

CITY OF SEDRO-WOOLLEY
PLANNING DEPARTMENT
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771
Fax (360) 855-0733

TRANSMITTAL & REPORT MEMORANDUM

DATE: December 20, 2022

TO: Sedro-Woolley Historic Preservation Commission

REGARDING Designation to Sedro-Woolley Register of Historical Places and Special Tax Valuation for Mills House at 804 Ferry St.

FROM: _____
John Coleman, Planning Director

The following Historical Places designation and Special Valuation certification are proposed by the applicants and submitted to the Historic Preservation Commission for consideration. This report serves as the staff report for the proposed designation to the Sedro-Woolley Register of Historical Places and certification for Special Valuation was submitted in accordance with Chapter 2.90 SWMC.

FINDINGS OF FACT

PROPOSAL

The Sedro-Woolley City Council created a Historic Preservation Commission and created processes and regulations for establishing a Sedro-Woolley Register of Historical Places as well as a way to certify properties meeting those requirements so those properties may be given special tax valuation by the Skagit County Assessor. Ordinance 2029-22 (Attachment 1) was passed at its December 14, 2022 Council meeting to create Chapter 2.49 of the Sedro-Woolley Municipal Code (SWMC) – Historic Preservation. The proposal is a request to add 804 Ferry Street to the Sedro-Woolley Register of Historical Places; enter into a Historic Preservation Special Tax Valuation Agreement with the property owners; and approve the property for Special Tax Valuation for the County Assessor.

BACKGROUND

At the September 29, 2022 City Council Business Development Committee meeting, there was a brief discussion about tapping into Sedro-Woolley's passion for history as a potential driver for future economic development. Economic development is one of the City

Council's three goals for its 2023-2028 Strategic Plan. Staff left that meeting with a charge to develop a community development grant program, organize a community engagement workshop, work on implementing the economic development focus group in the strategic plan, and to look further into possible strategies for leveraging the community's passion for history.

In the research to date on leveraging history, one option that emerged was implementing a historic preservation program. One element of such a program, creating historic districts, was cited as being particularly effective in preserving property values even in economic downturns, generating additional property investment, stimulating tourism (heritage visitors), and creating and retaining jobs.

During the time of conducting staff research, the owners of 804 Ferry Street approached the City Council, Mayor, and staff about the creation of a Historic Preservation Commission so that their recently renovated property might be the City's first addition to the Sedro-Woolley Register of Historic Places. The property is located at 804 Ferry Street. It was once the Valley Hospital and is referred to as the Dr. James and Margaret Mills House.

The City Council passed a historic preservation ordinance originally on December 7, 2022 but was modified on December 14 to correct errors. The final ordinance is called Ordinance 2029-23 Historic Preservation.

Now that the Council passed a historic preservation ordinance, the owners of 804 Ferry Street are eligible to have their property considered for addition to the Sedro-Woolley Register of Historic Places at the December 20, 2022 Planning Commission meeting. The Planning Commission is acting as the Historic Preservation Commission until the Historic Preservation Commission can be appointed. The Historic Preservation Ordinance does the following:

- Creates a 5-member Historic Preservation Commission with a requirement to have three professional technical experts on the Commission, given the work that is required. While the technical experts are not required by State law, staff are recommending their inclusion to prepare the City for becoming a State Certified Local Government (CLG). Becoming a CLG provides additional benefits, including access to grant funds, technical expertise, and additional training. To become a CLG, we need to apply through the State. Until the 5-member Commission is appointed, the Planning Commission is appointed as the Historic Preservation Commission.
- Tasks the Commission with creating an inventory of historic properties within the City
- Tasks the Commission with reviewing applications for placement on or removal from the Sedro- Woolley Register of Historic Places, allowing those properties to be eligible for special valuation for qualifying improvement projects.

- Tasks the Commission with reviewing building projects related to any property on the Sedro-Woolley Register of Historic Places.
- Tasks the Commission with exploring, reviewing, and possibly creating historic district(s) in the future.

This ordinance would also have implications for property owners with properties listed on the Sedro-Woolley Register of Historic Places, requiring additional approvals for building projects. There is also a provision for creating a historic district in an area, adding a large number of properties to the Sedro-Woolley Register of Historic Places at the same time, with a simple majority of property owners in support. This leaves open a likelihood of some property owners not supporting the creation of a historic district, should one form in the future.

The ordinance, which is based on a model ordinance from the Washington State Department of Archaeology and Historic Preservation, is written intentionally broadly and will likely be modified to become more focused on the community's historic priorities as additional dialog occurs.

ANALYSIS

Now that the City has an Historic Preservation ordinance, the owners of 804 Ferry Street, Jean Eagleston and Terry Sapp, are able to apply for a tax reduction on their property. The process to do so is spelled out in RCW 84.26 (<https://app.leg.wa.gov/RCW/default.aspx?cite=84.26>), WAC 254-20 (<https://app.leg.wa.gov/WAC/default.aspx?cite=254-20>) and S-W Ordinance 2029-22. Below is a summary of the steps that the applicant and the Historic Preservation Commission shall follow:

1. The applicants submit to the state Department of Archaeology & Historic Preservation (DAHP) for inclusion on the Washington Heritage Register. The applicants received notice that 804 Ferry Street was granted that designation from DAHP in August 2022 (Attachment 2).
2. The applicants submit an Application and Certification of Special Valuation on Historic Preservation Property (Attachment 3) to the Skagit County Assessor's Office. That application was submitted to the Assessor on December 13, 2022.
3. The Assessor's Office must forward the application to the City for review by the Sedro-Woolley Historic Preservation Commission. That notice was received by the City Planning Department on December 13, 2022 via email.
4. Sedro-Woolley Historic Preservation Commission can approve or deny the application for Special Valuation. However, before the Commission can act on a Special Valuation decision, the property (804 Ferry Street) must be on the Sedro-Woolley Register of Historic Places. Therefore, the first step the Commission must take to determine if the property should be added to the Sedro-Woolley Register. The property has already been added to the State Heritage Register; if the Commission believes the property should be on the Sedro-Woolley Register, then

make a motion to add 804 Ferry Street, the Dr. James and Margaret Mills House, to the Sedro-Woolley Register of Historic Places.

5. Presuming the Preservation Commission adds the property to the Sedro-Woolley Register, then the Commission can review the application to make sure it is compliant with RCW 84.26.050(2). If the Commission finds that the property meets those requirements, then the Commission may **make a motion to enter into an Historic Preservation Agreement with the applicants Jean Egleston and Terry Sapp** (Attachment 4). The Agreement form specifies the requirements of RCW 84.26.050(2) on the form.
6. Presuming the Commission enters into said Agreement, then the Commission may **make a motion to approve and sign the Certification of Approval for Special Valuation on Historical Property for 804 Ferry Street** (Attachment 5).

The applicants submitted a very comprehensive application for designation as a property on the Washington State Heritage Register to the DAHP. That application packet is included as Attachment 6. The applicants also submitted a packet of information titled “Public Comment to the Sedro-Woolley City Council” (which is also included as part Attachment 6). Those two documents will provide the Commission a lot of background information on the property, the rehabilitation, how the project meets the requirements of RCW 84.26 and more.

RECOMMENDATION:

Staff recommends that the Planning Commission:

- Make a motion to add 804 Ferry Street as the first property on the Sedro-Woolley Register of Historic Places;
- make a motion to enter into a Historic Preservation Special Valuation Agreement with the Jean Egleston and Terry Sapp; and
- Make a motion to approve and sign the Certification of Approval for Special Valuation on Historical Property for 804 Ferry Street.

ATTACHMENTS:

1. Ordinance 2029-22 establishing a historic preservation program.
2. DAHP notice that 804 Ferry Street was listed on the Washington Heritage Register.
3. Application and Certification of Special Valuation on Historic Preservation Property.
4. Historic Preservation Agreement with Egleston & Sapp for 804 Ferry Street.
5. Certificate of Approval for Special Valuation.
6. Washington Heritage Register application and Public Comment to the Sedro-Woolley City Council.

**AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY,
WASHINGTON, AMENDING TITLE 2 OF THE SEDRO-WOOLLEY
MUNICIPAL CODE (SWMC) TO IMPLEMENT CHAPTER 2.49
ENTITLED HISTORIC PRESERVATION**

WHEREAS, the City Council, finds the proposed amendment is in the best interests of the City and the public;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, DO ORDAIN AS FOLLOWS:

Section One. Title 2 of the Sedro-Woolley is hereby amended to adopt Municipal Code Chapter 2.49 is hereby adopted to read as follows:

ORDINANCE 2029-22 HISTORIC PRESERVATION

Section 1 Purpose

Section 2 Title

Section 3 Definitions

Section 4 Sedro-Woolley Historic Preservation Commission

Section 5 Sedro-Woolley Register of Historic Places

Section 6 Review of Changes to Sedro-Woolley Register of Historic Places Properties

Section 7 Review and Monitoring of Properties for Special Property Tax Valuation

SECTION 1. PURPOSE

The purpose of this ordinance is to provide for the identification, evaluation, designation, and protection of designated historic and prehistoric resources within the boundaries of the City of Sedro-Woolley, Washington and preserve and rehabilitate eligible historic properties within the City of Sedro-Woolley, Washington for future generations through special valuation, a property tax incentive, as provided in Chapter 84.26 RCW to:

- A. Safeguard the heritage of the City of Sedro-Woolley as represented by those buildings, districts, objects, sites and structures which reflect significant elements of the City of Sedro-Woolley’s history;
- B. Foster civic and neighborhood pride in the beauty and accomplishments of the past, and a sense of identity based on the City of Sedro-Woolley’s history;
- C. Stabilize or improve the aesthetic and economic vitality and values of such sites, improvements and objects;
- D. Assist, encourage and provide incentives to private owners for preservation, restoration, redevelopment and use of outstanding historic buildings, districts, objects, sites and structures;
- E. Promote and facilitate the early identification and resolution of conflicts between preservation of historic resources and alternative land uses; and,

- F. Conserve valuable material and energy resources by ongoing use and maintenance of the existing built environment.

SECTION 2. SHORT TITLE

The following sections shall be known and may be cited as the “historic preservation ordinance of the City of Sedro-Woolley.”

SECTION 3. DEFINITIONS

The following words and terms when used in this ordinance shall mean as follows, unless a different meaning clearly appears from the context:

- A. “City of Sedro-Woolley Historic Inventory” or “Inventory” means the comprehensive inventory of historic and prehistoric resources within the boundaries of the City of Sedro-Woolley.
- B. “City of Sedro-Woolley Historic Preservation Commission” or “Commission” means the commission created by Section 4 herein.
- C. “City of Sedro-Woolley Register of Historic Places”, “Local Register”, or “Register” means the listing of locally designated properties provided for in Section 5 herein.
- D. “Actual Cost of Rehabilitation” means costs incurred within twenty-four months prior to the date of application and directly resulting from one or more of the following: a) improvements to an existing building located on or within the perimeters of the original structure; or b) improvements outside of but directly attached to the original structure which are necessary to make the building fully useable but shall not include rentable/habitable floor-space attributable to new construction; or c) architectural and engineering services attributable to the design of the improvements; or d) all costs defined as “qualified rehabilitation expenditures” for purposes of the federal historic preservation investment tax credit.
- E. A “building” is a structure constructed by human beings. This includes both residential and nonresidential buildings, main and accessory buildings.
- F. “Certificate of Appropriateness” means the document indicating that the commission has reviewed the proposed changes to a local register property or within a local register historic district and certified the changes as not adversely affecting the historic characteristics of the property which contribute to its designation.
- G. “Certified Local Government” or “CLG” means the designation reflecting that the local government has been jointly certified by the State Historic Preservation Officer and the National Park Service as having established its own historic preservation commission and a program meeting Federal and State standards.
- H. “Class of properties eligible to apply for Special Valuation in the City of Sedro-Woolley” means all properties listed on the National Register of Historic Places or certified as contributing to a National Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW, until the City of Sedro-Woolley becomes a Certified Local Government (CLG). Once a CLG, the class of properties eligible to apply for Special Valuation in the City of Sedro-Woolley means all properties listed on the local or National Register of Historic Places or properties certified as contributing to an local or National Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW.

- I. “Cost” means the actual cost of rehabilitation, which cost shall be at least twenty-five percent of the assessed valuation of the historic property, exclusive of the assessed value attributable to the land, prior to rehabilitation.
- J. A “district” is a geographically definable area urban or rural, small or large, possessing a significant concentration, linkage, or continuity of sites buildings, structures, and/or objects united by past events or aesthetically by plan or physical development.
- K. “Emergency repair” means work necessary to prevent destruction or dilapidation to real property or structural appurtenances thereto immediately threatened or damaged by fire, flood, earthquake or other disaster.
- L. “Historic property” means real property together with improvements thereon, except property listed in a register primarily for objects buried below ground, which is listed in a local register of a Certified Local Government or the National Register of Historic Places.
- M. “Incentives” are such rights or privileges or combination thereof which the Sedro-Woolley City Council, or other local, state, or federal public body or agency, by virtue of applicable present or future legislation, may be authorized to grant or obtain for the owner(s) of Register properties. Examples of economic incentives include but are not limited to tax relief, conditional use permits, rezoning, street vacation, planned unit development, transfer of development rights, facade easements, gifts, preferential leasing policies, beneficial placement of public improvements or amenities, or the like.
- N. “Local Review Board”, or “Board” used in Chapter 84.26 RCW and Chapter 254-20 WAC for the special valuation of historic properties means the commission created in Section 4 herein.
- O. “National Register of Historic Places” means the national listing of properties significant to our cultural history because of their documented importance to our history, architectural history, engineering, or cultural heritage.
- P. An “object” is a thing of functional, aesthetic, cultural, historical, or scientific value that may be, by nature or design, movable yet related to a specific setting or environment.
- Q. “Ordinary repair and maintenance” means work for which a permit issued by the City of Sedro-Woolley is not required by law, and where the purpose and effect of such work is to correct any deterioration or decay of or damage to the real property or structure appurtenance therein and to restore the same, as nearly as may be practicable, to the condition prior to the occurrence of such deterioration, decay, or damage.
- R. “Owner” of property is the fee simple owner of record as exists in the Skagit County Assessor’s records.
- S. “Significance” or “significant” used in the context of historic significance means the following: a property with local, state, or national significance is one which helps in the understanding of the history or prehistory of the local area, state, or nation (whichever is applicable) by illuminating the local, statewide, or nationwide impact of the events or persons associated with the property, or its architectural type or style in information potential. The local area can include Sedro-Woolley, Skagit County, or Northwest Washington, or a modest geographic or cultural area, such as a neighborhood. Local significance may apply to a property that illustrates a theme that is important to one or more localities; state significance to a theme important to the history of the state; and national significance to property of exceptional value in representing or illustrating an important theme in the history of the nation.
- T. A “site” is a place where a significant event or pattern of events occurred. It may be the location of prehistoric or historic occupation or activities that may be marked by physical remains; or it may be the symbolic focus of a significant event or pattern of events that may not have been

actively occupied. A site may be the location of ruined or now non-extant building or structure of the location itself possesses historic cultural or archaeological significance.

