

## SPECIAL VALUATION

In 1985, the Washington State Legislature passed a "special valuation" law (RCW 84.26) which makes it possible for Certified Local Governments (CLG's) to insure that property taxes will not reflect substantial improvements made to certain classes of properties as identified by the CLG for a ten year period. The CLG may amend the criteria for eligibility; however, if made more restrictive, these do not become effective for two years following October 1 of the year they were enacted. This means that owners of certain types of historic properties have the potential to realize substantial tax savings.

Properties on the National Register of Historic Places, Clark County Heritage Register or contributing properties within a Clark County Register Historic District are eligible for special valuation.

### Procedures for Conducting Special Valuation Review Meetings

#### A. **PRIOR TO BEGINNING REHABILITATION**

##### 1. Applicant or Designated Agent

- a. It is highly recommended that the applicant consult with the Clark County Historic Preservation Commission (CCHPC) staff prior to beginning rehabilitation work to get information on standards, requirements and procedures for design review and special valuation.

#### B. **PRIOR TO SPECIAL VALUATION REVIEW MEETING**

##### 1. Applicant or Designated Agent

- a. Submits the application to the County Assessor on a Department of Revenue form. The application must be submitted no later than October 1 for special valuation to be effective by January 1 of the next tax year. A fee (determined by the appropriate jurisdiction) must be submitted with the application.
- b. Monitors construction work to ensure that it conforms to the Washington State Advisory Commission's (Secretary of the Interior) Standards for Rehabilitation (Standards).
- c. Maintains accurate records of project costs and dates.

##### 2. County Assessor

The Assessor:

- a. Verifies the legal owner and legal description.
- b. Determines the assessed valuation of the building carried on the assessment role twenty-four (24) months prior to filing the application.
- c. Submits the application to the CCHPC staff within ten working days of receipt of the completed application.

##### 3. Staff

Prior to the meeting, the Clark County Historic Preservation Commission staff:

- a. Reviews the application for completeness.
- b. Places the case on the agenda for the next regularly scheduled meeting as long as there is at least 30 days review period before that meeting. If there are not

30 days, the case will be scheduled for the next month's regularly scheduled meeting.

- c. Reviews the case and prepares a report for the Commission.
- d. If necessary, arranges a property visitation with the owner for the Commission.

4. Clark County Historic Preservation Commission

The CCHPC:

- a. Reviews the application and the staff report.
- b. If necessary, visits the property.

C. **MEETING**

Special Valuation Review will occur at regularly scheduled Clark County Historic Preservation Commission meetings. The Special Valuation cases will be considered in the order they are received by the Staff.

- 1. The regular order of business for consideration of Special Valuation applications shall be as follows:
  - a. The Chairperson or Chairperson designated person shall offer a preliminary statement concerning the application.
  - b. The staff report is presented.
  - c. The applicant or the designated agent of the applicant presents statements in favor of the application including relevant pictures, models, etc.
  - d. Statements in opposition to the application.
  - e. Comments by staff, interested persons, organization, or legal entities.
  - f. Rebuttal by all concerned parties.
  - g. Summary of above by Chairperson or designated person.
  - h. Deliberation by Commission.
  - i. Vote

During the course of the meeting, the above procedure may be temporarily modified by the concurrence of all parties and the CCHPC.

- 2. At the meeting the CCHPC determines if:
  - a. The property is in on the National Register of Historic Places, Clark County Heritage Register or a contributing property within the boundaries of a Clark County Register Historic District.
  - b. The work was done within 24 months prior to the application date. The applicant must submit evidence, such as receipts, permits, and a notarized statement attesting to the actual itemized costs and indicating rehabilitation work was done within the 24 months prior to submitting the application for special valuation.
  - c. The work complies with the Standards by not adversely affecting those elements that contribute to the property's significance.
  - d. The "qualified rehabilitation expenditures" constitute at least 25 percent of the assessed value of the property, excluding land value, prior to the rehabilitation.
- 3. If all the conditions are satisfied, the CCHPC votes on the application and makes a determination if the property qualifies for special valuation.

C. **POST MEETING**

1. Staff

After the meeting the staff shall:

- a. Notifies the owner in writing within 10 working days of the meeting of the CCHPC's determination.
- b. If the property is ineligible, advise the applicant of the reasons for the denial and inform him/her of the appeals process.
- c. If the CCHPC grants special valuation status to the property, prepares the terms of agreement.
- d. If the applicant signs the terms of agreement, staff collects recording fees from the applicant, transmits the application and agreement to the County Auditor's office for recording.
- e. Transmits copies of the above documents to the County Assessor's office within 10 days of the decision.
- f. Notifies the Washington State Advisory Council of the application approval.
- g. Monitors, at least once a year during the special valuation 10 year period, the owner's compliance with the terms of the agreement.
- h. If the owner fails to comply with the terms of the agreement or, because of the rehabilitation or neglect, the property loses historic value to such an extent that it is no longer deemed appropriate for inclusion to the Clark County Heritage Register or National Register by a majority of the CCHPC members, notify the owner, the assessor, and the Washington State Advisory Commission of the disqualification. Review for removal from the Clark County Heritage Register by the Commission is conducted pursuant to CCC 40.250.030(F)(4).

