

CASE STUDIES IN FINANCING URM RETROFITS

Presented in partnership



CONSTRUCTION




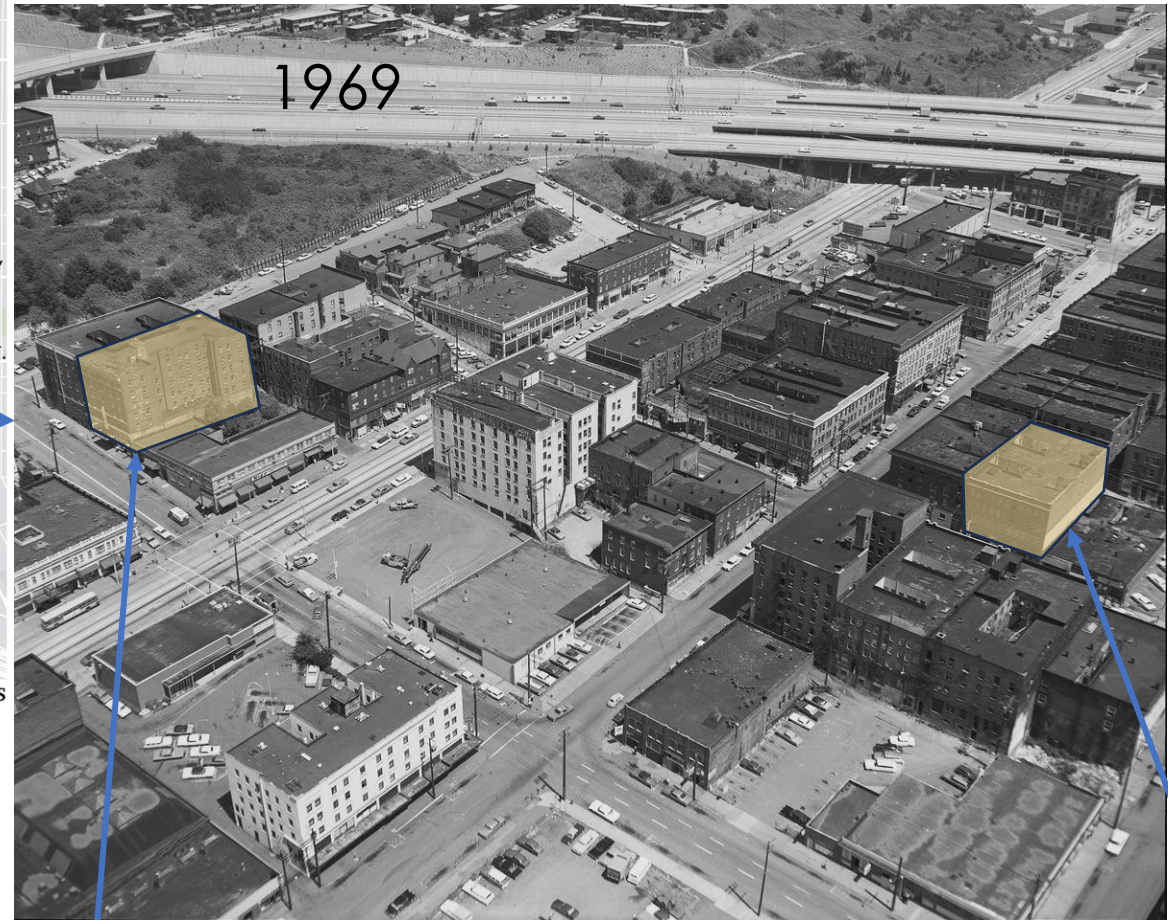
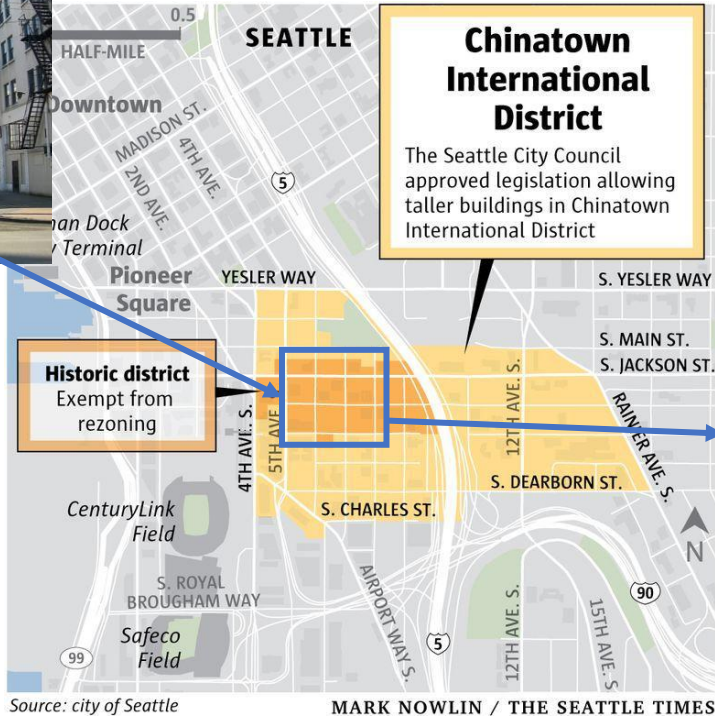
with assistance from



**COUGHLIN
PORTER
LUNDEEN**

TWO BUILDINGS: TWIN PROJECTS

Building ownership (both buildings):  **INTERIM CDA**



THE NP HOTEL

THE EASTERN HOTEL

THE NP HOTEL

306 6th Avenue S, Seattle WA
Seattle Chinatown National
Historic District (CID)

Floor area: 33,870 sf

Build date: 1914

Original Designer: John Graham
Sr.

Seismic retrofits: 1998 & 2023

1998:

Seismic upgrade (COS Administrative Ruling
Informational Bulletin No 2, October 1976)
including steel seismic frames at ground level,
plywood shear walls at upper floors, wood
beam to column ties, roof and floor
diaphragms, wall ties, and parapet bracing.