- U. “Special Valuation for Historic Properties” or “Special Valuation” means the local option program which when implemented makes available to property owners a special tax valuation for rehabilitation of historic properties under which the assessed value of an eligible historic property is determined at a rate that excludes, for up to ten years, the actual cost of the rehabilitation. (Chapter 84.26 RCW).
- V. “State Register of Historic Places” means the state listing of properties significant to the community, state, or nation but which may or may not meet the criteria of the National Register.
- W. A “structure” is a work made up of interdependent and interrelated parts in a definite pattern of organization. Generally constructed by man, it is often an engineering project.
- X. “Universal Transverse Macerator” or “UTM” means the grid zone in metric measurement providing for an exact point of numerical reference.
- Y. “Waiver of a Certificate of Appropriateness” or “Waiver” means the document indicating that the commission has reviewed the proposed whole or partial demolition of a local register property or in a local register historic district and failing to find alternatives to demolition has issued a Waiver of a Certificate of Appropriateness which allows the building or zoning official to issue a permit for demolition.
- Z. “Washington State Advisory Council’s Standards for the Rehabilitation and Maintenance of Historic Properties” or “State Advisory’s Council’s Standards” means the rehabilitation and maintenance standards used by the City of Sedro-Woolley Historic Preservation Commission 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.

SECTION 4. SEDRO-WOOLLEY HISTORIC PRESERVATION COMMISSION

A. Creation and Size

There is hereby established a City of Sedro-Woolley Historic Preservation Commission, consisting of five (5) members, as provided in subsection B below. Members of the City of Sedro-Woolley Historic Preservation Commission shall be appointed by the Mayor and approved by the Sedro-Woolley City Council and shall be residents of the City of Sedro-Woolley, except as provided in subsection B below. Until such time as the first Commission is appointed, the City’s Planning Commission shall serve as the Historic Preservation Commission.

B. Composition of the Commission

1. All members of the Commission must have a demonstrated interest and competence in historic preservation and possess qualities of impartiality and broad judgement.
2. The Commission shall always include at least three (3) professionals who have experience in identifying, evaluating, and protecting historic resources and are selected from among the disciplines of architecture, history, architectural history, planning, prehistoric and historic archaeology, folklore, cultural anthropology, curation, conservation, and landscape architecture, or related disciplines. The commission action that would otherwise be valid shall not be rendered invalid by the temporary vacancy of one or all the professional positions, unless the commission action is related to meeting Certified Local Government (CLG) responsibilities cited in the Certification Agreement between the Mayor and the State Historic Preservation Officer on behalf of the State. Furthermore, exception to the residency requirement of

Commission members may be granted by the Mayor and the Sedro-Woolley City Council to obtain representatives from these disciplines.

3. In making appointments, the Mayor may consider names submitted from any source, but the Mayor shall notify history, Sedro-Woolley and Skagit County development related organizations of vacancies so that names of interested and qualified individuals may be submitted by such organizations for consideration along with names from any other source.

C. Terms

The original appointment of members to the Commission shall be as follows: three (3) commissioners for two (2) years and two (2) commissioners for three (3) years. Thereafter, appointments shall be made for a three (3) year term. Vacancies shall be filled by the Mayor for the unexpired term in the same manner as the original appointment.

D. Powers and Duties

The major responsibility of the Historic Preservation Commission is to identify and actively encourage the conservation of the City of Sedro-Woolley's historic resources by initiating and maintaining a register of historic places and reviewing proposed changes to register properties; to raise community awareness of the City of Sedro-Woolley's history and historic resources; and to serve as the City of Sedro-Woolley's primary resource in matters of history, historic planning, and preservation.

In carrying out these responsibilities, the Historic Preservation Commission shall engage in the following:

1. Conduct and maintain a comprehensive inventory of historic resources within the boundaries of the City of Sedro-Woolley and known as the Sedro-Woolley Historic Inventory and publicize and periodically update inventory results. Properties listed on the Inventory shall be recorded on official zoning records with an "HI" (for Historic Inventory designation). This designation shall not change or modify the underlying zone classification.
2. Initiate and maintain the City of Sedro-Woolley Register of Historic Places. This official Register shall be compiled of buildings, structures, sites, objects, and districts identified by the Commission as having historic significance worthy of recognition and protection by the City of Sedro-Woolley and encouragement of efforts by owners to maintain, rehabilitate, and preserve properties.
3. Review nominations to the City of Sedro-Woolley Register of Historic Places according to criteria in Section 5 of this ordinance and adopt standards in its rules to be used to guide this review.
4. Review proposals to construct, change, alter, modify, remodel, move, demolish, or significantly affect properties or districts on the Register as provided in Section 6; and adopt standards in its rules to be used to guide this review and the issuance of a Certificate of Appropriateness or Waiver.
5. Provide for the review either by the Commission or its staff of all applications for approvals, permits, environmental assessments or impact statements, and other similar documents pertaining to identified historic resources or adjacent properties.
6. Conduct all Commission meetings in compliance with Chapter 42.30 RCW, Open Public Meetings Act, to provide for adequate public participation and adopt standards in its rules to guide this action.

7. Participate in, promote, and conduct public information, educational and interpretive programs pertaining to historic and prehistoric resources.
8. Establish liaison support, communication and cooperation with federal, state, and other local government entities which will further historic preservation objectives, including public education, within the Sedro-Woolley area.
9. Review and comment to the Sedro-Woolley City Council on land use, housing and redevelopment, municipal improvement and other types of planning and programs undertaken by any agency of the City of Sedro-Woolley, other neighboring communities, Skagit County, and state and federal governments, as they relate to historic resources of the City of Sedro-Woolley.
10. Advise the Sedro-Woolley City Council and the Mayor generally on matters of Sedro-Woolley history and historic preservation.
11. Perform other related functions assigned to the Commission by the Sedro-Woolley City Council or the Mayor.
12. Provide information to the public on methods of maintaining and rehabilitating historic properties. This may take the form of pamphlets, newsletters, workshops, or similar activities.
13. Officially recognize excellence in the rehabilitation of historic buildings, structures, sites and districts, and new construction in historic areas; and encourage appropriate measures for such recognition.
14. Be informed about and provide information to the public and City of Sedro-Woolley departments on incentives for preservation of historic resources including legislation, regulations and codes which encourage the use and adaptive reuse of historic properties.
15. Review nominations to the State and National Registers of Historic Places.
16. Investigate and report to the Sedro-Woolley City Council on the use of various federal, state, local or private funding sources available to promote historic resource preservation in the City of Sedro-Woolley.
17. Serve as the local review board for Special Valuation and:
 - a) Make determination concerning the eligibility of historic properties for special valuation;
 - b) Verify that the improvements are consistent with the Washington State Advisory Council's Standards for Rehabilitation and Maintenance;
 - c) Enter into agreements with property owners for the duration of the special valuation period as required under WAC 254-20-070(2);
 - d) Approve or deny applications for special valuation;
 - e) Monitor the property for continued compliance with the agreement and statutory eligibility requirements during the 10-year special valuation period; and
 - f) Adopt bylaws and/or administrative rules and comply with all other local review board responsibilities identified in Chapter 84.26 RCW.
18. The Commission shall adopt rules of procedure to address items 3, 4, 6, and 18 inclusive.

E. Compensation

All members shall serve without compensation.

F. Rules and Officers

The Commission shall establish and adopt its own rules of procedure and shall select from among its membership a chairperson and such other officers as may be necessary to conduct the commission's business.

G. Commission Staff

Commission and professional staff assistance shall be provided by the City of Sedro-Woolley's Planning Director with additional assistance and information to be provided by other City of Sedro-Woolley departments as may be necessary to aid the Commission in carrying out its duties and responsibilities under this ordinance.

SECTION 5. SEDRO-WOOLLEY REGISTER OF HISTORIC PLACES

A. Criteria for Determining Designation in the Register

Any building, structure, site, object, or district may be designated for inclusion in the Sedro-Woolley Register of Historic Places if it is significantly associated with the history, architecture, archaeology, engineering, or cultural heritage of the community; if it has integrity; is at least 50 years old, or is of lesser age and has exceptional importance; and if it falls in at least one of the following categories.

1. Is associated with events that have made a significant contribution to the broad patterns of national, state, or local history.
2. Embodies the distinctive architectural characteristics of a type, period, style, or method of design or construction, or represents a significant and distinguishable entity whose components may lack individual distinction.
3. Is an outstanding work of a designer, builder, or architect who has made a substantial contribution to the art.
4. Exemplifies or reflects special elements of the City of Sedro-Woolley or Skagit County's cultural, special, economic, political, aesthetic, engineering, or architectural history.
5. Is associated with the lives of persons significant in national, state, or local history.
6. Has yielded or may be likely to yield important archaeological information related to history or prehistory.
7. Is a building or structure removed from its original location but which is significant primarily for architectural value, or which is the only surviving structure significantly associated with an historic person or event.
8. Is a birthplace or grave of an historical figure of outstanding importance and is the only surviving structure or site associated with that person.
9. Is a cemetery which derives its primary significance from age, from distinctive design features, or from association with historic events, or cultural patterns.
10. Is a reconstructed building that has been executed in an historically accurate manner on the original site.
11. Is a creative and unique example of folk architecture and design created by persons not formally trained in the architectural or design professions, and which does not fit into formal

architectural or historical categories.

B. Process for Designating Properties or Districts to the Sedro-Woolley Register of Historic Places

1. Any person may nominate a building, structure, site, object, or district for inclusion in the Sedro-Woolley Register of Historic Places. Members of the Historic Preservation Commission or the Commission acting as a body can also generate nominations. In its designation decision, the Commission shall consider the Sedro-Woolley Historic Inventory and the City of Sedro-Woolley Comprehensive Plan.
2. In the case of individual properties, the designation shall include the UTM reference and all features—interior and exterior—and outbuildings that contribute to its designation.
3. In the case of districts, the designation shall include description of the boundaries of the district; the characteristics of the district justifying its designation; and a list of all properties including features, structures, sites, and objects contributing to the designation of the district.
4. The Historic Preservation Commission shall consider the merits of the nomination, according to the criteria in Section 5A and according to the nomination review standards established in rules, at a public meeting. Adequate notice will be given to the public, the owner(s) and the authors of the nomination, if different, and lessees, if any, of the subject property prior to the public meeting according to standards for public meetings established in rules and in compliance with Chapter 42.30 RCW, Open Public Meetings Act. Such notice shall include publication in a newspaper of general circulation in Sedro-Woolley and any other form of notification deemed appropriate. If the Commission finds that the nominated property is eligible for the Sedro-Woolley Register of Historic Places, the Commission shall list the property in the Register with owner's consent. In the case of historic districts, the Commission shall consider a simple majority of property owners to be adequate for owner consent. Owner consent and notification procedures in the case of districts shall be further defined in rules. The public, property owner(s) and the authors of the nomination, if different, and lessees, if any, shall be notified of the listing.
5. Properties listed on the Sedro-Woolley Register of Historic Places shall be recorded on official zoning records with an "HR" (for Historic Register) designation. This designation shall not change or modify the underlying zone classification.

C. Removal of Properties from the Register

If any property is no longer deemed appropriate for designation to the Sedro-Woolley Register of Historic Places, the Commission may initiate removal from such designation by the same procedure as provided for in establishing the designation, Section 5B. A property may not be removed from the Sedro-Woolley Register of Historic Places without the owner's consent.

D. Effects of Listing on the Register

1. Listing on the Sedro-Woolley Register of Historic Places is an honorary designation denoting significant association with the historic, archaeological, engineering, or cultural heritage of the community. Properties are listed individually or as contributing properties to an historic district.
2. Prior to the commencement of any work on a Register property, excluding ordinary repair and maintenance and emergency measures defined in Section 3K, the owner must request and receive a Certificate of Appropriateness from the Commission for the proposed work. Violation of this rule shall be grounds for the Commission to review the property for removal from the Register.

3. Prior to whole or partial demolition of a Register property, the owner must request and receive a Waiver of a Certificate of Appropriateness.
4. Once the City of Sedro-Woolley is certified as a Certified Local Government (CLG), all properties listed on the Sedro-Woolley Register of Historic Places may be eligible for Special Tax Valuation on their rehabilitation (Section 7).

SECTION 6. REVIEW OF CHANGES TO SEDRO-WOOLLEY REGISTER OF HISTORIC PLACES PROPERTIES

A. Review Required

No person shall change the use, construct any new building or structure, or reconstruct, alter, restore, remodel, repair, move, or demolish any existing property on the Sedro-Woolley Register of Historic Places or within an historic district on the Sedro-Woolley Register of Historic Places without review by the Commission and without receipt of a Certificate of Appropriateness, or in the case of demolition, a Waiver, as a result of the review.

The review shall apply to all features of the property, interior and exterior, that contribute to its designation and are listed on the nomination form. Information required by the Commission to review the proposed changes are established in rules.

B. Exemptions

The following activities do not require a Certificate of Appropriateness or review by the commission: ordinary repair and maintenance—which includes painting—or emergency measures defined in Section 3K.

