filed by October 1 of the calendar year proceeding the first assessment year for which the classification is requested.

Example: The application is filed by October 1, 2004. If approved, the special valuation is placed on the property for the 2005 assessment year. Taxes due and payable for 2006 will reflect the reduction.

### **Is there a fee to file this application?**

The county assessor may charge such fees that are necessary for the processing and/or recording of documents.

### **What happens after I file the application?**

Within 10 days, the county assessor will forward the application to the local review board. The local review board will approve or deny the application before December 31 of the year in which the application is made. The local review board will notify the assessor and the applicant of the approval or denial of the application.

### **What does "historic property" mean?**

*Historic property* means land together with improvements thereon, which is:

- (a) Listed in a local register of historic places created by comprehensive ordinance, certified by the Secretary of the Interior as provided in P.L. 98-515; or
- (b) Listed in the national register of historic places.

Historic property **does not** include property listed in a register primarily for objects buried below ground.

### **What does "actual cost" mean?**

*Actual cost* means the 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.

### **What does "rehabilitation" mean?**

*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.

### **What does "special valuation" mean?**

*Special valuation* means the determination of the assessed value of the historic property, subtracting for up to ten years such cost as is approved by the local review board.

### **What is a "local review board"?**

*Local review board* means a local body designated by the legislative authority of the incorporated or unincorporated area.

### **What are the requirements that property must meet to be considered for special valuation as historic property?**

Property must meet the following criteria for special valuation on historic property:

- Be a historic property;
- Fall within a class of historic property determined eligible for special valuation by the local legislative authority;
- Be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within twenty-four months prior to the application for special valuation; and
- Be protected by an agreement between the owner and the local review board as described in RCW 84.26.050.

### **Statement Of Additional Tax, Interest, and Penalty Due Upon Removal or Disqualification from Special Valuation Under Chapter 84.26 RCW**

1. Whenever property that is classified and valued as eligible historic property under Chapter 84.26 RCW is removed or disqualifies for the valuation, there shall become due and payable an additional tax equal to:
  - (a) The actual cost of rehabilitation multiplied by the levy rate in each year the property was subject to special valuation; plus
  - (b) Interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property; plus
  - (c) A penalty equal to twelve percent of the amount determined in (a) and (b).
2. The additional tax, interest, and penalty **shall not be imposed** if the disqualifications resulted solely from:
  - (a) Sale or transfer of the property to an ownership making it exempt from taxation;
  - (b) Alteration or destruction through no fault of the owner; or
  - (c) A taking through the exercise of power of eminent domain.

### **Appeals**

1. Any decision by a local review board on an application for classification as historical property may be appealed to Superior Court under RCW 34.05.570 in addition to any other remedy at law.
2. Any decision on disqualification of historic property for special valuation exemption or any other dispute may be appealed to the current year Board of Equalization by July 1 or 30 days after the disqualification, whichever is the later, except the denial on the original application.

Legal Description Metropolitan Building Condominium:


Units 1 & 2, Metropolitan Building Condominium, a condominium, Chelan County, Washington, recorded in Volume 35 of Condominiums, pages 30 through 33, according to the declaration thereof recorded February 15, 2017, under Chelan County Recording No. 2452993 and any amendments thereto.

**AFFIDAVIT**

The State of Washington )  
 ) S.S.  
Chelan County )

I, Rory Turner, of Wenatchee, Chelan County, Washington, MAKE OATH AND SAY THAT:

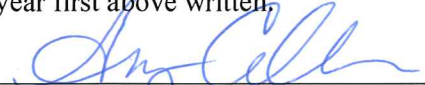
1. 135 Holdings LLC owns the Metropolitan Building (formerly known as the Doré Building), located at 135 N. Wenatchee Avenue, which is the southeast corner of Wenatchee Avenue and Second Street in Wenatchee, Washington.
2. The City of Wenatchee amended its Register of Historic Places on October 13, 2016 to include the Metropolitan Building.
3. This historic property has been significantly restored exceeding 25% of the property's assessed valuation according to the rules established for rehabilitation of historic properties.
4. 135 Holdings has kept accurate records of the expenses of rehabilitation, which are included as **Attachment A**.
5. Rory Turner is the Manager for 135 Holdings LLC and is authorized to sign on its behalf.

  
 \_\_\_\_\_  
 Rory Turner, Manager of 135 Holdings LLC

STATE OF WASHINGTON }  
 } ss.  
COUNTY OF CHELAN }

This is to certify that on this 11<sup>th</sup> day of Sept., 2018, before me, the undersigned Notary Public in and for the state of Washington, duly commissioned and qualified, personally appeared Rory Turner, to me known to be the person described in and who executed this Affidavit, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

  
 \_\_\_\_\_  
 Notary Signature  
 Print Name: Amy Collins  
 NOTARY PUBLIC in and for the  
 State of Washington, residing at Wenatchee.  
 My commission expires: 2-5-19.