THE NP HOTEL



Interior finishes
Windows
HVAC
Elevator upgrade

2023:

- A. Add 1/2" plywood sheathing at floors 2-4. Increase nailing
- B. Add connectors at floor-to-wall connections. Verify 1993 floor-to-wall and add ties where missing or exceed 6' O.C.
- C. Add diaphragm straps near elevator
- D. Add nailing to existing plywood shear walls
- E. Add HSS tube columns at the ends of existing plywood shear walls
- F. Retrofit existing steel moment frames with new bracing
- G. Provide 2 braced frames below discontinuous north and south URM walls
- H. Provide new foundations below the new braced frames, and other bays as noted on plan
- I. Provide let-in concrete strongback beams at the exterior URM walls within the stairwells
- J. Provide HSS tube steel columns below exiting heavy timber beams, for secondary support

THE EASTERN HOTEL

506 Maynard Avenue, Seattle WA
Seattle Chinatown National
Historic District (CID)

Floor area: 36,979 sf

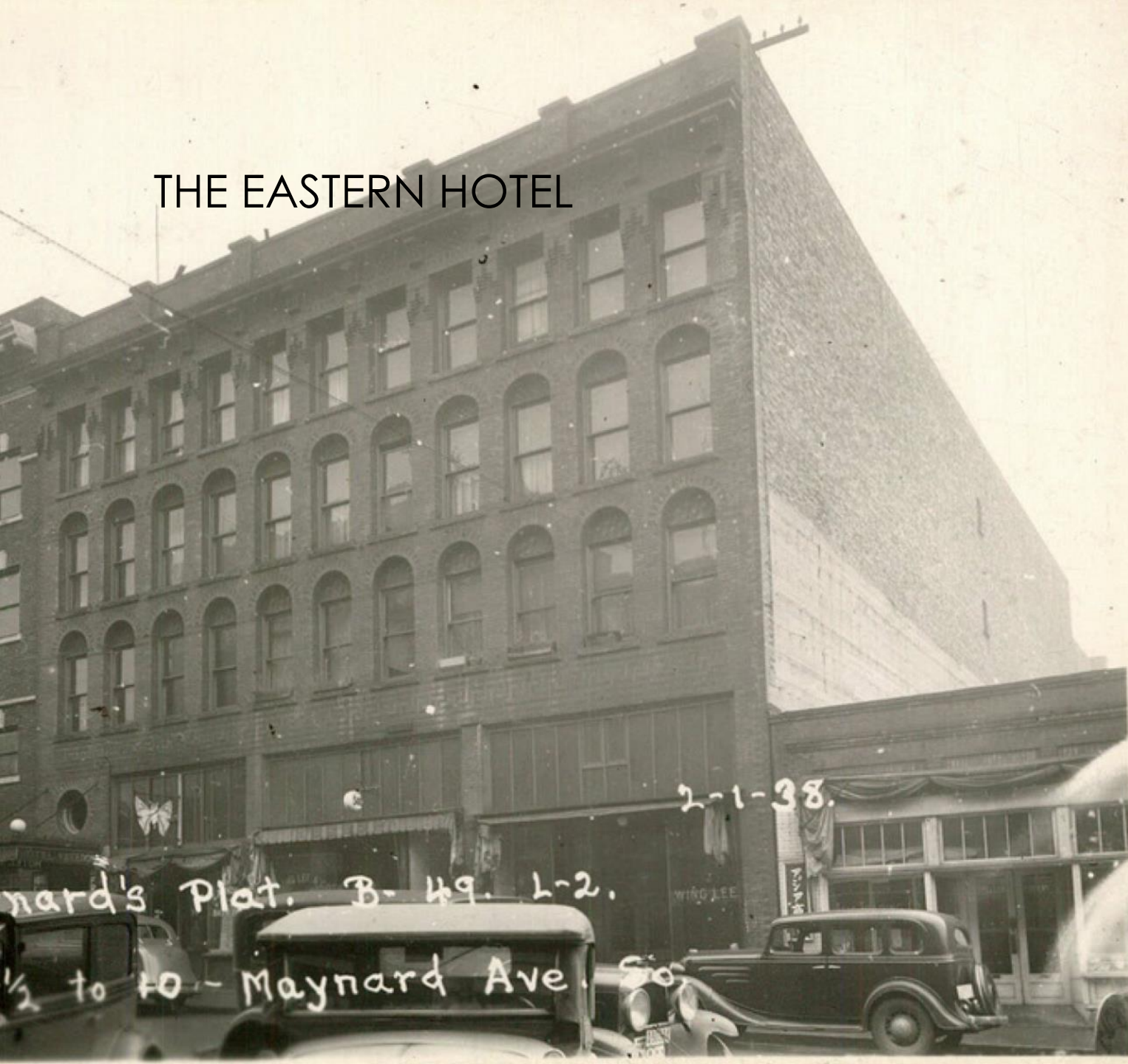
Build date: 1910

Original designer: David Dow

Seismic retrofits: 1998 & 2023

1998:

Seismic upgrade (FEMA 267 / August 1950) including concrete seismic frames and concrete shear walls at ground level, plywood shear walls at upper floors, wood beam to column ties, roof and floor diaphragms, wall ties, and parapet bracing.



THE EASTERN HOTEL



Interior finishes
Windows
HVAC
Elevator upgrade

2023:

A. Add continuous straps or angles at the wood floor / URM walls.

B. Provide 6"-8" concrete wrap at all concrete moment frame columns installed in 1998.

C. Add concrete grade beams tying the base of the wrapped columns to the existing foundations

FINANCING SOURCES FOR BOTH BUILDINGS

Federal Tax Credits: \$17,000,000

Low-income housing tax credits: \$12,900,000

Historic Tax Credits: \$4,500,000

City of Seattle Housing levy loans: \$3,500,000 (loans are deferred)

State of Washington HPP program: \$2,000,000 (loans are deferred, building must stay occupied)

45L credit for Built Green properties: \$270,000

Solar Power program: \$150,000

Transfer of Landmark Development Potential for both buildings sold in 2021: \$750,000

Eastern sold 17,847 sf

NP sold 9,839 sf

Total tax credits and incentives used: \$23,670,000

FEDERAL INVESTMENT TAX CREDITS

20% Federal Tax Credit on Qualified Rehabilitation Expenditures

Example: For \$1,000,000 in rehab expenditures a \$200,000 credit can be taken.

FEDERAL INVESTMENT TAX CREDIT

WHO DOES WHAT?