C. Review Process

1. Requests for Review and Issuance of a Certificate of Appropriateness or Waiver

The building or zoning official shall report any application for a permit to work on a designated Sedro-Woolley Register of Historic Places property, or in a Sedro-Woolley Register of Historic Places historic district, to the Commission. If the activity is not exempt from review, the Commission or professional staff shall notify the applicant of the review requirements. The building or zoning official shall not issue any such permit until a Certificate of Appropriateness, or a Waiver, is received from the Commission but shall work with the Commission in considering building and fire code requirements.

2. Commission Review

The owner or his/her agent (architect, contractor, lessee, etc.) shall apply to the Commission for a review of proposed changes on a Sedro-Woolley Register of Historic Places property or within a Sedro-Woolley Register of Historic Places historic district and request a Certificate of Appropriateness or, in the case of demolition, a Waiver. Each application for review of proposed changes shall be accompanied by such information as is required by the Commission established in its rules for the proper review of the proposed project.

The Commission shall meet with the applicant and review the proposed work according to the design review criteria established in rules. Unless legally required, there shall be no notice, posting, or publication requirements for action on the application, but all such actions shall be made at regular meetings of the Commission. The Commission shall complete its review and make its recommendations within thirty (30) calendar days of the date of receipt of the application. If the Commission is unable to process the request, the Commission may ask for an extension of time.

The Commission's recommendations shall be in writing and shall state the findings of fact and reasons relied upon in reaching its decision. Any conditions agreed to by the applicant in this review process shall become conditions of approval of the permits granted. If the owner agrees to the Commission's recommendations, a Certificate of Appropriateness shall be awarded by the Commission according to standards established in the Commission's rules.

The Commission's recommendations and, if awarded, the Certificate of Appropriateness shall be transmitted to the building or zoning official. If a Certificate of Appropriateness is awarded, the building or zoning official may then commence review of the building permit application.

3. **Demolition**

A Waiver of the Certificate of Appropriateness is required before a permit may be issued to allow whole or partial demolition of a designated Sedro-Woolley Register of Historic Places property or in a Sedro-Woolley Register of Historic Places historic district. The owner or his/her agent shall apply to the Commission for a review of the proposed demolition and request a Waiver. The applicant shall meet with the Commission to find alternatives to demolition. These negotiations may last no longer than 45 calendar days from the initial meeting of the Commission, unless either party requests an extension. If no request for an extension is made and no alternative to demolition has been agreed to, the Commission shall act and advise the official in charge of issuing a demolition permit of the approval or denial of the Waiver of a Certificate of Appropriateness. Conditions in the case of granting a demolition permit may include allowing the Commission up to 45 additional calendar days to develop alternatives to demolition. When issuing a Waiver, the board may require the owner to mitigate the loss of the Sedro-Woolley Register of Historic Places property by means determined by the Commission at the meeting. Any conditions agreed to by the applicant in this review process shall become conditions of approval of the permits granted. After the property is demolished, the Commission shall initiate removal of the property from the Register.

4. **Appeal of Approval or Denial of a Waiver of a Certificate of Appropriateness.**

The Commission's decision regarding a Waiver of a Certificate of Appropriateness may be appealed to the Sedro-Woolley Hearing Examiner within ten days. The appeal must state the grounds upon which the appeal is based.

The appeal shall be reviewed by the Hearing Examiner only on the records of the commission. Appeal of Council's decision regarding a Waiver of a Certificate of Appropriateness may be appealed to Superior Court.

SECTION 7. REVIEW AND MONITORING OF PROPERTIES FOR SPECIAL PROPERTY TAX VALUATION

A. Timelines

1. Applications shall be forwarded to the Commission by the Skagit County Assessor within 10 calendar days of filing.
2. Applications shall be reviewed by the Commission before December 31 of the calendar year in which the application is made.
3. Commission decisions regarding the applications shall be certified in writing and filed with the Skagit County Assessor within 10 calendar days of issuance.

B. Procedure

1. The Assessor forwards the application(s) to the Commission.
2. The Commission reviews the application(s), consistent with its rules of procedure, and

determines if the application(s) are complete and if the properties meet the criteria set forth in WAC 254-20-070(1) and listed in Section 5A of this ordinance.

- a. If the Commission finds the properties meet all the criteria, then, on behalf of the City of Sedro-Woolley, it enters into an Historic Preservation Special Valuation Agreement (set forth in WAC 254-20-120 and in Section 7D of this ordinance) with the owner. Upon execution of the agreement between the owner and Commission, the Commission approves the application(s).
 - b. If the Commission determines the properties do not meet all the criteria, then it shall deny the application(s).
3. The Commission certifies its decisions in writing and states the facts upon which the approvals or denials are based and files copies of the certifications with the Assessor.
 4. For approved applications:
 - a. The Commission forwards copies of the agreements, applications, and supporting documentation (as required by WAC 254-20-090 (4) and identified in Section 7C2 of this ordinance) to the Assessor,
 - b. Notifies the state review board that the properties have been approved for Special Valuation, and
 - c. Monitors the properties for continued compliance with the agreements throughout the 10-year special valuation period.
 5. The Commission determines, in a manner consistent with its rules of procedure, whether or not properties are disqualified from special valuation either because of:
 - a. The owner's failure to comply with the terms of the agreement, or
 - b. Because of a loss of historic value resulting from physical changes to the building or site.
 6. For disqualified properties, if the Commission concludes that a property is no longer qualified for special valuation, the Commission shall notify the owner, Skagit County Assessor, and state review board in writing and state the facts supporting its findings.

C. Criteria

1. Historic Property Criteria:

The class of historic property eligible to apply for Special Valuation in the City of Sedro-Woolley means all properties listed on the National Register of Historic Places or certified as contributing to a National Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW, until the City of Sedro-Woolley becomes a Certified Local Government (CLG). Once a CLG, the class of property eligible to apply for Special Valuation in the City of Sedro-Woolley means all properties listed on the local or National Register of Historic Places or properties certified as contributing to a local or National Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW.

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 or other legible drawings depicting the completed rehabilitation work,
 - 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 Commission 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.
3. **Property Review Criteria:**

In its review the Commission 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 property determined eligible for Special Valuation by the City of Sedro-Woolley under Section 5 of this ordinance;
 - c. The property has been rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) (and identified in Section 3I of this ordinance) within twenty-four 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 the Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties (WAC 254-20-100(1)).
4. **Rehabilitation and Maintenance Criteria:**

The Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties in WAC 254-20-100 shall be used by the Commission as minimum requirements for determining whether or not 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.

D. Agreement:

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

E. Appeals:

Any decision of the Commission acting on any application for classification as historic property, eligible for Special Valuation, may be appealed to Superior Court under Chapter 34.05.510 - 34.05.598 RCW in addition to any other remedy of law. Any decision on the disqualification of historic property eligible for Special Valuation, or any other dispute, may be appealed to the County Board of Equalization.

Section Two. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

Section Three. Effective Date. This Ordinance shall be in full force and effect five days after publication.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, Washington, on this ___ day of ____, 2022.

Julia Johnson, Mayor

ATTEST:

, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney



Attachment 2

Allyson Brooks Ph.D., Director
State Historic Preservation Officer

August 8, 2022

Jean Eagleston & Terry Sapp
804 Ferry Street
Sedro-Wooley, WA 98284

Dear Ms. Eagleston & Mr. Sapp:

I am delighted to inform you that the **Dr. James & Margaret Mills House** at 804 Ferry Street in Sedro-Woolley has been listed on the Washington Heritage Register, where it joins over 1,500 other historic and culturally significant properties which have been recognized for their unique contributions to Washington's heritage. Built c.1912, the Mills House is historically significant for its direct connection to the early medical practices in the Skagit Valley. The dwelling served as a hospital (called the Valley Hospital) and filled the medical needs of the Sedro-Woolley community and out-lying areas from 1916 to 1929. As the only hospital in the town for over a decade, it was an important institution for Sedro-Woolley and supplied an essential role in the community.

Having a property listed in the register is an honor. The benefits of State register listing include potential property tax deductions and code waivers to protect the integrity of the resource. Listing of a property does not impose federal or state restrictive covenants or easements nor will it result in a taking. However, listing in the Washington Heritage Register does assure protective review of a property should a federal or state action have a potential adverse effect to the property's historic values.

Please do not hesitate to contact our State and National Register Coordinator, Michael Houser, at (360) 890-2634 if you have any questions or comments.

Sincerely,

Allyson Brooks, Ph.D.
State Historic Preservation Officer



second receipt AD
12/13/22 4:11:00



Application and Certification of Special Valuation on Improvements to Historic Property

Chapter 84.26 RCW

Attachment 3

Sent via Priority Mail on 8/30/2022
AD 12/13/22
File With Assessor by October 1

File No: _____

I. Application

County: Skagit

Property Owner: Jean R. Eagleston & Terry F. Sapp Parcel No./Account No: P77099

Mailing Address: 804 Ferry Street, Sedro-Woolley, WA 98284

Legal Description: See attached.

Property Address (Location): 804 Ferry Street, Sedro-Woolley, WA 98284

Describe Rehabilitation: See attached.

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

Building Permit No: 2019-405 Date: 12/04/2019 Jurisdiction: Skagit/Sedro-Woolley
County/City

Rehabilitation Started: 12/04/2019 Date Completed: 07/22/2022

Actual Cost of Rehabilitation: \$ 101,742.86

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):

Jean R. Eagleston
Terry F. Sapp

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: \$ 319,700

Date: 12/13/2022

[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.

Application and Certification of Special Valuation on Improvements to Historic Property

Legal Description

(0.8200 ac) LOT 20, PLATE NO. 1, SEDRO HOME ACREAGE, SKAGIT COUNTY, WASHINGTON, 1904, AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 39, RECORDS OF SKAGIT COUNTY, WASHINGTON. EXCEPT THE NORTH 60 FEET OF THE WEST 120 FEET THEREOF; AND EXCEPT THE SOUTH 20 FEET THEREOF FOR STREET.

Describe Rehabilitation

The main goal of the rehabilitation of The Dr. James and Margaret Mills House (and the location of Valley Hospital from 1916 – 1929) in Sedro-Woolley was to retain as many of the original elements of the dwelling as possible.

The house had not been well-maintained and many aspects—electrical, heating, plumbing, flooring, and windows—required replacement and/or repair.

Specific rehabilitation tasks included:

- Re-wiring of the entire house due to the presence of some original knob and tube wiring as well as older wiring that was not compliant with current code requirements,
- Repair of the wiring of original light fixtures and installation of additional antique lighting fixtures,
- Repair of lath and plaster damage,
- Painting of the entire interior and exterior of the house,
- Replacement of all plumbing in the kitchen and two bathrooms,
- Installation of a new hydronic heating system (boiler) so that the original radiators could be used for the primary source of heat,
- Replacement of the wood fireplace in the living room with a natural gas insert,
- Refinishing the original maple and fir floors throughout both floors of the house, and

- Replacement of broken windows, re-glazing of zinc mullions in the single pane windows, and installation of window screens and window coverings.

In addition, the kitchen and two bathrooms were remodeled with period-appropriate features used wherever possible. Natural materials (e.g., soapstone and quartzite) were used rather than modern, manufactured materials. Custom-designed cabinetry was used to accommodate the original dimensions of these three rooms.

Actual Cost of Rehabilitation

The total cost shown in the attached table is based on expenditures for the rehabilitation costs in the 24-month period between July 2020 and July 2022 (when the application for Heritage Registry was approved).

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

Cost of Rehabilitation for 24-Month Period ending July 2022

Boiler (final payment)	\$ 978.75
Custom cabinetry, finish carpentry, hardware	26,049.20
Electrical (new light fixtures)	8,587.88
Electrical (re-wiring)	17,406.05
Floor refinishing (partial)	2,147.00
Natural gas fireplace insert	2,479.97
Painting (interior and exterior—partial)	19,287.85
Plumbing (kitchen, bathrooms)	11,145.09
Stonework (kitchen, bathrooms)	8,897.07
Window screens and coverings	4,764.00
Total	\$101,742.86

Requirements for Special Valuation

Building market value at time of purchase (2019): \$319,700

25% of value for rehabilitation costs: \$79,925

HISTORIC PRESERVATION SPECIAL VALUATION AGREEMENT

This Historic Preservation Agreement is entered into on this **20th day of December, 2022**, by and between **Jean R. Eagleston and Terry F. Sapp** (hereinafter referred to as applicant) and the **City of Sedro-Woolley Historic Preservation Commission** (hereinafter referred to as local review board).

WHEREAS, applicant is the owner of record of the historic property commonly known as “**Mills House**”, located at **804 Ferry Street, Sedro-Woolley, 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 requested 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 **Exhibit C**, or which would adversely affect the structural soundness of the property; provided, however, that the reconstruction, repair, repainting, 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 this 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.

3. Applicant agrees the property shall not be demolished without the prior written consent of the local review board.
4. Applicant agrees to make historic aspects of the property accessible to the public one day each year if the property is not visible from a public right of way.
5. Applicant agrees to monitor the property for its continued qualification for special valuation and notify the appropriate County Assessor within 30 days if the property becomes disqualified because of
 - a. a loss of historic integrity,
 - b. sale or transfer to new ownership exempt from taxation, or
 - c. sale or transfer to new ownership which does not intend to agree to the terms of this Agreement nor file a notice of compliance form with the County Assessor.
6. The applicant and local review board both agree that there shall be no changes in standards of maintenance, public access, alteration, or report requirements, or any other provisions of this Agreement, during the period of the classification without the approval of all parties to this Agreement.

Term of the Agreement. This Agreement shall take effect immediately upon signature and remain in effect until the property is no longer eligible for special valuation either through disqualification under RCW 84.26.080 or upon expiration of the ten-year period of special valuation commencing January 1, 2023 and ending December 31, 2033.

Hold Harmless. The applicant or its successors or assigns shall hold the State and the local review board harmless from any and all liability and claims which may be asserted against the State and the local review board as a result of this Historic Preservation Special Valuation Agreement or the participation by the applicant in the Special Valuation Program.

Governing Law. The terms of this Agreement shall be construed in accordance with the laws of the state of Washington.