**135 Holdings, LLC**  
**Custom Transaction Detail Report**  
January through December 2016

Date	Name	Memo	Amount	Balance	Qualifies	Non-qualified Amount	Non-qualified reason
15-Jun-16	Forte Architects	Time charges for Jan - May - Design calculations and code review, architectural design, meetings.	5,234.00	5,234.00	Y	5,234	Completed more than 24 months prior to application date
16-Jun-16	Mason Roofing		2,113.80	7,347.80	Y	7,347.80	Completed more than 24 months prior to application date
30-Jun-16	Int pmt Peoples Bank		2,110.68	9,458.48	Y	2,110.68	Completed more than 24 months prior to application date
22-Jul-16	Forte Architects	Stair, elevator design and interior corridor design, archechural design, meetings with owner a...	3,749.62	13,208.10	Y		
25-Jul-16	Lodato Design Build	2 sample windows floor light well	428.18	13,636.28	Y		
27-Jul-16	Tom Harrison & Assoc	Initial fees for TKE traction elevator CBX941 as agreed, also elevator design, drawings, enginee...	30,000.00	43,636.28	Y		
31-Jul-16	Int pmt Peoples Bank		2,039.14	45,675.42	Y		
1-Aug-16	A Central LLC	Asbestos inspection 9 suspect asbestos samples (Includes up to 3 layers)	465.00	46,140.42	Y		
1-Aug-16	Forte Architects	drafting central corridor option for owners at their request, new restroom location, new elevator...	4,328.00	50,468.42	Y		
10-Aug-16	City permit	Bldg permit	1,260.25	51,728.67	Y		
17-Aug-16	PUD const power	Line Extension	3,000.00	54,728.67	Y		
25-Aug-16	NW Wall		24,913.85	79,642.52	Y		
25-Aug-16	NW Wall		4,192.91	83,835.43	Y		
31-Aug-16	Int pmt Peoples Bank		2,103.23	85,938.66	Y		
1-Sep-16	Forte Architects	meeting and plan submittal with City/Public Works, Stair details, section, floor plan and revisi...	5,825.25	91,763.91	Y		
9-Sep-16	A Central LLC	Asbestos Inspection 9 suspect asbestos samples	465.00	92,228.91	Y		
14-Sep-16	Patriot Plumbing	Ran camera through various clean outs, found some non direction fittings that would not allow th...	1,882.91	94,111.82	Y		
19-Sep-16	Lodato Design Build	July 22 - Sept 19 coordinate subcontractors, materials take offs	1,441.72	95,553.54	Y		
19-Sep-16	Waste Management	Debris	2,715.62	98,269.16	n		
27-Sep-16	Northwest Wall	clean out loft level, demo Wen Ave level, demo Core area, demo basement, floor framing, restroom...	19,426.96	117,696.12	Y		
30-Sep-16	Int pmt Peoples Bank		2,099.63	119,795.75	Y		



**135 Holdings, LLC**  
**Custom Transaction Detail Report**  
**January through December 2016**

30-Jun-16	Int pmt Peoples Bank			2,110.68	9,458.48	Y	2,110.68	Completed more than 24 months prior to application date
1-Oct-16	Forte Architects	drafting stairway to roof, new roof coverings, roof plans, new restroom locations, sections, Arc...		10,446.50	130,242.25	Y		
1-Oct-16	Waste Mgmt	Debris		1,831.09	132,073.34	?		
6-Oct-16	Gale Contractor Services	insulate corridor walls		1,062.32	133,135.66	Y		
21-Oct-16	A Central LLC	Abatement of asbestos containing material, popcorn ceiling removal, construction work, boiler ro...		10,886.61	144,022.27	Y		
25-Oct-16	Northwest Wall	Phase 1 steel framing, drywall (excluding Basement level and "Core" area)		41,861.98	185,884.25	Y		
30-Oct-16	Clearview Plumbing			12,011.11	197,895.36	Y	1,800	Fees for work done outside 24 month window in 2015
31-Oct-16	Int pmt Peoples Bank			2,030.88	199,926.24	Y		
1-Nov-16	Forte Architects	Construction documents for permit, architectural set, permit review with Chris Hanson at City of...		3,249.37	203,175.61	Y		
1-Nov-16	Waste Mgmt			2,605.50	205,781.11	?		
4-Nov-16	Beckstead Electric	Demo - materials and labor listed on invoice		44,082.65	249,863.76	Y		
4-Nov-16	PUD const power	New Service		5,396.00	255,259.76	Y		
7-Nov-16	Comfort Zone	HVAC		10,487.82	265,747.58	Y		
7-Nov-16	Lodato Design Build	Labor (Zack) \$1,435.00, materials stairhole Infill, materials steel brackets		3,166.10	268,913.68	Y		
11-Nov-16	Spectra Lab			450.06	269,363.74	Y		
14-Nov-16	PUD const power	Balance of line extension		2,853.00	272,216.74	Y		
17-Nov-16	Tile For Less			361.02	272,577.76	Y		
17-Nov-16	Tile for Less			911.02	273,488.78	Y		
21-Nov-16	City	Bldg Permit		550.00	274,038.78	Y		
30-Nov-16	City	Utilities- construction area		243.54	274,282.32	n	243.54	An ongoing expense. City Utilities not part of rehabilitation cost
30-Nov-16	Community Glass			12,249.20	286,531.52	Y		
30-Nov-16	Int pmt Peoples Bank			2,438.64	288,970.16	Y		
30-Nov-16	PUD const power	Const Power		638.53	289,608.69	n	638.53	Regular monthly Bill. Shows up on 12-29-2016 bill
1-Dec-16	Flooring America			9,944.44	299,553.13	Y		
1-Dec-16	Forte Architects			2,908.25	302,461.38	Y		
1-Dec-16	Waste Mgmt	Debris		4,274.89	306,736.27	?		
29-Dec-16	Clearview Plumbing			2,409.41	309,145.68	Y		
29-Dec-16	PUD const power			1,849.59	310,995.27	n	1,211.06	Regular monthly bill: Includes 638.53 from previous bill
30-Dec-16	Beckstead Electric			4,146.30	315,141.57	Y		
31-Dec-16	Community Glass			14,572.21	329,713.78	Y		