STATE HISTORIC PRESERVATION OFFICE

- Technical assistance (consultation)
- Initial contact with property owners
- Reviews Tax Credit Applications



NATIONAL PARK SERVICE

- Technical assistance (publications)
- Administers Tax Credit program
- **CERTIFIES** National Register listings and Rehabilitations for Tax Credit program



BECOMING A CERTIFIED PROJECT

Complete a 3-part application

Part 1 – Evaluation of Significance

Part 2 – Description of Rehabilitation

Part 3 – Request for Certification of Completed Work

FEDERAL INVESTMENT TAX CREDIT

FOUR BASIC REQUIREMENTS

1

The property must be individually listed on the **NATIONAL REGISTER** of Historic Places or be certified as a contributing property in a National Register listed Historic District

FEDERAL INVESTMENT TAX CREDIT

FOUR BASIC REQUIREMENTS

2

The property must be **INCOME PRODUCING**, including commercial, office, retail, and rental residential.

FEDERAL INVESTMENT TAX CREDIT

FOUR BASIC REQUIREMENTS

3

The project must be **SUBSTANTIAL** – meaning the amount spent on the rehab must be at least \$5,000 and meet or exceed the IRS definition of the adjusted basis of the building.

Normally this means the value of the building



FEDERAL INVESTMENT TAX CREDIT

FOUR BASIC REQUIREMENTS

4

The proposed rehabilitation must meet the Secretary of the Interior's **STANDARDS** for the Treatment of Historic Properties.

SECRETARY OF THE INTERIOR'S STANDARDS

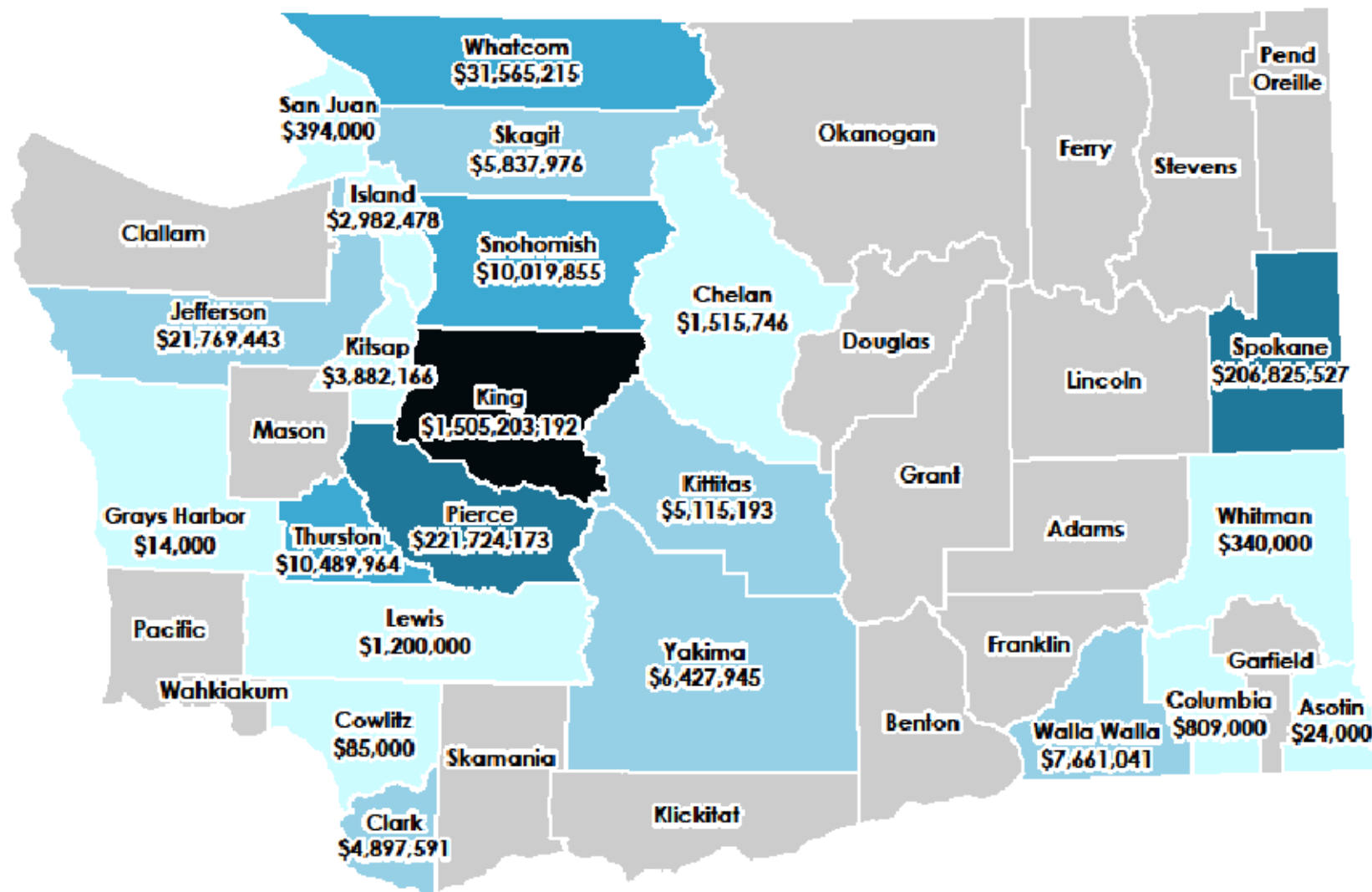
The four Rs of Tax Credit Evaluation

- 1. Repair** as much as possible
- 2. Replace** with in-kind materials
- 3. Retain** historic character where it exists
- 4. Reversible** and compatible changes

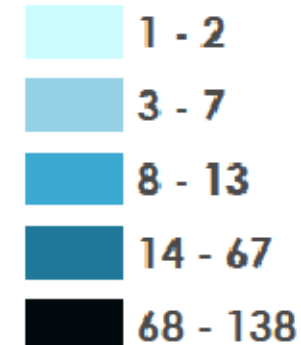
1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Tax Credit Projects Per County