Exhibits:

Exhibit A – Legal description of property.

Exhibit B – WA State Advisory Council’s Standards for the Maintenance and Rehabilitation of Historic Properties.

Exhibit C – Photographs of property.

EXHIBIT A

Legal Description of Property

(0.8200 ac) LOT 20,, PLATE NO. 1, SEDRO HOME ACREAGE, SKAGIT COUNTY, WASHINGTON, 1904, AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 39, RECORDS OF SKAGIT COUNTY, WASHINGTON. EXCEPT THE NORTH 60 FEET OF THE WEST 120 FEET THEREOF; AND EXCEPT THE SOUTH 20 FEET THEREOF FOR STREET.

EXHIBIT B

WA State Advisory Council's Standards for the Maintenance and Rehabilitation of Historic Properties.

WASHINGTON STATE ADVISORY COUNCIL'S STANDARDS FOR THE REHABILITATION AND MAINTENANCE OF HISTORIC PROPERTIES

The following rehabilitation and maintenance standards shall be used by local review boards 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. 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 conditions that constitute 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 or 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 sound condition. Finished tuck-pointing shall match the original mortar joint in hardness and appearance.

B. Rehabilitation.

1. Every reasonable effort shall be made to provide a compatible use for an historic property that requires minimal alteration of the building, structure, or site and its environment, or to use an historic property for this 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 recreate an earlier appearance shall be discouraged.
4. Changes that 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 that 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 duplication 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.

EXHIBIT C

Photographs of Property



Overhanging eaves and exposed rafter tails



Porch post with detailed decorative trim



Open window in the front door



Leaded glass windows in a group of 3



Eyebrow window on the west side of the Dr. James Mills House



Crown molding and molding above hallway



Stair detail showing newell post



Rich dark brown woodwork resulting from the process of "fuming".



A section of Maple Flooring in the Living Room



Original stamp of local lumber company on flooring (has since been replaced).



Curtis Lumber Company design



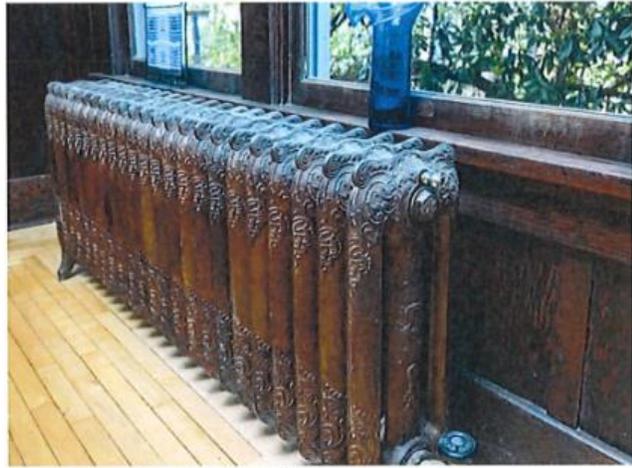
Current view from the parlor into the dining room



Buffet and hutch in the dining room



Radiator in Parlor



Radiator in Dining Room



Radiator in Sitting Room



Radiator in Upstairs Bathroom



Pendant Light in Entry Hall



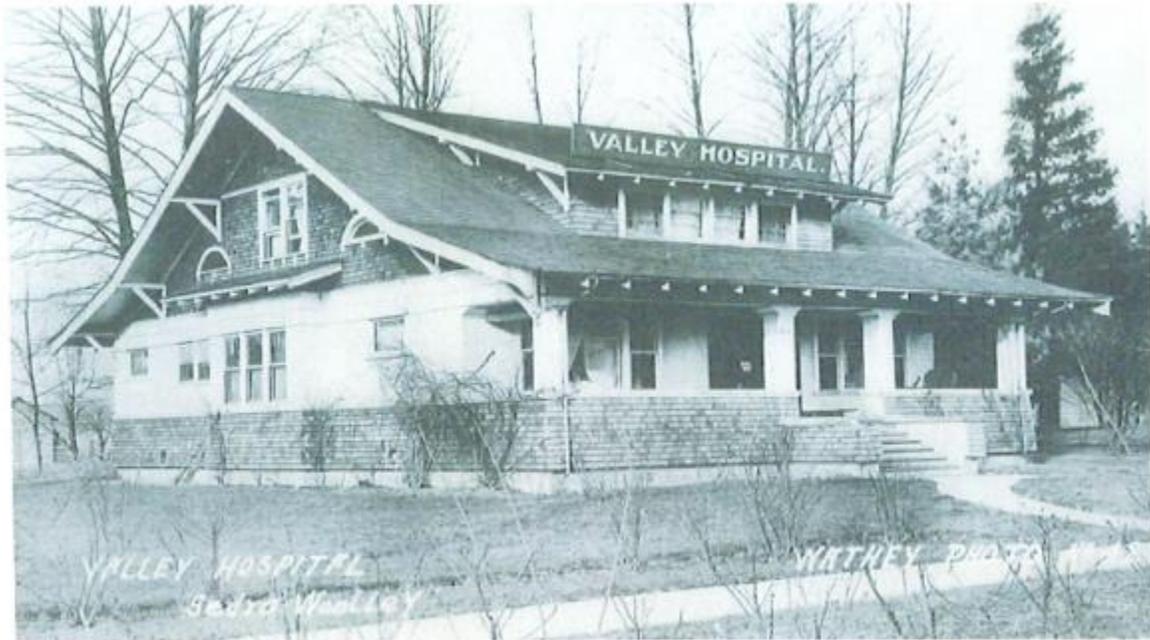
Pendant Light in Dining Room



Pendant Light in Living Room



Sconce in Living Room



VALLEY HOSPITAL (circa 1916)

(Note the curious period after the word "Hospital" in the sign above the dormer windows.)

HOSPITAL OPENED AT SEDRO-WOOLLEY

(Special to The Herald)

The opening of the New Valley Hospital on Saturday marked a gain day in Sedro-Woolley. Over 300 townspeople attended the reception which was held in the afternoon between the hours of 2 and 4 o'clock and in the evening from 7 until 9. Mesdames C. E. Bingham, W. M. Kirby, W. R. Morgan and J. S. Baldrige and Messrs. Paul Rhodius, H. H. Shrewsbury, C. E. Bingham, J. Gud-dall and Emerson Hammer composed the reception committee. The New Valley hospital is the former beautiful and modern home of Dr. and Mrs. J. P. Mills and is located on outer Ferry street and will be conducted under the management of Mrs. P. R. Gibbons, of Seattle, who has had a wide experience in hospital work and comes to the city with splendid recommendations as to dependability and capability. Punch was served during receiving hours over which the ladies of the reception committee presided.

Bellingham Herald, March 21, 1916



THE DR. JAMES AND MARGARET MILLS HOUSE



SOUTH SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



EAST SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



NORTH SIDE OF THE DR. JAMES and MARGARET MILLS HOUSE



WEST SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



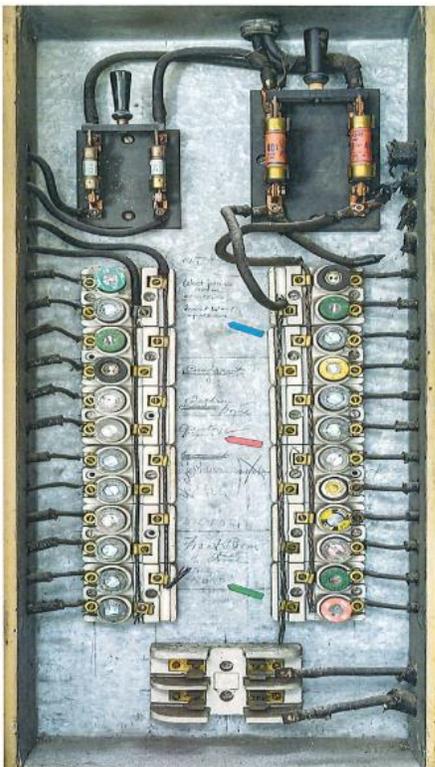
DINING ROOM AND PARLOR



CARRIAGE HOUSE AT THE DR. JAMES AND MARGARET MILLS HOUSE



SOUTH SIDE of CARRIAGE HOUSE



**ORIGINAL ELECTRICAL PANEL AT
THE DR. JAMES AND MARGARET MILLS HOUSE**

Blue=Front Ward Upstairs
Red= Operating Room **Green=Large Ward**



ORNAMENTAL CHERRY TREE AT THE DR. JAMES MILLS HOUSE

Attachment 5

When Recorded Return to:

Jean R. Eagleston & Terry F. Sapp
804 Ferry Street
Sedro-Woolley, WA 98284

Certification of Approval for Special Valuation on Historic Property

Chapter 84.26 RCW

City of Sedro-Woolley Historic **Local Review Board**
Preservation Commission

Grantor (County): Skagit County

Grantee (Property Owner): Jean R. Eagleston & Terry F. Sapp

Mailing Address: 804 Ferry Street

Sedro-Woolley WA 98284
City State Zip

Assessor's Property Tax Parcel or Account Number: P77099

Reference Numbers of Documents Assigned or Released:

Property Address: 804 Ferry Street, Sedro-Woolley, WA 98284

Legal Description: Abrv. Legal - Lot 20, SEDRO HOME ACREAGE, SKAGIT COUNTY, WASHINGTON, 1904, AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 39, RECORDS OF SKAGIT COUNTY, WASHINGTON.

This is to certify that the application for special valuation on historic property located on the above described property has been approved based on:

Local Review Board decision.

(Local Review Board Signatures)

Approved Amount of Cost of Rehabilitation

Date Approved

This Certification of Approval must be forwarded to the County Assessor on or before December 31 of the filing year with a copy of the agreement.

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

WASHINGTON HERITAGE REGISTER

A) Identification

Historic Name: **Mills, Dr. James and Margaret, House**
Common Name: Valley Hospital
Address: 804 Ferry Street
City: Sedro-Woolley County: Skagit

B) Site Access (describe site access, restrictions, etc.)

The house is located at the northeast corner of Ferry Street and Ball Street in a main residential neighborhood in Sedro-Woolley. There are no access restrictions.

C) Property owner(s), Address and Zip

Name: Jean R. Eagleston & Terry F. Sapp
Address: 804 Ferry Street
City: Sedro-Woolley State: WA Zip: 98284

D) Legal boundary description and boundary justification

Tax No./Parcel: 77099
Boundary Justification: The boundary encompasses all of the urban tax lot associated with the house.

FORM PREPARED BY

Name: Jean R. Eagleston
Address: 804 Ferry Street
City / State / Zip: Sedro-Woolley, WA 98284
Email: tjsappton@gmail.com
Phone: (650) 248-1422
Nomination Date: July 2022

WASHINGTON HERITAGE REGISTER

E) Category of Property (Choose One)

- building structure (irrigation system, bridge, etc.) district
 object (statue, grave marker, vessel, etc.) cemetery/burial site
 historic site (site of an important event) archaeological site
 traditional cultural property (spiritual or creation site, etc.)
 cultural landscape (habitation, agricultural, industrial, recreational, etc.)

F) Area of Significance – Check as many as apply

- The property belongs to the early settlement, commercial development, or original native occupation of a community or region.
- The property is directly connected to a movement, organization, institution, religion, or club which served as a focal point for a community or group.
- The property is directly connected to specific activities or events which had a lasting impact on the community or region.
- The property is associated with legends, spiritual or religious practices, or life ways which are uniquely related to a piece of land or to a natural feature.
- The property displays strong patterns of land use or alterations of the environment which occurred during the historic period (cultivation, landscaping, industry, mining, irrigation, recreation).
- The property is directly associated with an individual who made an important contribution to a community or to a group of people.
- The property has strong artistic, architectural or engineering qualities, or displays unusual materials or craftwork belonging to a historic era.
- The property was designed or built by an influential architect, or reflects the work of an important artisan.
- Archaeological investigation of the property has or will increase our understanding of past cultures or life ways.

WASHINGTON HERITAGE REGISTER

G) Property Description

Lot Description

The Dr. James Mills House is located on the northeast corner of the intersection of Ferry Street and Ball Street. This neighborhood, Sedro Home Acreage, was originally platted for all home sites to be 1 acre in size. Indeed, when the Dr. James Mills House was built, the property was a full acre. A small lot along Ball Street was carved out in 1915 and another home was built there. As a result, the Dr. James Mills House property is currently .82 acre and consists of the main house and a carriage house. A shared driveway leads from Ferry Street to the carriage house. There is also a back driveway that is entered from Ball Street and runs parallel to Ferry Street.

Landscaping

A field of grass surrounds the Carriage House and fills the portion of the lot to the north. Two very old apple trees currently provide snacks for a family of deer that spends much of the year in the immediate neighborhood.

The Ball Street side of the property has six conifers that are over 100 feet tall. An equally tall pine tree is prominent on the east side of the front lawn. A decades-old ornamental cherry tree graces the front lawn directly in front of the porch. The southeast side of the front yard contains a grove of fir trees, cedars, and Japanese Maples. A very large rock, mentioned in an article in the *Skagit River Journal* article, had an origin in the Cascade Mountains. When the highway pass over the Cascades was opened by blasting through rock, a previous owner (Richard Haddox) was able to have one of the boulders brought to the property and placed near the sidewalk.

On the east side of the house, an enormous 100-year-old Japanese Maple, provides morning shade in the summer and beautifully elegant branches after the leaves have fallen.

In addition to the stately and elegant old native-species trees described above, the most exceptional part of the landscaping is the grove of rhododendrons on the west side of the house. From the base of five plants, the rhododendrons cover an area 34' by 40' (1,360 square feet). These magnificent plants are as tall as the windows in the upstairs guest bedroom and may also have been planted soon after the construction of the house was completed.

Main House

The house is a 1 ½-story Craftsman style Bungalow of 2,724 square feet. The exterior of the house is clad with cedar shingles, beveled siding, and decorative trim. A central curved walkway leads from the sidewalk to stone side pillars. The covered front porch is up six steps, spans the entire width of the house, is supported by square columns with decorative trim, and is enclosed at both ends by windows that have 24 panes of glass. The house has wide overhanging eaves with exposed rafters. The majority of the windows in the house are original and most of these (except those on the dormers) are wood-framed, single pane, double-hung with sash cords intact, and many are partially made of leaded glass.