135 Holdings, LLC  
Custom Transaction Detail Report  
January through December 2016

30-Jun-16	Int pmt Peoples Bank		2,110.68	9,458.48	Y	2,110.68	Completed more than 24 months prior to application date
31-Dec-16	Int pmt Peoples Bank		3,042.18	332,755.96	Y		
1-Jan-17	Forte Architects		534.50	333,290.46	Y		
3-Jan-17	Northwest Wall		23,987.11	357,277.57	Y		
4-Jan-17	Bogard Engineers		4,470.00	361,747.57	Y		
4-Jan-17	Clearview Plumbing		4,981.39	366,728.96	Y		
5-Jan-17	Mason Roofing		2,601.60	369,330.56	Y		
11-Jan-17	Just D's Concrete		25,260.09	394,590.65	Y		
16-Jan-17	Comfort Zone		1,658.52	396,249.17	Y		
16-Jan-17	Lodato Design Build		5,368.29	401,617.46	Y		
25-Jan-17	Emerald		535.50	402,152.96	Y		
29-Jan-17	Clearview Plumbing		5,783.42	407,936.38	Y		
30-Jan-17	Pipkin Const		5,661.61	413,597.99	Y		
30-Jan-17	Pipkin Const		7,026.42	420,624.41	Y		
31-Jan-17	Int pmt Peoples Bank		2,698.02	423,322.43	Y		
31-Jan-17	Pacific Engineering		405.00	423,727.43	Y		
1-Feb-17	Forte Architects		534.50	424,261.93	Y		
2-Feb-17	All Doors		14,499.58	438,761.51	Y		
6-Feb-17	PUD const power		1,278.54	440,040.05			
9-Feb-17	Lodato Design Build		3,613.80	443,653.85	Y		
16-Feb-17	Comfort Zone		1,442.20	445,096.05	Y		
20-Feb-17	Flooring America		1,268.71	446,364.76	Y		
25-Feb-17	Keyhole		53.12	446,417.88	Y		
28-Feb-17	Clearview Plumbing		3,447.64	449,865.52	n	3,447.64	Labor charges billed on the Jan 4 2017 invoice
28-Feb-17	Int pmt Peoples Bank		2,080.80	451,946.32	Y		
28-Feb-17	Northwest Wall		13,738.92	465,685.24	Y		
28-Feb-17	PUD const power		1,139.06	466,824.30			
3-Mar-17	Northwest Wall		7,373.26	474,197.56	Y		
10-Mar-17	JVC Cleaning		1,084.02	475,281.58	Y		
15-Mar-17	A Central LLC		796.09	476,077.67	Y		
15-Mar-17	Industrial Cutting		433.60	476,511.27	Y		
15-Mar-17	Just D's Concrete		5,648.70	482,159.97	Y		
18-Mar-17	Flooring America		3,134.69	485,294.66	Y		
23-Mar-17	Comfort Zone		38,166.07	523,460.73	Y		
24-Mar-17	Pennington Const		2,872.60	526,333.33	Y		
26-Mar-17	Northwest Wall		17,674.07	544,007.40	Y		
31-Mar-17	Int pmt Peoples Bank		2,670.34	546,677.74	Y		
	Qualified Rehabilitation Amount			529,878.49		16,799.25	
	Building Value			509,815.00			
	Rehabilitation %			103.94%			

**Exhibit C – Photos before and after**