1970 - 2023



Number of Projects

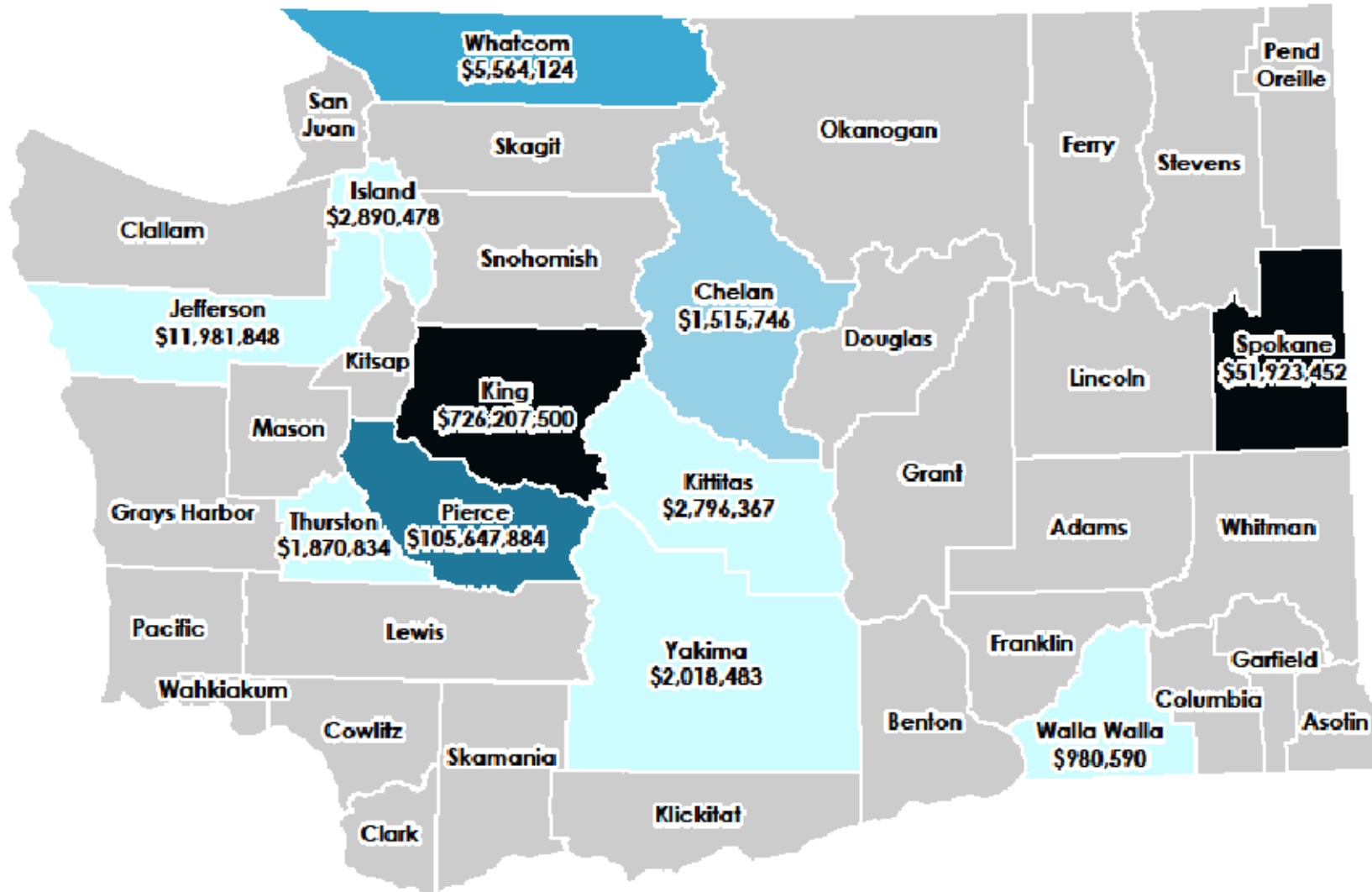


Total Statewide Tax Credit Projects Amount: \$2,048,783,505

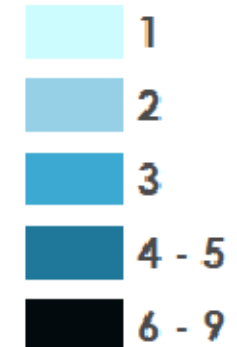
Total Number of Projects: 315

Tax Credit Projects Per County

2019 - 2023



Number of Projects