The main floor consists of an entry hall, with a long living room to the right, and a parlor to the left. The parlor is separated from the dining room by built-in bookcases on both sides of the opening between the two rooms. The kitchen and a full bathroom are located through a swinging door exiting the dining room. A guest bedroom is down a short hallway to the right of the bathroom. Along the end of the kitchen and continuing to the northeast end of the house, the former back porch that was enclosed by previous owners is now a back entrance and combination mudroom and laundry room.

Across the hall from the bathroom on the main floor are stairs down to the basement. The partial basement is approximately 528 square feet, has a set of stairs to the outside, and has a concrete floor with concrete foundation walls that are topped by 2 feet of framed shiplap fir walls up to the main floor joists. The structural posts are solidly made of old-growth fir with rarely a visible knot.

In the entry hall, past the two sets of French doors that enclose the living room on the right and the parlor on the left, a staircase leads to the second floor. A Newell post with a lighting feature illuminates the original banister. It is meaningful to contemplate how many thousands of times nurses, physicians, patients, and residents held on to that banister as they walked up and down the staircase.

The second story of the home has a spacious landing at the top of the stairs with room for reading chairs and storage cabinets. There is a large closet with built-in cupboards, a guest bedroom, and a primary bedroom that connects to a sitting room that has a small fireplace. The full bathroom has doors to both the landing and the sitting room.

The large closet, the guest bedroom, and the sitting room—located in the corners of the house—have closets built under the eaves that run the full length of the rooms. The fourth corner of the house (adjacent to the sitting room) has a large full-height ceiling that tapers to the area under the eaves.

Numerous original features of the interior of the house—the walls, the floors, the millwork that created moldings and decorative trim, the radiators, electrical fixtures—are all in use today as they were at the time the construction.

Exterior

A review of numerous descriptions of Craftsman bungalows reveals a list of common architectural features:

- Low-pitched, gable roof,
- Wide overhanging eaves with exposed rafter tails,
- Covered front porch,
- Tapered or square columns supporting the roof over the porch,
- Sash windows,
- Hand-crafted stone or woodwork, and
- Mixed materials throughout the structure.

The two rooflines are low-pitched, not gabled (triangular), but rather horizontal. The eaves of both roofs have wide overhangs and reveal the rafter tails. The roof of the porch is supported by solid, rectangular columns with detailed decorative trim as shown below:



Overhanging eaves and exposed rafter tails



Porch post with detailed decorative trim

The exterior of house consists of a variety of materials used in a complex design. A concrete foundation is mostly covered by 11 tiers of cedar shingles. Above the shingles, a ledger trim area has two flat elements with milled trim in the middle. Moving up the exterior wall, 21 tiers of 3" horizontal beveled cedar siding are followed by another area of decorative trim that consists of a piece of quarter round, a piece of bullnose, an area of 12" wrap, milled trim, an area of 10" wrap, and a final piece of milled trim with a ledger piece. 23 more tiers of shingles are placed to the top of the wood-framed windows where more milled trim is installed. Finally, there are 14 tiers of shingles up to the highest peak.

The windows deserve special mention:

- There are windows with 24 panes of glass at both ends of the front porch—a convenient way to create a more comfortable porch due the often-rainy Pacific Northwest weather.
- The front door has a window with four squares of beveled glass that opens to allow breezes into the entry hall. Sidelight windows are on both sides of the front door, letting in more natural light.
- The living room, parlor, and dining room all have single-pane leaded glass windows, often in groups of three. The number "3" has been mentioned as a meaningful artistic element for Charles Sumner Greene and Henry Mathis Greene who were early

designers of Arts and Crafts-style homes.

- On the east and west sides of the house, “eyebrow” windows seem to be winking at those who view the house. Eyebrow windows were popularized in the late 19th century in America by Bostonian Henry Hobson Richardson (1838-1886). Eyebrow windows are not typical features in Craftsman homes, but they do appear in some of Stickley’s designs.
- Both the south and north sides of the house have four windows in the dormers. Each window has nine panes of glass. On the north side, all of the windows open and allow air to flow into the house. However, on the south side, only the window closest to the east side of the house can be opened.



Open window in the front door



Leaded glass windows in a group of 3



Eyebrow window on the west side of the Dr. James Mills House

The roof of the Dr. James Mills House was most likely made of cedar shakes at the time of construction. At least the last two times that the roof has been replaced, asphalt shakes have been used and are currently in place.

Interior

“One of the elements that makes Craftsman homes feel inviting to live in is the extensive use of woodwork. This includes thick wood framed windows and doors; built-in bookshelves, window seats and other custom millwork; beamed ceilings; and hardwood floors.” The Dr. James Mills House exemplifies this description and contains all of these elements along with the use of elegant leaded glass.

Walls and Doors

The majority of walls on the main floor of house are 9' high and made of lath and plaster. Two sections of walls—above the fireplace in the living room and above the wainscoting in the dining—originally were covered with wallpaper. The wallpaper in the living room had been covered with paneling and was badly damaged. That area was painted by prior owners to match the rest of the walls in the room. The wallpaper in the dining room was also badly damaged and has been replaced recently with wallpaper designed by William Morris and produced by Bradbury & Bradbury.

Two sets of French doors with 21 squares of glass on each side of the pair of doors open from the foyer into both the living room and the parlor. A swinging door was located between the dining room and kitchen and remains in place today. Most of the remaining original doors on the main floor are 5-panel, unpainted, solid wood doors.

On the second floor, another pair of French doors was apparently located between the primary bedroom and the sitting room, but those doors were removed by a previous owner when that opening was closed to create two separate rooms.

Woodwork—Moldings and Pillars

Moldings throughout the house match in every room on the main floor. The baseboard moldings are 7” and crown moldings and moldings above door thresholds and hallways are equally bold and intricate as shown below:



Crown molding and molding above hallway

On the second floor, the baseboard moldings are also 7" high and the moldings above all the doors match those on the main floor. However, there is no crown molding in the rooms.

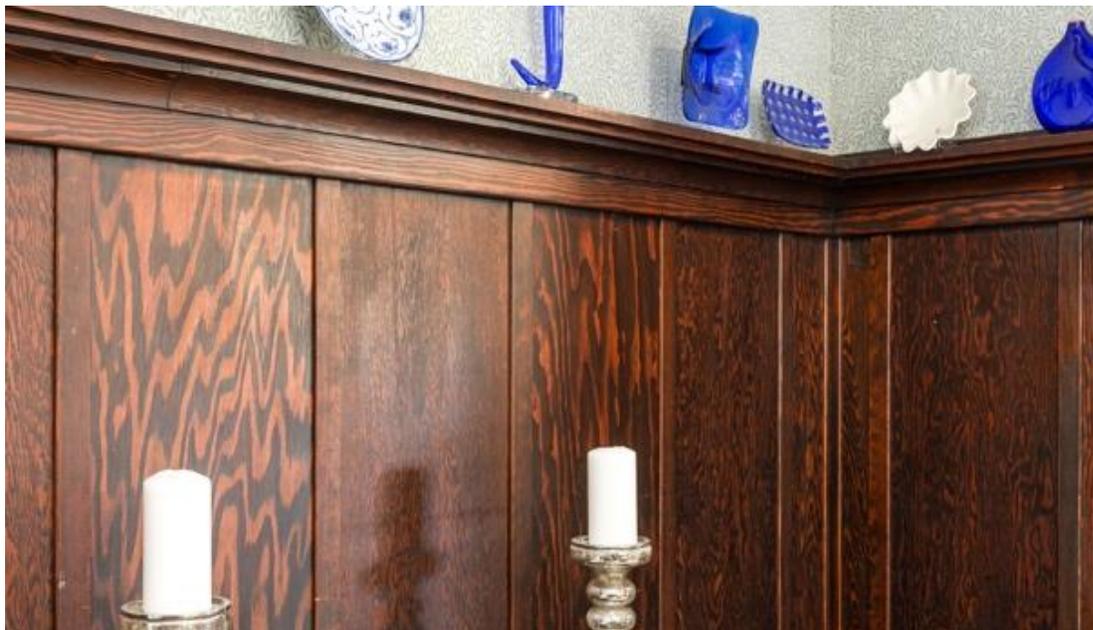
Pillars are present in the hallway of the foyer, for the Newell post, and at the end of bookcases in the parlor. All contain the same essential woodworking construction and detail.



Stair detail showing newell post

Both the parlor and dining room have coffered ceilings that have never been painted or stained. In the parlor, a pair of bookcases with colonnades frame the opening into the dining room. The dining room has wainscoting, which including an elaborate plate rail, is a total of 68” high.

In addition to the numerous examples of skilled carpentry in the home, a noteworthy aspect of the woodwork in the parlor and dining room is that the wood used in the coffered ceilings, wainscoting, and built-in buffet and hutch was darkened due to the process of “fuming”. When wood is exposed to ammonia fumes in a sealed fuming chamber, the resulting fumes react with the tannin in the wood to darken it. As a result, depending on the length of exposure to the ammonia, the wood can turn a rich dark brown or even black.



Flooring—Maple and Fir

One of the most impressive examples of the skill of the people who built the house is the maple flooring. Pieces of 2” wide maple were laid in a continuous, log cabin pattern throughout the entire first floor with the exception of one room. Indeed, the fir floor in that room along with three holes that could have allowed drainage to the basement suggests that this room was the operating room.

This hard maple flooring remains in very good condition today throughout most of the main floor of the house. Only the maple floor in the kitchen was too damaged to be

refinished.



A section of Maple Flooring in the Living Room

The fir flooring was used in what is believed to be the operating room and all of the second floor of the house. In addition, at some point in time, the back porch of the house was enclosed in order to enlarge the kitchen. Both the front and back porches were made from fir. When repairs were made to what was previously the back porch, one piece of flooring revealed the stamp of a local lumber company.



Clear Lake is a neighboring small town, only three miles from Sedro-Woolley. The Clear Lake Lumber Company was created in 1903, later retained the same name when it merged with two other local lumber companies, reached its peak in 1925, but financial difficulties led to receivership and the sale of its assets in 1927. While the full history of the origins of the materials used to build the house is not known, it is

plausible that Clear Lake Lumber Company was the source for at least the fir flooring on the second floor and the operating room on the main floor.

Built-in Furniture

Benches were built on either side of the fireplace, ostensibly for seating but also as wood storage boxes.

The parlor has two elegant bookcases with leaded glass. The bookcases are topped by colonnades that help frame the opening into the dining room. This interior style was popular in Craftsman homes. Interestingly, a very similar design appears in a Catalogue from the Curtis Lumber Company and may suggest that this company provided plans and/or materials for both the flooring and the decorative woodwork.



Curtis Lumber Company design



Current view from the parlor into the dining room

While there are differences in the size of the bookcases and the location of the buffet/hutch, the similarities are striking.

The built-in buffet and hutch demonstrated a combination of skillful carpentry and glass artistry. All of the original hardware remains intact. This sophisticated portion of the dining room includes a “pass through” opening to the kitchen that remains in use today.



Buffet and hutch in the dining room

Heating—Fireplaces and Radiators

The Mills House has two brick fireplaces—one in the living room on the main floor and the second in the sitting room upstairs. Both were originally wood-burning fireplaces and smoke damage to many of the walls attests to their use by previous owners. Neither fireplace has a hearth. The fireplace in the living room opened onto a small amount of tile that was flush with the floor; the upstairs fireplace has a small amount of brick flush with the wood floor in front of the fireplace opening.

The fireplace in the living room had been previously painted and the bricks of the

sitting room fireplace were heavily damaged. On the advice of a professional chimney sweep, the fireplace in the sitting room was retired from use and currently holds a set of faux birch logs and battery-operated candles. A gas insert was installed in the living room fireplace.

The tile in front of the living room fireplace was broken, with many pieces missing. A period-appropriate design of handmade tiles from Motawi Tile is now placed on the floor in front of the fireplace.

The house also has a working hydronic heating system. The steel pipes and brass fittings were all in excellent condition. Since the heating system is fully enclosed (i.e., no oxygen touches the inside of the pipes), the pipes will never rust. Also, the water currently in the pipes is most likely the same water that was placed in the pipes when the system was first put into use.

All 12 of the original radiators are in use today. While some of the radiators are simple and utilitarian in appearance, others are quite ornate and elegant:



Radiator in Parlor



Radiator in Dining Room



Radiator in Sitting Room



Radiator in Upstairs Bathroom

Electrical

The house was recently completely rewired because some of the original knob and tube wiring (along with some additional wiring that was not to current code requirements) remained and was in use. The original electrical panel, with fuses labeled for Valley Hospital, has been retained for historical purposes.

In addition to the numerous other original features in the house, three pendant lights and a pair of sconces remain in the house today.



Pendant Light in Entry Hall



Pendant Light in Dining Room



Pendant Light in Living Room



Sconce in Living Room

Carriage House

Set back from the main house 28 feet to the north is the Carriage House. This 20' by 40' building has two interior bays, two sliding doors on the south side, and what appears to be a hay loft in the larger bay. There are two driveways—one from the Ferry Street sidewalk and one that exits the Carriage House and intersects with Ball Street to the west—that allow a vision of how a horse-drawn carriage could enter the building, have the carriage unhitched, and the horses then be led out to pasture.

H) Significance

The Dr. James and Margaret Mills House, constructed in 1912 is historically significant for its connection to early medical practices in the Skagit Valley. The dwelling served as a hospital (called the Valley Hospital) and filled the medical needs of the Sedro-Woolley community and out-lying areas from 1916 to 1929. As the only hospital in the town for over a decade, it was an important institution for Sedro-Woolley and supplied an essential role in the community, particularly as the community's hospital during the 1918 influenza pandemic.

The home is also an example of a live-work medical facility that was once a common business model in Western Washington and serves as an example of a woman-led business. During the years 1922-1929, two nurse matrons lived in and managed the hospital.