2. Clark County Historic Preservation Commission

After the Board of County Commissioners has granted the property special valuation status, the CCHPC:

- a. Enters into an agreement on behalf of Clark County. This agreement shall cover the 10-year special valuation period and shall include the minimum standards as detailed below. The owner shall:
  - (1) Monitor the property for its continued qualification for special valuation.
  - (2) Comply with rehabilitation plans and minimum standards of maintenance as defined in the agreement.
  - (3) Make the historic aspects of the property accessible to public view one day a year, if the property is not visible from the public right-of-way.
  - (4) Apply to the Commission for a Certificate of Appropriateness or waiver for any alteration or demolition pursuant to CCC 40.250.030(G).
  - (5) Comply with any other provisions in the original agreement as may be appropriate.
- b. Upon the execution of the agreement with the application, approve the application.
- c. If the property is consequently sold, enter into an agreement with the new owner. That agreement will contain those minimum standards as detailed above and will be effective for the duration of the 10-year period.

## **Application Standards for Special Valuation**

Documentation shall include, at a minimum, all identified materials illustrating:

1. That the property is eligible for Special Valuation status.
2. When the work occurred.
3. Whether special valuation financial requirements have been fulfilled.
4. Whether the work complies with the Secretary of the Interior's Standards for Rehabilitation.

To properly document each of these divisions, at least one copy of the following documents must be submitted with the application. These will remain on file with the CCHPC. All drawings, means that plans and elevations must be drawn to scale and have the measurements included and be signed by the architect or draftsman.

For phased projects, complete documentation must be submitted for every phase of the project.

### **I. Eligibility**

1. A copy of the nomination form to the Clark County Heritage Register clearly indicating when the property was listed on the Clark County Heritage Register or National Register of Historic Places.

### **II. When the work occurred**

1. A notarized affidavit indicating the rehabilitation work was completed within 24 months of the date of application is required.

### **III. Special valuation financial requirements**

1. Notarized affidavit attesting to the actual itemized costs of the rehabilitation work.
2. The Clark County Assessor's assessment of the value of the structure 24 months prior to application.
3. Actual receipts, work orders, construction costs or proof of other relevant expenditures.

### **IV. Compliance with the Secretary of the Interior's Standards**

To assure that the applicant has complied with the Standards, the following materials are necessary:

1. Precise written statement describing the completed rehabilitation work on the Clark County Historic Preservation Commission's application form.
2. If the property was on the Clark County Heritage Register prior to the project, the Design Review application and accompanying documentation, Certificate of Appropriateness for the rehabilitation work from the Clark County Historic Preservation Commission, and a copy of the terms of agreement as specified under the Special Valuation rules and procedures.
3. Materials as specified in Application Standards for Design Review illustrating conditions prior to construction (existing conditions), and proposed alterations. If the property was not on Clark County Heritage Register prior to construction, this material must include:

- a. Photographs taken prior to construction. Photos should be 4"x6" or 5"x7" minimum format in either black and white or color with negatives and/or an electronically formatted file, when possible and must be clearly labeled to identify case, location, subjects, and the direction the photograph was taken. Necessary photographs include:
    - (1) Historic photographs or other source material of replicated features.
    - (2) If in a historic district, a current streetscape.
  - b. Drawings illustrating those features with notes on how they have been affected by construction.
  - c. All working drawings including blueprints, site plans, scaled drawings, and other items as specified under Proposed Alterations in Application Standards for Design Review.
4. Materials illustrating the impact of construction as specified in Application Standards for Design Review under Impact. However, actual construction impacts rather than projected ones must be documented. If the property was not subject to design review (*i.e. National Register properties*), required documentation shall minimally include:
    - a. A precise written description on an CCHPC form of how the alterations have affected those features listed as determining the property's historic character on the register nomination form.
  5. Samples of utilized materials may be required by the Clark County Historic Preservation Commission.
  6. Other information which may be required to review an applicant's particular case identified at a pre-application meeting.

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## **Criteria for Special Valuation**

The criteria to be followed in the Special Valuation process is the Secretary of the Interior's Standards for Rehabilitation as established in the Federal Code of Regulations (36CFR67). For the Special Valuation process no new construction is eligible except as it is non-habitable, non-rentable space.

Secretary of the Interior's Standards for Rehabilitation:

1. Every reasonable effort shall be made to provide a compatible use for a property which requires minimal alteration of the building, structure, or site and its environment, or to use a property for its originally intended purpose.
2. 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.
3. 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.
4. 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.
5. Distinctive stylistic features or examples of skilled craftsmanship which characterize a building, structure or site shall be treated with sensitivity.
6. 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 duplications of features, substantiated by historic, physical or pictorial evidence rather than on conjectural designs or the availability of different architectural elements from other buildings or structures.
7. 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.
8. Every reasonable effort shall be made to protect and preserve archaeological resources affected by, or adjacent to any project.
9. Contemporary design for alterations and additions to existing properties shall not be discouraged when such 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.
10. Whenever 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.