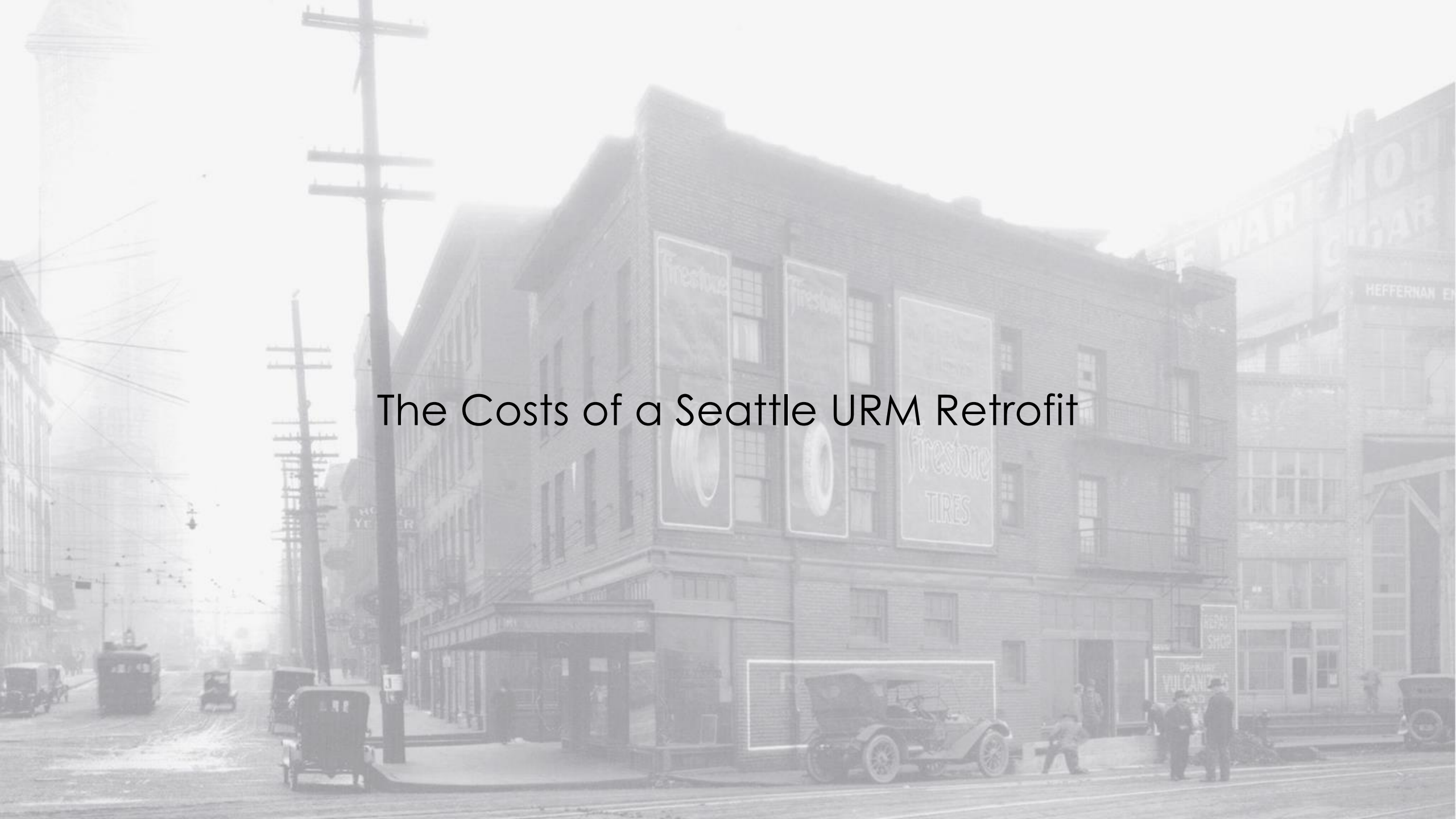


Total Statewide Tax Credit Projects Amount: \$913,397,306

Total Number of Projects: 33



The Costs of a Seattle URM Retrofit



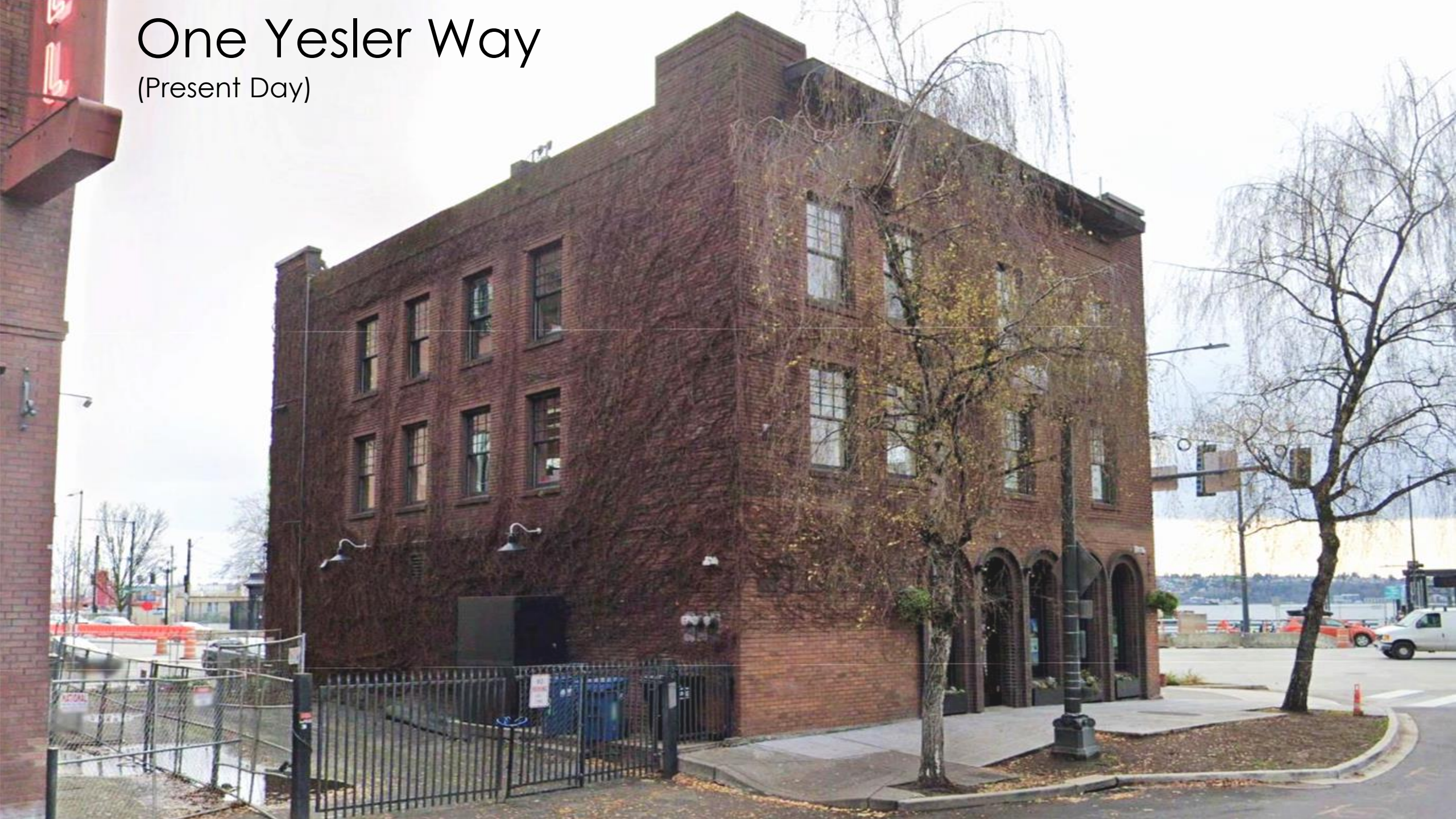
One Yesler Way

(b. 1911, photo circa 1924)



One Yesler Way

(Present Day)