The town of Sedro-Woolley developed when two competing towns decided to merge in 1898. Reportedly the two battling towns had stood side-by-side for nearly a decade, duplicating each other's government, industries, and railroad facilities. In 1891 and 1893, Woolley suffered two major fires, which severely curtailed its growth. Both towns were also struggling through the economic woes of the time, and it became clear that both of their interests would best be served by a merger. However, neither town was willing to give up its name. After much spirited debate, "Sedro-Woolley" became the official name of the newly merged town, which was incorporated December 19, 1898.

The Skagit County Times described the new frontier town as "...the heart of Skagit County...at the junction of the Seattle & International Railway, connected to the Canadian Pacific, the Seattle & Northern railway and the Fairhaven & Southern lines." The Skagit River, the largest navigable stream in the State, skirted the lower edges of the town. The resources of the territory included lumber, shingles, gold, silver, iron, coal, fruit, hay, oats and vegetables.

History of Sedro-Woolley Hospitals

The first hospital in the future community was St. Elizabeth's, which opened in 1891. It was founded by the Fairhaven Episcopal Diocese but was transferred to private management under the Skagit County Hospital Association in 1904. Then in 1905, Dr. Charles M. Frazee and his wife, Audra who was a nurse, established the Frazee Hospital in an existing home at the corner of Ferry and Rita streets in the town of Sedro-Woolley.

Plans for a larger hospital in the community were noted in Northwest Medical magazine in 1913. They reported that Dr. Frazee, Dr. Charles Carlton Harbaugh, Dr. W. H. Payne, and Dr. James F. Mills had filed Articles of Incorporation for the Sedro-Woolley General Hospital Company in April 1913. Even though the board also secured the general services of Miss Moyer, formerly of Rochester, Minnesota as superintendent, such a hospital never materialized.

Instead in March 1916, Dr. Mills leased his home for use as a hospital. Presumably The Mills family moved to a different home in the community. Managed under the care of Mrs. F.R. Gibbony, formerly of Seattle, the Valley Hospital opened to great fanfare with over 300 townspeople attending the opening reception. Gibbony brought all of her own furnishings needed to run the facility. Reportedly she came to the community with a "wide experience in hospital work," and came to the city "with splendid recommendations as to dependability and capability." However, at the time of this writing no additional information about her has been found.

By the end of 1918, both St. Elizabeth's Hospital and Dr. Frazee's hospital in Sedro-Woolley were closed. And the Valley Hospital became the only hospital in Sedro-Woolley, serving much of the eastern portion of Skagit County.

By the early 1920s, the need for a more sophisticated medical facility was becoming apparent to the community and a citizen's committee from the Commercial Club began exploring funding opportunities and locations for a new hospital building. In the meantime, they decided to lease the Valley Hospital and purchased all the equipment in the fall of 1921. The hospital closed for over a year until two trained nurses (or "matrons" as they were often called) could be found to manage the facility. Reportedly several local businesses contributed over \$1,000 to help finance nurses Enza Danuser and Amy Ingram until the hospital could become self-supporting. Danuser and Ingram reopened the hospital on September 20, 1922, and over the next 8+ years they, along with visiting doctors, took care of hundreds of patients.

Even though Valley Hospital was a private hospital, the community was grateful for the care they received at the facility. They were also aware of the high costs associated with the care, and in 1925 local businessmen raised \$250 to endow a "charity bed" at the hospital which would be reserved for patients who were unable to pay for their own treatment.

Discussions of a new hospital continued throughout the 1920s. Then in July 1928, a non-profit organization, The Memorial Hospital Association, was formed to fund and build a new public hospital. The new \$50,000 hospital was formally dedicated on August 30, 1929. When Memorial Hospital opened, Valley Hospital closed.

Throughout its early history the home was still owned by Dr. James F. & Margaret Mills. They had purchased the land in 1911 and the house was most likely built the following year. The family lived in the home until 1916 when they relocated to another dwelling and the nominated house was converted into a hospital. Ownership however was retained by the Mills family until 1932 when it was sold at public auction to a bank. The current owners purchased the home in 2019.

Dr. James F. & Margaret Mills

James Frederick Mills was born on September 6, 1878, to William A. and Jane Mills in Saint Johns, Canada. His dad was a carpenter by trade and the family of seven boys were raised in Chicago. James was the oldest, and at age 20 in 1898, he entered military service during the Spanish-American War. He was a private in the 1st Illinois Infantry.

After the war, reportedly Mills attended Feinberg School of Medicine at Northwestern University. While his exact graduation date is not known, according to 1900 census records in he was residing in Chicago. There he met Margaret Maria Faherty who was attending a conservatory of music. Per newspaper accounts, shortly after they first met

each other, Mills was seriously injured in a streetcar accident. In order to take care of James properly, Margaret decided to marry him. They were married in secret on January 22, 1902, in Berrien, Michigan. At the time, Margaret was 19 years old, and James was 24 years old. His left leg was amputated at the thigh, but the disability didn't keep Mills from graduating and becoming a doctor.

For reasons unknown, by 1908 James and Margaret moved to Sedro-Woolley and Mills took a job as a physician with Dr. Charles Frazee. He practiced in Sedro-Woolley area for 18 years and was known as general physician and surgeon. Respected by his peers in 1910, Dr. Mills was appointed to the Board of Censors with the Skagit County Medical Association.

Together James and Margaret had two sons: Moore Anderson (1910-1954) and Allen Robert (1913-1977). While James traveled around the Skagit Valley providing medical care, Margaret took care of the children. When the boys were older, she opened a music store in Sedro-Woolley (1921). Dr. Mills practice came under scrutiny in 1922 when he was asked by the Industrial Insurance Department of Olympia to resign from his contract to take care of their patients.

Estranged from his wife, by 1925 Dr. Mills had moved upriver to Concrete where he continued his medical practice for a few years. Times were tough for Mills. In August of 1926 a fire completely destroyed his office. According to the 1930 Census, Margaret was living in Seattle with her sons, and still listed her marital status as "married", but also stated that she was the head of the household.

While a divorce decree has not been found, on December 26, 1932, Dr. Mills was remarried in Omak to local resident Bernice C. Chase. She was actually a former patient of Dr. Mills back Sedro-Woolley and had treated her injuries from a car accident in 1925. Together they lived in Omak until Mills retired from his medical practice in 1946. They moved to Seattle shortly thereafter but by 1950 the couple had moved to La Mesa, California. While visiting friends in Seattle, Dr. Mills died on December 24, 1952, at the age of 74.

Architecture

The nominated house also serves as a well-preserved example of the Craftsman style as found in the Pacific Northwest. While the architect and/or builder are unknown, the architecture of the property exemplifies many of the features of a high-end Craftsman style Bungalow. These include wide roof eaves, exposed rafter tails, and a central front porch. The interior of the house continues to have the classic open floorplan that was typical of the Craftsman style, and it also retains many of its original decorative interior finishes, including fixtures and woodwork. As was common in a Craftsman building, there is evidence of the use of local materials, particularly locally sourced wood from the Clear Lake Lumber Company.

While the Dr. James Mills House has had eight owners (not counting three financial institutions) since 1912, it retains a high level of integrity. Only the kitchen and bathrooms have been significantly remodeled (most recently in 1975 and 2020). Other than the enclosure of the back porch and construction of a mud room and laundry room, no walls have been removed or altered. The majority of the interior remains the same today (with the exception of painting and removal of small portions of wallpaper).

The efforts of skilled carpenters, glass artists, and other craftspeople remain today and can be found in the leaded glass single pane windows, original lighting fixtures, bookcases with leaded glass doors, coffered ceilings in the parlor and dining room, wainscoting in the dining room, distinctive buffet and hutch in the dining room, maple flooring laid continuously in a complex pattern throughout the majority of the main floor, and ornate radiators.

WASHINGTON HERITAGE REGISTER

I) Documentation

Xerox and attach any information or evidence that supports the property's significance.

Written Sources (books, articles, newspapers):

“\$250 To Be Raised”, *The Bellingham Herald*, November 6, 1925.

“Building Destroyed”, *The Bellingham Herald*, August 13, 1926.

“Crew at logging camp, Clear Lake Lumber Company”, University of Washington, University Libraries.

<https://digitalcollections.lib.washington.edu/digital/collection/clarkkinsey/id/237>.

Dr. Frazee and Dr. Mills, *Skagit River Journal*,
<http://www.skagitriverjournal.com/S-W/Pioneer/CapsuleBiosS-W-4.html>.

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Gallery Text, Sedro-Woolley Museum.

“Hospital Opened at Sedro-Woolley”, *The Bellingham Herald*, March 21, 1916.

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“Last Rights Set For Physician”, *The Spokesman Review*, December 27, 1952.

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“Resignation Asked”, *The Bellingham Herald*, February 22, 1922.

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“Sedro Schools Will Open September 5”, *The Bellingham Herald*, August 19, 1922.

“Sedro-Woolley: Oct. 19 – The number of cases of influenza and.....”, *The Bellingham Herald*, October 19, 1918.

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“What is an Eyebrow Window?”, *The Craftsman Blog*, June 4, 2020.
<https://thecraftsmanblog.com/what-is-an-eyebrow-window/>.

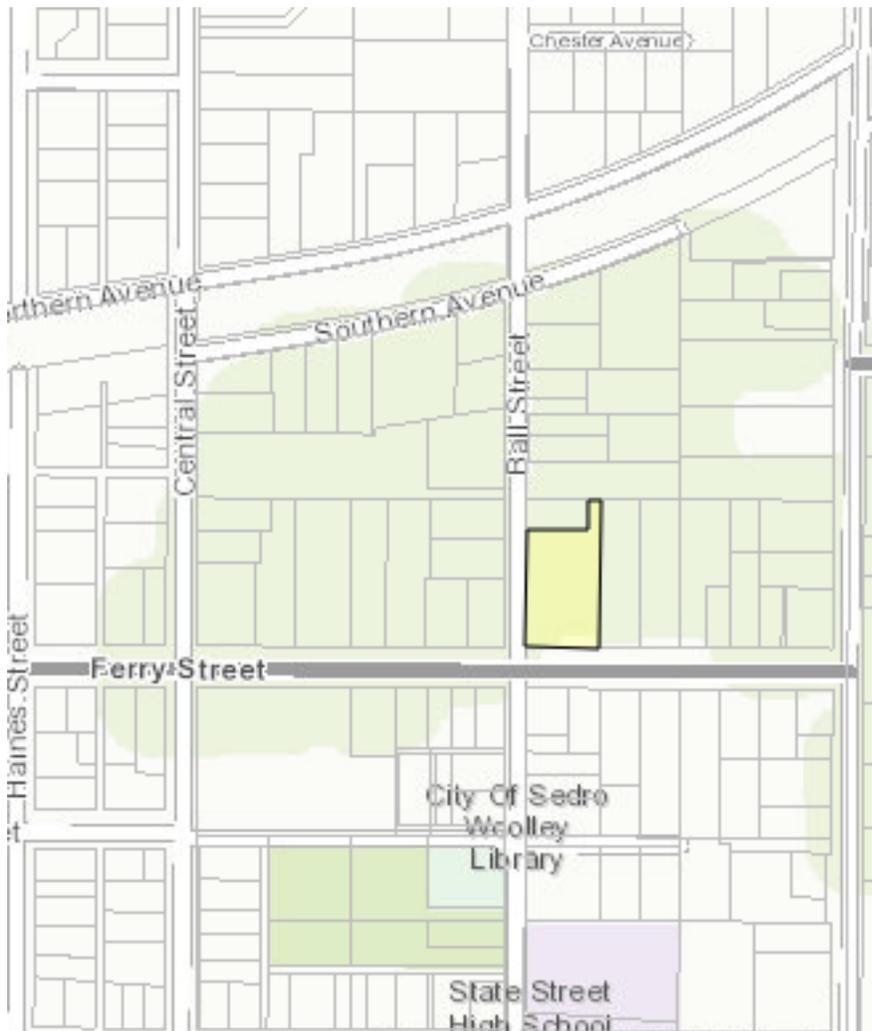
“What is Bungalow Architecture?”, *The Spruce*, October 8, 2020.
<https://www.thespruce.com/what-is-bungalow-architecture-5075845>.

Oral History/Interviews:

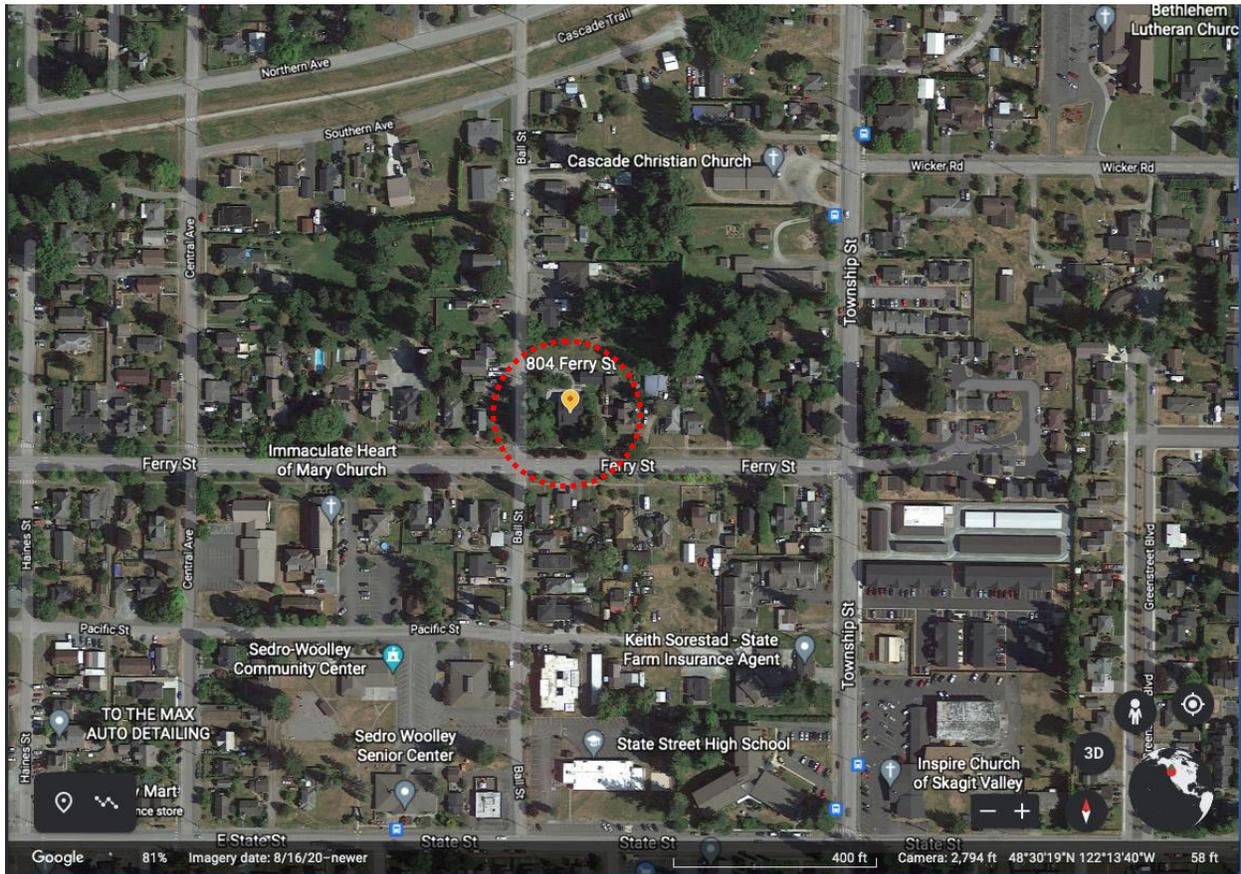
Interview with Sharon Howe, Research Librarian, Sedro-Woolley Museum, November 30, 2021.