**Special Valuation Agreement**

The following historic preservation special valuation agreement shall be used by the board as the minimum agreement necessary to comply with the requirements of RCW 84.26.050(2):

This Historic Preservation Agreement is entered into this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_ (hereinafter referred to as APPLICANT) and the Clark County Historic Commission (hereinafter referred to as LOCAL REVIEW BOARD).

WHEREAS APPLICANT is the owner of record of the historic property commonly known as \_\_\_\_, located at \_\_\_\_, State of Washington, as more fully described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as PROPERTY); and

WHEREAS APPLICANT has request special valuation of the PROPERTY pursuant to Chapter 84.26 RCW; and

WHEREAS the LOCAL REVIEW BOARD has determined that the PROPERTY has been substantially rehabilitated within the two year period preceding the date of application and the actual cost of said rehabilitation equals or exceeds twenty-five percent of the assessed valuation of the PROPERTY prior to the improvements; and

WHEREAS the LOCAL REVIEW BOARD has verified that the PROPERTY is historic property that falls within a class of properties determined eligible for special valuation by local ordinance or administrative rule; and

WHEREAS the LOCAL REVIEW BOARD finds that the rehabilitation work has not altered the PROPERTY in any way which adversely affects those elements which qualify it as historically significant;

NOW, THEREFORE, in recognition of the foregoing, the APPLICANT enters into this Agreement with the LOCAL REVIEW BOARD and agrees to adhere to the following terms and conditions for the ten-year period of the special valuation classification:

1. APPLICANT agrees to comply with the Washington State Advisory Council's Standards for the Maintenance and Rehabilitation of Historic Properties as set forth in Exhibit B, which is attached hereto and by this reference incorporated herein.
2. APPLICANT agrees the property shall not be altered without the prior written consent of the LOCAL REVIEW BOARD signed by a duly authorized representative thereof. NO construction, alteration or remodeling or any other action shall be undertaken or permitted to be undertaken which would affect the historic character of the PROPERTY which classifies it as eligible for special valuation, or which would affect the appearance of the PROPERTY as depicted in the photographs attached hereto and incorporated herein by this reference as Exhibits \_\_\_\_ through \_\_\_\_, or which would adversely affect the structural soundness of the PROPERTY; or refinishing of presently existing parts or elements of the PROPERTY subject to this Agreement, damage to which has resulted from casualty loss, deterioration or wear and tear, shall be permitted without the prior approval of the LOCAL REVIEW BOARD, provided that such reconstruction, repair, repainting, or refinishing is performed in a manner which will not alter the appearance of those elements of the PROPERTY subject to the Agreement as they are as of this date. Exterior changes which shall require the consent of the LOCAL REVIEW BOARD shall include, but not be limited to, any substantial structural change or any change in design, color or materials.



**EXHIBIT B**

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:

REHABILITATION:

1. Every reasonable effort shall be made to provide a compatible use for a property which requires minimal alteration of the building, structure or site and its environment, or to use a property for its originally intended purposes.
2. 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.
3. 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 recognized and respected.
4. 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 acquire significance in their own right and this significance shall be recognized and respected.
5. Distinctive stylistic features or examples of skilled craftsmanship which characterize a building, structure, or site shall be treated with sensitivity.
6. 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 duplications or features, substantiated by historic, physical or pictorial evidence rather than on conjectural designs or the availability of different architectural elements from other buildings or structures.
7. 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.
8. Every reasonable effort shall be made to protect and preserve archaeological resources affected by, or adjacent to any project.
9. Contemporary design for alterations and additions to existing properties shall not be discouraged when such alterations and additions do not destroy significant historical, architectural or cultural material, and such design is compatible with the size, scale, color, materials, and character of the property, neighborhood or environment.
10. 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.

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MAINTENANCE:

1. Buildings and structures shall not be allowed to deteriorate beyond the point where routine maintenance and repair will return them to good condition.
2. Buildings shall be kept in a safe and habitable condition at all times. Structural defects and hazards shall be corrected. Any condition which constitutes a fire hazard shall be eliminated.
3. Buildings shall be protected against ongoing water damage due to defective roofing, flashing, glazing, caulking, or other causes. Moisture condensation resulting from inadequate heat or ventilation shall be eliminated if present at levels sufficient to promote rot or decay of building materials.
4. Deteriorated exterior architectural features and any broken or missing doors and windows shall be repaired or replaced.
5. Painted exterior surfaces shall be maintained and repainted as necessary to prevent a deteriorated appearance or damage to the substrate. Exterior masonry surfaces shall be tuck pointed where required to maintain the mortar in good condition. Finished tuck pointing shall match the original mortar joint in hardness and appearance.