LAKE UNION

ALASKAN WAY SEA WALL

ONE YESLER WAY

SMITH TOWER

ELLIOTT BAY

PIONEER SQUARE



PIONEER SQUARE WATERFRONT

PRE 1860 TIDAL FLATS

1880 PIERS & PILE-SUPPORTED RAILWAYS

1889 GREAT SEATTLE FIRE

1910 ALASKAN WAY SEAWALL

1910 ROAD & RAILWAY OVER BACKFILL

1911 ONE YESLER WAY CONSTRUCTED

1953 ALASKAN WAY VIADUCT (SR 99)

2019 STATE ROUTE 99 TUNNEL

PRESENT WATERFRONT PARK CONSTRUCTION



SITE PREP

Fencing

Tree Protection

Staging Area

Traffic Control

Hoisting

Security & Fire
Watch

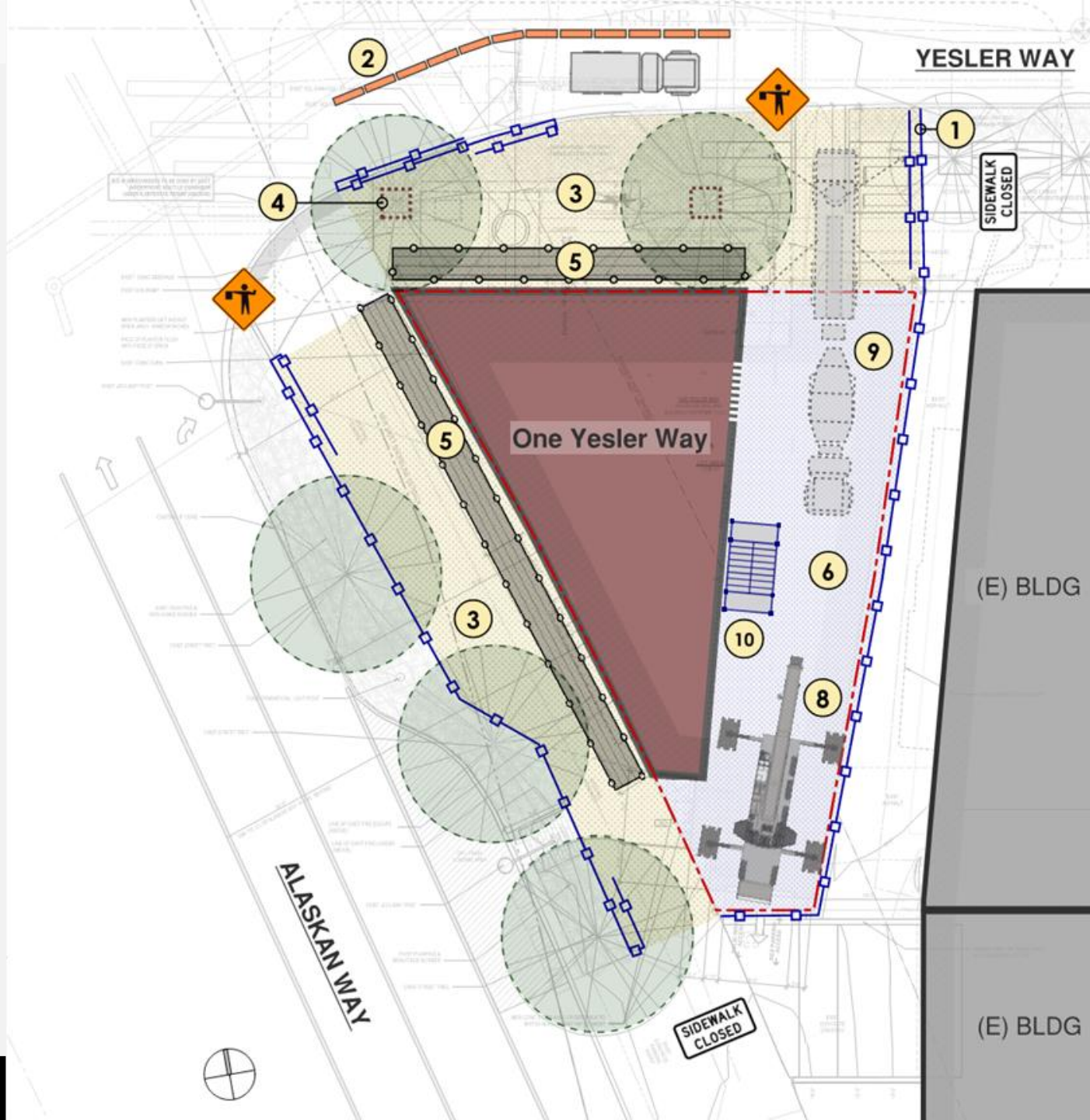
Scaffolding

Temp.
Restrooms

Field Office

Dewatering,
Treatment &
Discharge

\$ 190,866



Site Logistics Keynotes

- 1 Perimeter Fencing. Secure at EOD
- 2 Jersey Barriers. Move to Curb at EOD
- 3 Extents of Sidewalk Closure shaded Yellow
- 4 Protect Street Trees within Perimeter
- 5 Scaffolding &/or Boom Lifts for Ext. Access
- 6 Undeveloped Lot = Staging/Hoisting Area
- 7 Temp Opening for Drill Rig Access. Selectively Remove & Preserve Brick.
- 8 Proposed Location for Carry Deck Crane
- 9 Proposed Loading & Pumping Location
- 10 Stair Tower for Upper Level Access

General Notes

1. Provide Flaggers for Pedestrian & Vehicle Traffic Control.
2. No Loud Work prior to 7am on Weekdays & 9am on Weekends / Holidays.
3. Secure Building at EOD.
4. Install Security Cameras as required by Off-hours Monitoring Company.

