

Incentives for National Register Properties

Façade Easements

If a building is listed in the National Register of Historic Places, it is eligible for the donation of a façade easement. The building owner may give control over any change in the property's façade to a nonprofit organization dedicated to preservation of the natural or built environment. The nonprofit organization, in effect, is partial owner of the property, as it controls any changes made to the façade. As such, the nonprofit organization accepts responsibility for assuring the continued preservation of the façade. Once the value of the easement has been appraised, the owner may take a tax deduction for his or her charitable contribution.

Historic Rehabilitation Tax Credit

The Tax Reform Act of 1986 permits owners and some lessees of buildings listed in the National Register to take a 20% income tax credit on the cost of rehabilitating such buildings for industrial, commercial, or rental residential purposes. This credit can be applied concurrently with the Special Tax Valuation of Historic Properties. Rehabilitation work needs to be in accord with the **Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings** (36 CFR 67).



Arctic Building



Furuya Building

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Front Page – Joshua Green Corporation, remaining are Department of Neighborhoods
Inside and Back Pages – Department of Neighborhoods



For More Information

SEATTLE PROGRAMS

Historic Preservation Program
Seattle Department of Neighborhoods
600 4th Avenue, 4th Floor
PO Box 94649
Seattle, WA 98124-4649
(206) 684-0228
www.seattle.gov/neighborhoods/preservation

WASHINGTON STATE AND FEDERAL PROGRAMS

Department of Archaeology and Historic Preservation
P.O. Box 48343
Olympia, WA 98504-8343
(360) 586-3065
<http://www.dahp.wa.gov/>

This brochure has been financed in part with Federal funds from the National Park Service, Department of the Interior administered by the Department of Archaeology and Historic Preservation (DAHP), and the City of Seattle. However, the contents and opinions do not necessarily reflect the views or policies of the Department of the Interior or DAHP.

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Seattle
Neighborhoods

Incentives for Historic Properties in Seattle



Joshua Green Building



Eastern Hotel



Colman School, NW African American Museum

Special Tax Valuation for Historic Properties

The Washington State Legislature passed a law in 1985 allowing "special valuation" for certain historic properties. Prior to that law, owners rehabilitating historic buildings were subject to increased property taxes once the improvements were made. "Special valuation" revises the assessed value of a historic property, subtracting, for up to 10 years, those rehabilitation costs that are approved by the local review board.

For the purposes of the Special Valuation of Property Act, the Seattle Landmarks Preservation Board acts as the Local Review Board (RCW 84.26). The primary benefit of the law is that, during the 10-year special valuation period, property taxes will not reflect substantial improvements made to the historic property.

Eligible properties, as defined by the Seattle City Council, are designated as landmarks subject to controls imposed by a designating ordinance or are contributing buildings located within National Register or local historic districts. The property must have undergone an approved rehabilitation within the two years prior to the date of application and rehabilitation cost must equal or exceed 25% of the assessed value of the improvements, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified

Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including 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 acquiring the property or enlarging the building.

Interested property owners must file an application by October 1 with the King County Department of Assessment after the rehabilitation work has been completed. The Assessor will transmit the application to the Landmarks Preservation Board for review. The Board will review and approve the application, confirming the cost of the rehabilitation and that rehabilitation complies with previous Board approval. Once approved, the property owner will sign an agreement with the Board for a 10-year period, during which time the property must be maintained in good condition. The owner must obtain approval from the Board prior to making improvements. If the property is sold, the new owner must sign the same agreement if the special valuation is to remain in effect.

IN THIS SERIES:

Seattle Historic Districts • Seattle Landmark Designation • Incentives for Historic Properties

For more information: www.seattle.gov/neighborhoods/preservation



William Tell Hotel



Interurban Building



Tashiro Kaplan Building



Cooper House



Dodge Building

Seattle Offers Incentives to Landmark Property Owners Including Zoning and Building Code Relief, Transfer of Development Rights, Transfer of Development Potential and the Special Tax Valuation Program

Zoning Code Relief

For a designated landmark, the Director of the Department of Planning and Development (DPD) may authorize a use not otherwise permitted in a certain zone. This provision provides flexibility of use to encourage the preservation and use of historic buildings. Administrative Conditional Uses authorize, under certain circumstances, uses in a designated landmark that are not otherwise permitted in the zone in which the landmark is located. The DPD Director may also waive or modify standards for open space, setbacks, width and depth limits for screening, and landscaping for designated landmark structures or within a landmark or special review district. In addition, parking exceptions for landmark structures are available on an application basis.