J) Map and Photographs

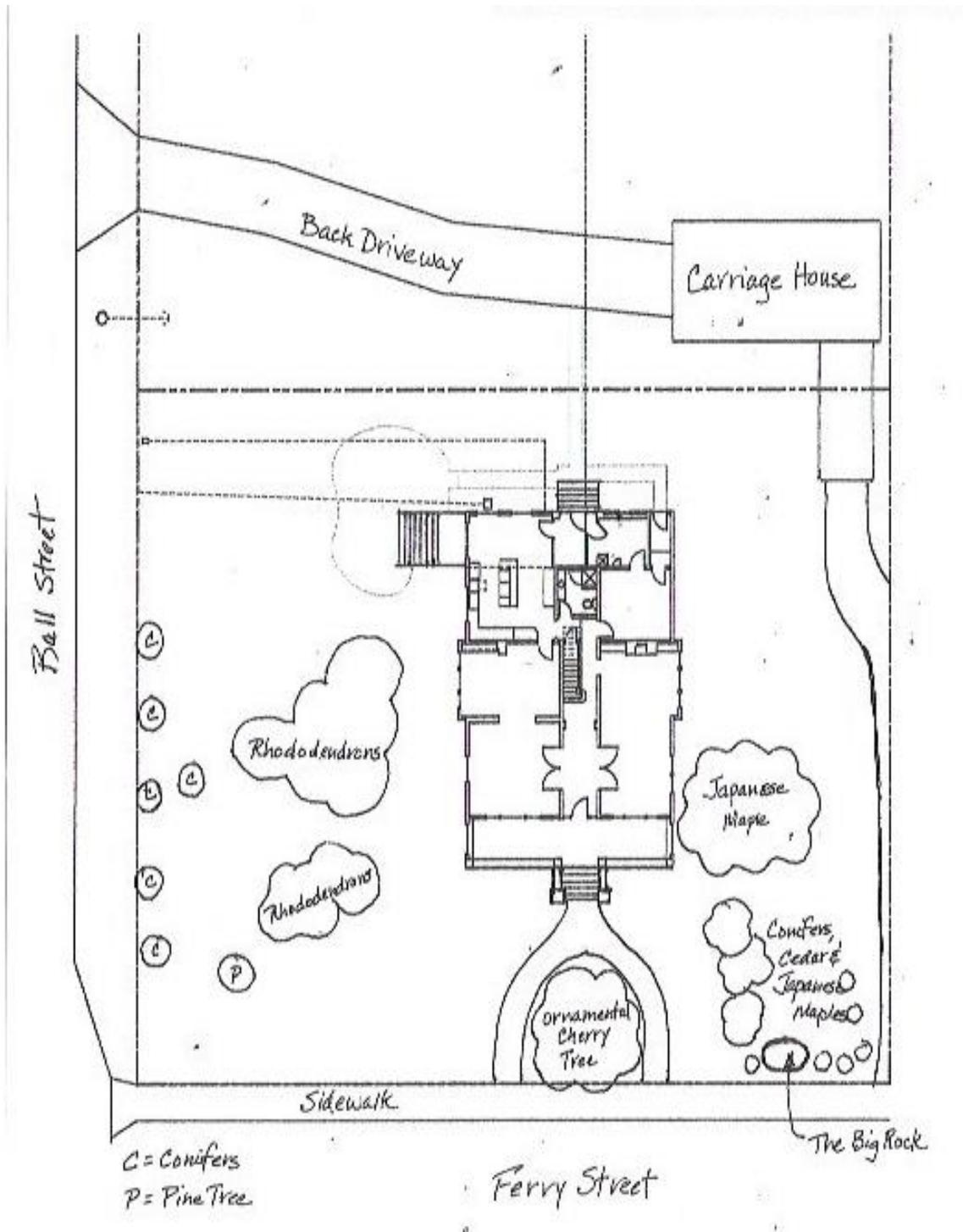
Attach copies of historic maps or photos if available, and current photos (min 5 x 7 digital images, 300 DPI). Include a current map – appropriate Google Earth/U.S.G.S. map and parcel map – with the location of the property and its boundaries clearly marked. (see instructions)



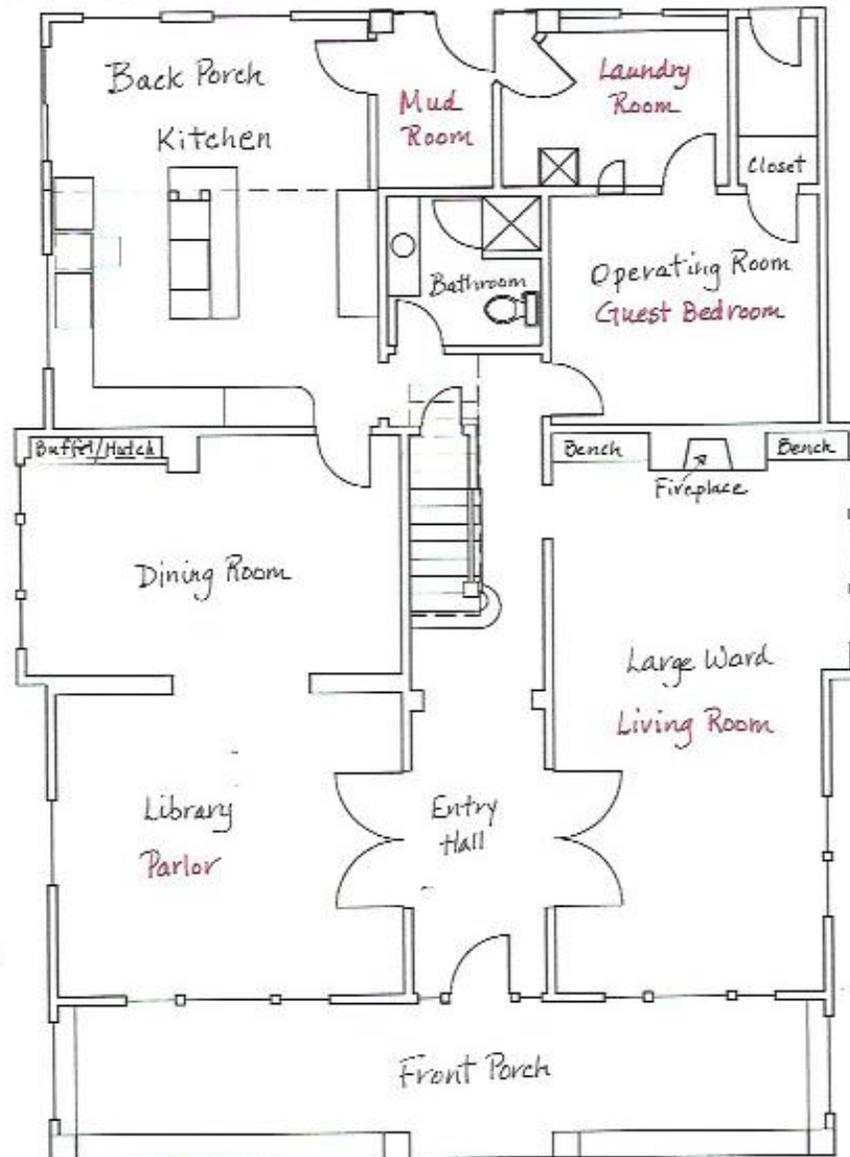
**Skagit County Plat Map for
The Dr. James and Margaret Mills House
(804 Ferry Street—Parcel 77099 in Yellow)**



Google Earth Map
Dr. James & Margaret Mills House
804 Ferry Street
Sedro-Woolley, WA



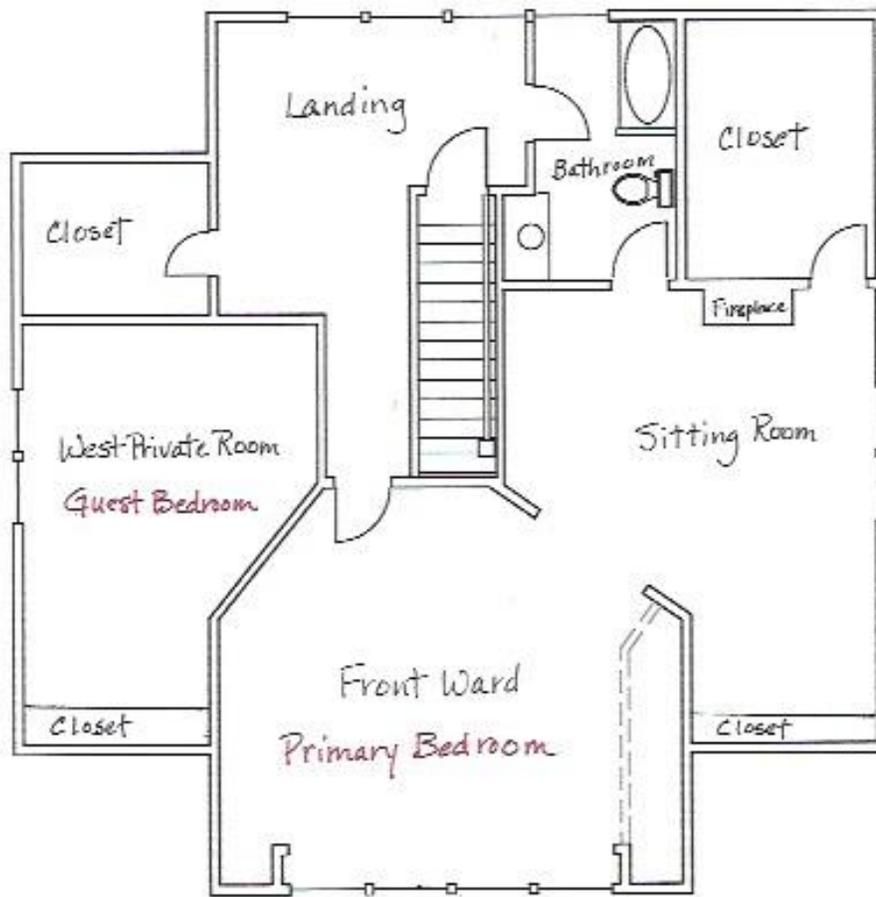
Dr. James & Margaret Mills House
 Sedro-Wooley
 Site Plan



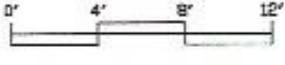


First Floor Plan
 1/8" = 1' 0"
 

Dr. James & Margaret Mills House
 Floor Plan: First Floor





 Second Floor Plan
 1/8" = 1'-0"
 

Dr. James & Margaret Mills House
 Floor Plan: Second Floor

OWNERSHIP HISTORY

Owner	Date of Purchase	Date of Sale
James F. Mills, M.D.	Land purchased 6/9/1911	6/17/1932*
American Savings & Loan	6/17/1932	12/8/1933
Morgan Wheeler, & Co, Inc.	12/8/1933	3/19/1934
P.J. & Ella McCarthy**	3/19/1934	7/28/1953
Bruce F. & Lucy Snow	7/28/1953	4/11/1960
Alfred & Lois M. Munguia	4/11/1960	12/14/1961
Maurice E. & Bernice E. Nash	12/14/61	11/14/1967
Richard M. & Shirley D. Haddox	11/14/1967	10/20/1994
Kelly M. Macomber	10/20/1994	(foreclosure) 7/10/2001
Wells Fargo Bank - Minnesota	7/10/2001	10/17/2001
Eric & Claudia Swedelius	10/17/2001	6/4/2019
Jean Eagleston & Terry Sapp	6/4/2019	

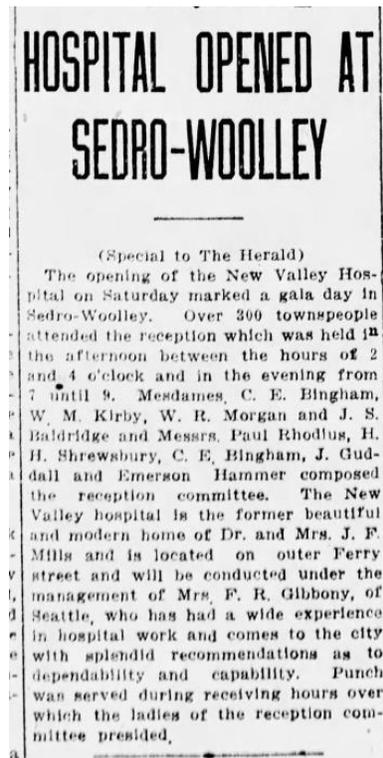
** 804 Ferry Street was seized by the Skagit County Sheriff on this date and was sold on the same date to American Savings and Loan.*

*** 1944 Sanborn maps indicate that the house had been converted into two apartments during this ownership period.*



VALLEY HOSPITAL (circa 1916)

(Note the curious period after the word "Hospital" in the sign above the dormer windows.)