BLDG PREP

Temporary
Removal of F&E

Ventilation

Abatement

Selective
Demolition

Roofing
Demolition

Temp. Shoring

Temp. Material &
Equipment
Access Openings

Temporary
Protection

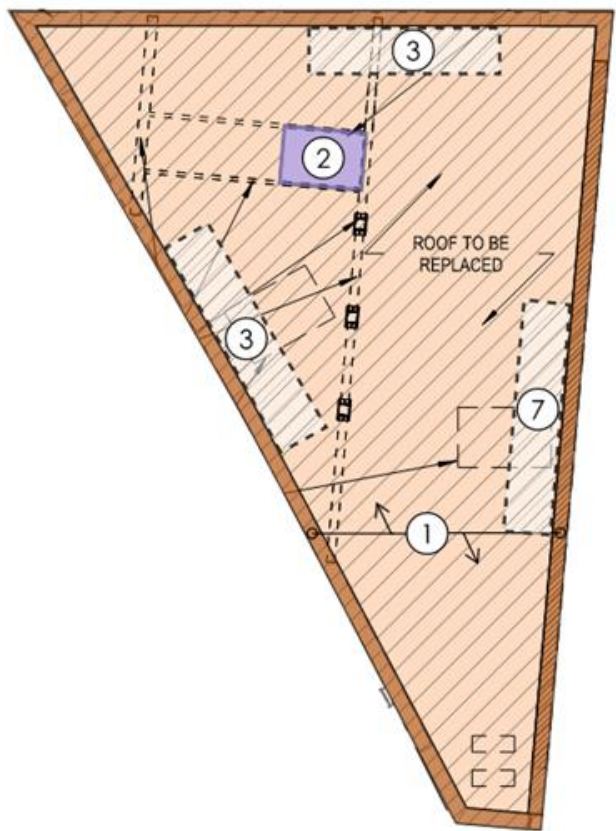
Excavation

Soil Disposal

\$ 386,275

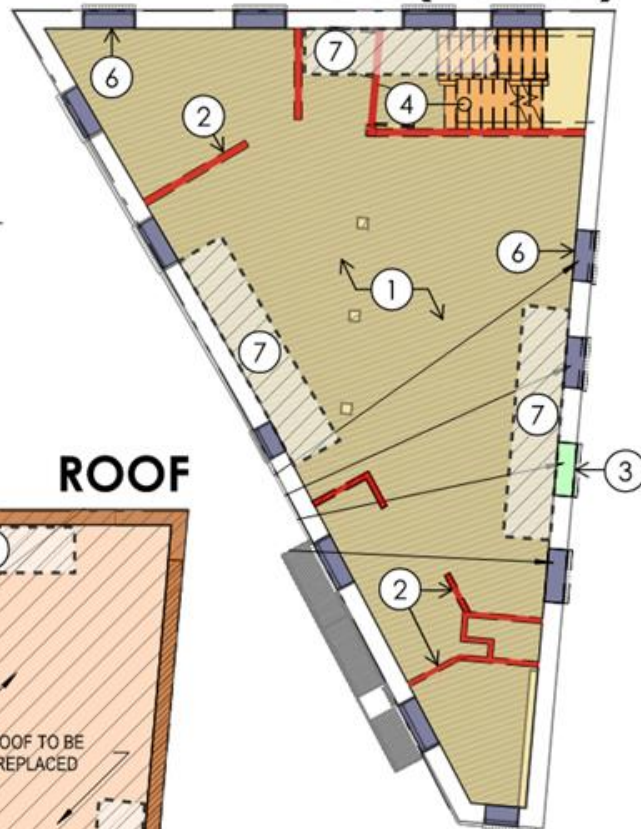
ROOF DEMO SCOPE

1. Remove Roofing & Parapet Cap for Sheathing Installation
2. Remove & Preserve Skylight for Re-installation after New Roofing Installation
3. Create Roof Openings to Place Brace Frame components.



ROOF

L-2 (L-3 SIM)



LEVEL 2 & 3 DEMOLITION SCOPE

1. Remove Floor Finishes for Sheathing Installation
2. Remove Partitions & Assoc. Doors & MEP Components
3. Remove & Protect Window at Temp Access Opening
4. Remove Stair for Brace Frame Installation
6. Protect Windows & Doors
7. Remove Decking as req'd. for Brace-Frame Installations

BASEMENT DEMO SCOPE

1. Saw-cut & Remove SOG for Footing Excavation
2. Remove Partitions & Associated Doors & MEP Components
3. Remove, Store, & Protect Casework, Plumbing Fixtures, & Lighting to be Reinstalled
4. Remove Stair & Shower for Footing Excavation