In order to be considered for an exception, an application must be filed with DPD. Approval is subject to certain development standards that include approval by the appropriate historic preservation board or the Director of the Department of Neighborhoods.

Building Code Relief

The Seattle Building Code, adopted by the City Council to accompany the Uniform Building Code, allows the DPD Director to modify specific requirements of the building code for landmark buildings. The Director has the discretion to request alternate requirements that will result in a reasonable degree of safety to the public and building occupants. The building code requires that, when there is a conflict between a general requirement and a specific one, the specific requirement applies. This gives the DPD Director discretion to modify more stringent code requirements.



Bon Marché Building



Helper Building

Incentives for Landmarks in Downtown, South Lake Union, and Multifamily Zones

The Downtown Zoning Chapter of the Land Use and Zoning Code addresses historic preservation through several mechanisms (SMC 23.49).

Transfer of Development Rights

The Transfer of Development Rights (TDR) program is available in most downtown zones for Seattle landmarks designated by ordinance. To encourage the preservation, rehabilitation, and restoration of buildings, the property owner is allowed to sell unused development rights to other developers within a specific area of downtown. The value of these development rights is negotiated between the owners of the sending and receiving lots. The transfer of development rights from the sending lot to the receiving lot lasts for the life of the property on the receiving lot.

In 2001, the area where landmark structures could sell development rights was expanded to include all Downtown zones north of Virginia Street. Also, the City was authorized to establish a TDR "bank," allowing TDR from landmark structures to be purchased and held until a buyer could be found. The use of landmark TDR was also given greater priority as a means of increasing bonus floor area in a commercial project by requiring the purchase of such TDR if it was being held in the TDR bank.

The Downtown Code was further amended in 2006 to make the use of landmark TDR more attractive. A new provision exempting a specified amount of the floor area of a landmark structure in the calculations of unused development rights will increase the amount of TDR available to sell from landmark structures. TDR from landmarks structures converted to affordable housing is now treated the same as housing TDR, which means that future projects are able to use more landmark TDR overall for permitted floor area increases.

In 2007, a special provision was adopted for the Downtown Office Core 1 (DOC1) zone to allow additional floor area in a project if a designated Landmark structure is retained as part of the development on a lot (23.49.008).

In 2011, the Downtown Code was amended to establish a TDR program for South Downtown for historic properties in the Pioneer Square Preservation District and the International Special Review District in the PSM, IDR and IDM zones (SMC 23.49.014).

Retail Core Height Provision

The Downtown Land Use Code (SMC 23.49.008) identifies 14 buildings in the Retail Core on lots that would not be allowed to exceed a base height limit of 85 feet unless the facades of these buildings are preserved.

Demolition Disincentive

Development on site that results in the destruction of a designated Seattle landmark is not allowed to acquire additional development rights through a floor-area bonus.

Provisions in South Lake Union that address historic preservation (SMC 23.50).

Transfer of Development Rights

The Transfer of Development Rights (TDR) program is available in IC zones within the South Lake Union Urban Center zone for Seattle landmarks designated by ordinance (SMC 23.50.053).

The Multifamily Land Use Code (SMC 23.45)

Transfer of Development Potential

In 2010, the Highrise Multifamily (HR) zone was revised to include a transfer of development potential (TDP) program as an incentive for maintaining landmark structures. Through this program, highrise residential structures can gain additional height and floor area by acquiring unused floor area from designated landmark structures on lots zoned Midrise (MR) and Highrise (HR) located within the First Hill neighborhood.

Floor Area Exemption

Another provision adopted in 2010 that applies to all multifamily zones now exempts the floor area contained within a designated landmark structure from the limits on permitted floor area that would otherwise apply on a lot, making it more attractive to maintain landmark structures in new developments (23.45.510).