BASEMENT

L-1



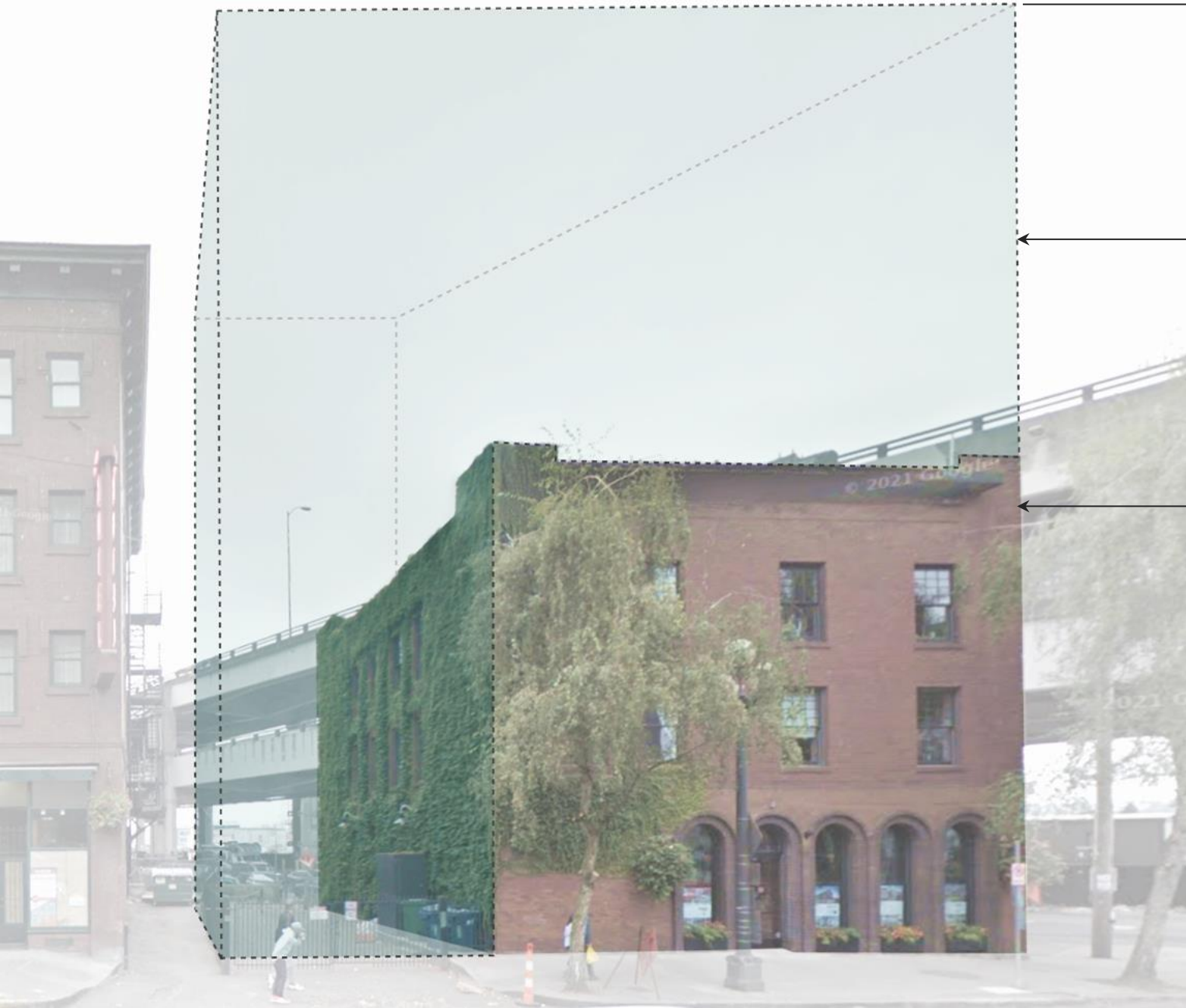
LEVEL 1 DEMOLITION SCOPE

1. Temp Openings for Shoring Drill Rig & Concrete Slick Line Access
2. Remove Partitions & Assoc. Doors & MEP Components
3. Remove & Protect Casework, Plumbing Fixtures, & Lighting.
4. Remove Stair for Brace Frame Install.
5. Remove Floor Finishes for Sheathing Installation
6. Protect Windows & Doors
7. Remove Decking as req'd. for Brace-Frame Installations

Existing Incentive: Transfer Development Rights

PSM Zone Height Limit Above Average Grade

100' - 0"



Unused Development Area : **21,386 SF**

Chargeable (Existing) Area: **6,181 SF**

Estimated Dev. Rights Value (Before Fees)

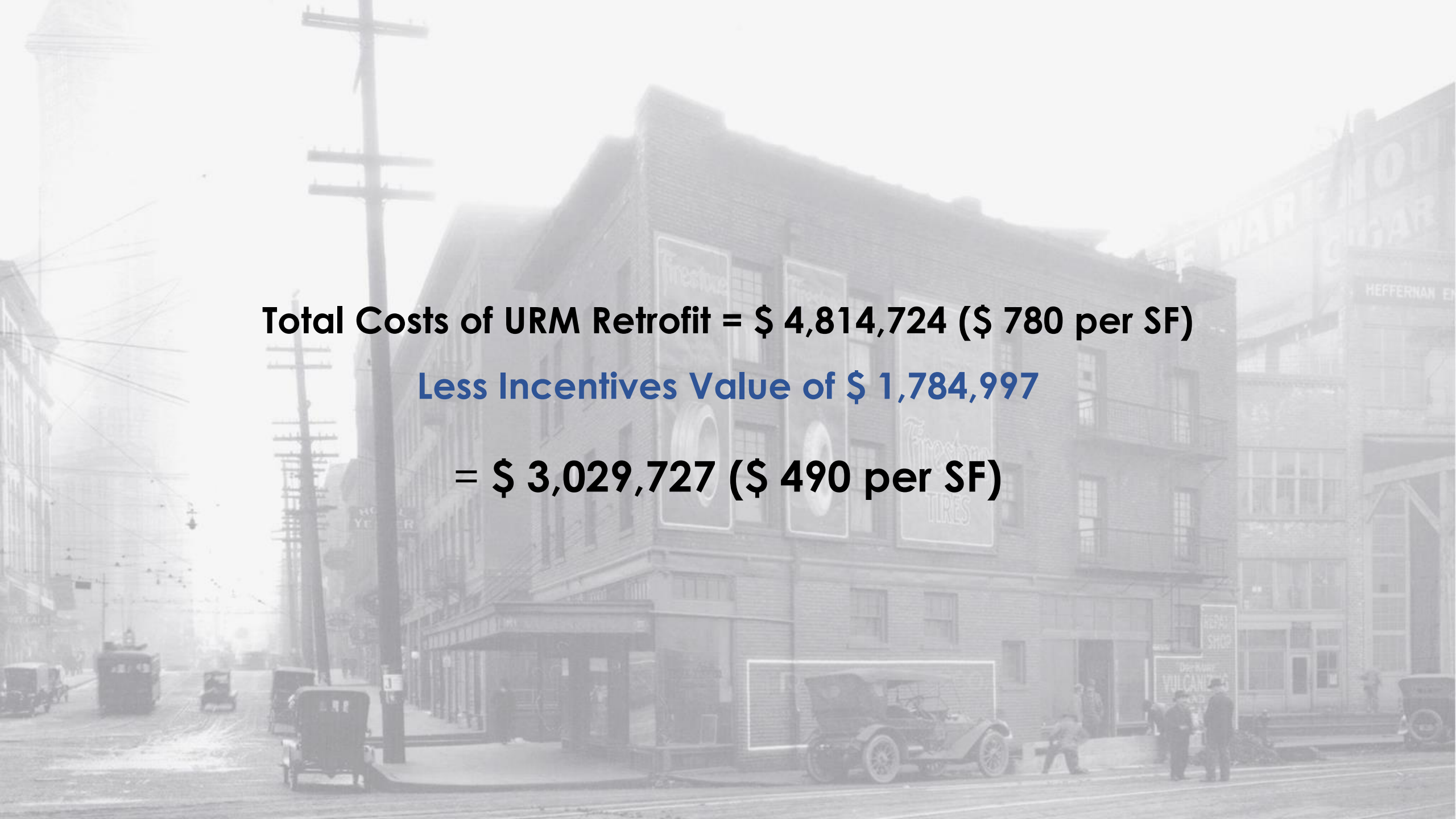
Lot Area = 3,063 SF

Total Dev. Area = 3,063 SF x 9 Floors Max = 27,567 SF

Total Dev. Area – Chargeable Area = 21,386 SF
(6,181 SF)

Dev. Rights = 21,386 SF x \$30 Mkt Value = **\$ 641,580**

| Historic Tax Credits | Special Property Tax Evaluation | Transfer Development Rights |
|---|--|---|
| <div>20% of Total Rehabilitation Costs (\$ 4,814,724)</div> <div>\$ 962,945</div> | <div> Assessed Prop. Tax Value (\$2,371,000) less Rehabilitation Costs (\$4,814,724) = \$0 Assessed Prop. Tax Value For 10 Years 2023 Prop. Tax Bill = \$ 18,472 X 10 years </div> <div>\$ 180,472</div> | <div> Total Development Area (27,567 SF) less (E) Net Square Footage (6,181 SF) = 21,386 SF X \$30 / SF </div> <div>\$ 641,580</div> |
| | Incentives Savings = \$ 1,784,997 | |



Total Costs of URM Retrofit = \$ 4,814,724 (\$ 780 per SF)

Less Incentives Value of \$ 1,784,997

= \$ 3,029,727 (\$ 490 per SF)