Bellingham Herald, March 21, 1916



THE DR. JAMES AND MARGARET MILLS HOUSE



SOUTH SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



EAST SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



NORTH SIDE OF THE DR. JAMES and MARGARET MILLS HOUSE



WEST SIDE OF THE DR. JAMES AND MARGARET MILLS HOUSE



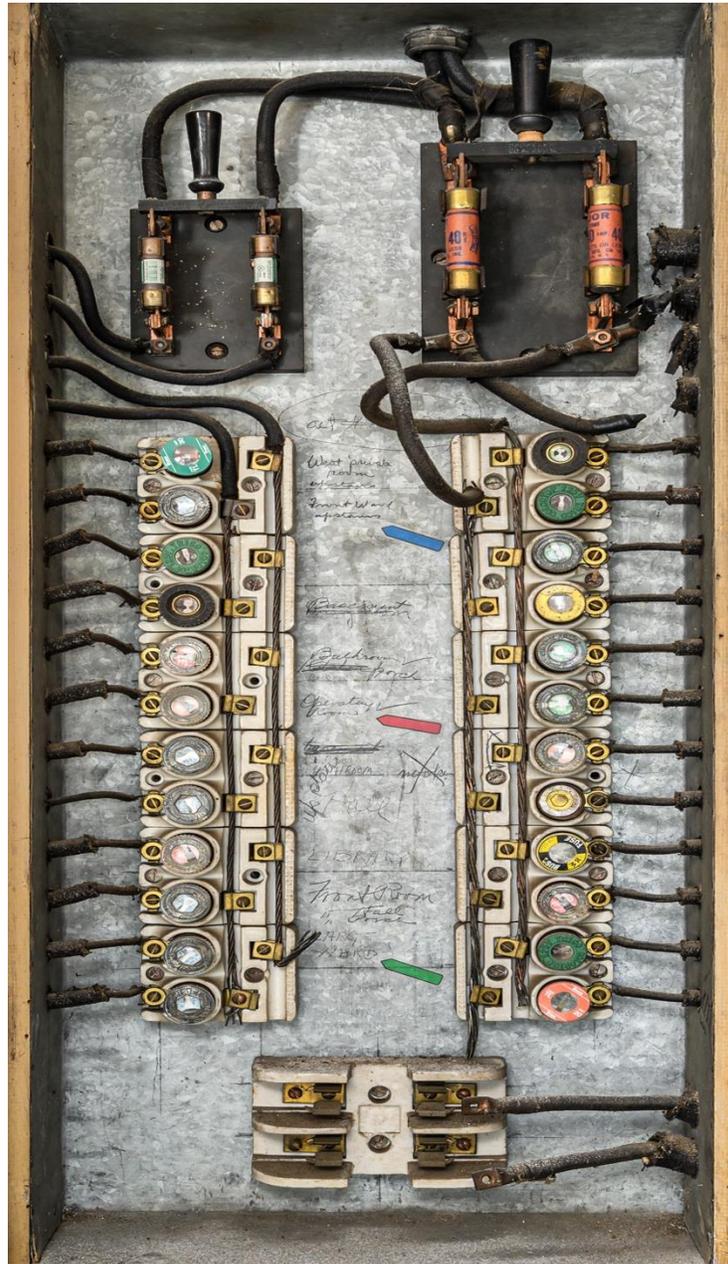
DINING ROOM AND PARLOR



CARRIAGE HOUSE AT THE DR. JAMES AND MARGARET MILLS HOUSE



SOUTH SIDE of CARRIAGE HOUSE



**ORIGINAL ELECTRICAL PANEL AT
THE DR. JAMES AND MARGARET MILLS HOUSE**

Blue=Front Ward Upstairs
Red= Operating Room **Green**=Large Ward



ORNAMENTAL CHERRY TREE AT THE DR. JAMES MILLS HOUSE

**Public Comment to the Sedro-Woolley City Council
Regarding Application for Special Tax Valuation
for 804 Ferry Street—The Dr. James and Margaret Mills House**

November 22, 2022

by Jean R. Eagleston and Terry F. Sapp

At the time we purchased 804 Ferry Street in May 2019, the dwelling was in poor condition. The interior of the house had not been well-maintained and many aspects—electrical, heating, plumbing, flooring, windows, and paint—required replacement and/or repair.

Our main goal in the rehabilitation of the Dr. James and Margaret Mills House was to retain as many of the original elements of the house as possible. A secondary goal was to remodel the kitchen and two bathrooms, maintaining the original footprint of those rooms.

We prepared an application to the Washington State Heritage Register that was approximately 50 pages in length. Our application was approved by the Governor’s Advisory Council on Historic Preservation on July 22, 2022. As a result, the Dr. James and Margaret Mills House (also known as Valley Hospital between 1916-1929) is now on the Washington Heritage Register.

In a letter dated August 8, 2022, Dr. Allyson Brooks, the State Historic Preservation Officer writes: “Having a property listed in the register is an honor. The benefits of State register listing include **potential property tax deductions** and code waivers to protect the integrity of the resource.”

The problem: RCW Chapter 84.26 (Historic Property) presents the regulations for the special tax valuation of historic properties. The timeline demanded in the code requires that all steps in the process be completed in the same calendar year. We completed the first steps in the process. However, the final step is for a “local review board” to review and approve or deny the application for Special Valuation in Improvements to Historic Property. Unfortunately, neither the City of Sedro-Woolley nor the Skagit County Commissioners have created a local review board.

The solution: We wonder if there is an existing City committee that could be given the authority by the City Council to conduct a review of our application for special property tax valuation and make a decision by December 31, 2022. It has been suggested that the Planning Commission might be such an entity.

We have restored an important historical resource in the town of Sedro-Woolley at considerable expense. (The special tax valuation is based on the 24-month period prior to the time the application was submitted to the Skagit County Assessor's office. Expenses during the entire rehabilitation period are much greater.)

We appreciate the City Council's consideration of our request that the task for a "local review board" to approve (or deny) our request for special task evaluation be assigned to an existing City board, committee, or other entity.

We have prepared a packet of materials, including a timeline of the steps in the special tax valuation process along with supporting documents and correspondence. We will give that material to the City Clerk.

Timeline

- 5/28/2019 Property purchased
- 12/4/2019 Building permit 2019-405 obtained from the City of Sedro-Woolley
- 3/7/2022 First draft of application for Washington Heritage Register submitted
- 4/10/2022 Final draft of application for Washington Heritage Register submitted
- 7/22/2022 Meeting of the Governor's Advisory Council on Historic Preservation (this Council only meets three times per year and the July meeting—usually held in June—was the first meeting after our application was submitted)
- 8/8/2022 Letter from the Department of Archaeology and Historic Preservation received (copy attached). Only after receiving this letter and the Heritage Register certificate did it seem possible to submit materials to the Skagit County Assessor
- 8/30/2022 Application and Certification of Special Valuation on Improvements to Historic Property (DOR form) mailed to the Skagit County Assessor (copy attached)
- 9/9/2022 Letter from Skagit County Assessor's office received that indicated that neither the City of Sedro-Woolley nor the Skagit County Commissioners have a "local review board" (copy attached)
- 10/14/2022 Letter to Mayor Julia Johnson (copy attached)
- 11/3/2022 Email response from Mayor Johnson (copy attached)



Allyson Brooks Ph.D., Director
State Historic Preservation Officer

August 8, 2022

Jean Eagleston & Terry Sapp
804 Ferry Street
Sedro-Wooley, WA 98284

Dear Ms. Eagleston & Mr. Sapp:

I am delighted to inform you that the **Dr. James & Margaret Mills House** at 804 Ferry Street in Sedro-Woolley has been listed on the Washington Heritage Register, where it joins over 1,500 other historic and culturally significant properties which have been recognized for their unique contributions to Washington's heritage. Built c.1912, the Mills House is historically significant for its direct connection to the early medical practices in the Skagit Valley. The dwelling served as a hospital (called the Valley Hospital) and filled the medical needs of the Sedro-Woolley community and out-lying areas from 1916 to 1929. As the only hospital in the town for over a decade, it was an important institution for Sedro-Woolley and supplied an essential role in the community.

Having a property listed in the register is an honor. The benefits of State register listing include potential property tax deductions and code waivers to protect the integrity of the resource. Listing of a property does not impose federal or state restrictive covenants or easements nor will it result in a taking. However, listing in the Washington Heritage Register does assure protective review of a property should a federal or state action have a potential adverse effect to the property's historic values.

Please do not hesitate to contact our State and National Register Coordinator, Michael Houser, at (360) 890-2634 if you have any questions or comments.

Sincerely,

Allyson Brooks, Ph.D.
State Historic Preservation Officer



Mailed 8/30/2022



Application and Certification of Special Valuation on Improvements to Historic Property

Chapter 84.26 RCW

File With Assessor by October 1

File No: _____

I. Application

County: Skagit

Property Owner: Jean R. Eagleston & Terry F. Sapp Parcel No./Account No: P77099

Mailing Address: 804 Ferry Street, Sedro-Woolley, WA 98284

Legal Description: See attached.

Property Address (Location): 804 Ferry Street, Sedro-Woolley, WA 98284

Describe Rehabilitation: See attached.

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

Building Permit No: 2019-405 Date: 12/04/2019 Jurisdiction: Skagit/Sedro-Woolley
County/City

Rehabilitation Started: 12/04/2019 Date Completed: 07/22/2022

Actual Cost of Rehabilitation: \$ 101,742.86

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):

Jean R. Eagleston
Terry F. Sapp

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: \$ _____

Date: _____

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.

Application and Certification of Special Valuation on Improvements to Historic Property

Legal Description

(0.8200 ac) LOT 20, PLATE NO. 1, SEDRO HOME ACREAGE, SKAGIT COUNTY, WASHINGTON, 1904, AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 39, RECORDS OF SKAGIT COUNTY, WASHINGTON. EXCEPT THE NORTH 60 FEET OF THE WEST 120 FEET THEREOF; AND EXCEPT THE SOUTH 20 FEET THEREOF FOR STREET.

Describe Rehabilitation

The main goal of the rehabilitation of The Dr. James and Margaret Mills House (and the location of Valley Hospital from 1916 – 1929) in Sedro-Woolley was to retain as many of the original elements of the dwelling as possible.

The house had not been well-maintained and many aspects—electrical, heating, plumbing, flooring, and windows—required replacement and/or repair.

Specific rehabilitation tasks included:

- Re-wiring of the entire house due to the presence of some original knob and tube wiring as well as older wiring that was not compliant with current code requirements,
- Repair of the wiring of original light fixtures and installation of additional antique lighting fixtures,
- Repair of lath and plaster damage,
- Painting of the entire interior and exterior of the house,
- Replacement of all plumbing in the kitchen and two bathrooms,
- Installation of a new hydronic heating system (boiler) so that the original radiators could be used for the primary source of heat,
- Replacement of the wood fireplace in the living room with a natural gas insert,
- Refinishing the original maple and fir floors throughout both floors of the house, and

- Replacement of broken windows, re-glazing of zinc mullions in the single pane windows, and installation of window screens and window coverings.

In addition, the kitchen and two bathrooms were remodeled with period-appropriate features used wherever possible. Natural materials (e.g., soapstone and quartzite) were used rather than modern, manufactured materials. Custom-designed cabinetry was used to accommodate the original dimensions of these three rooms.

Actual Cost of Rehabilitation

The total cost shown in the attached table is based on expenditures for the rehabilitation costs in the 24-month period between July 2020 and July 2022 (when the application for Heritage Registry was approved).

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

Cost of Rehabilitation for 24-Month Period ending July 2022

Boiler (final payment)	\$ 978.75
Custom cabinetry, finish carpentry, hardware	26,049.20
Electrical (new light fixtures)	8,587.88
Electrical (re-wiring)	17,406.05
Floor refinishing (partial)	2,147.00
Natural gas fireplace insert	2,479.97
Painting (interior and exterior—partial)	19,287.85
Plumbing (kitchen, bathrooms)	11,145.09
Stonework (kitchen, bathrooms)	8,897.07
Window screens and coverings	4,764.00
Total	\$101,742.86

Requirements for Special Valuation

Building market value at time of purchase (2019): \$319,700

25% of value for rehabilitation costs: \$79,925

David M. Thomas
Assessor

Annette M. DeVoe
Chief Deputy Assessor



SKAGIT COUNTY

Office of the Assessor

Administration Building, Room 204
700 South Second Street
Mount Vernon, WA 98273
Phone: (360) 416-1780 Fax: (360) 416-1790
E-mail: assessor@co.skagit.wa.us

September 9, 2022

Jean R. Eagleston
Terry F. Sapp
804 Ferry Street
Sedro Woolley, WA 98284

Dear Applicant,

We have received your application for Special Valuation on Improvement to Historic Property. Per RCW 84.26.050 (1) Within ten days after the filing of the application in the county assessor's office, the county assessor shall refer each application for classification to the local review board.

The local review board shall approve the application, monitor the property, and establish an agreement with the property owners. According to RCW 84.26.020 (5) "Local review board" means a local body designated by the local legislative authority.

We have reached out to both the City of Sedro Woolley and the County Legislative Authority "Skagit County Commissioners" to determine if either entity has designated such a review board by comprehensive ordinance as required in RCW 84.26.020 (1) (a) that your application can be forwarded to.

At this time neither legislative body has created and empowered such a board. The Assessor has no statutory authority to approve or deny your application.

RCW 84.26.130 provides appeal rights for decision by a local review board through Superior Court and valuation by the Assessor through the County Board of Equalization. Neither decision can be made without a Local Review Board.

It is with regret that we are unable to process your application.

Sincerely,

A handwritten signature in black ink, appearing to read "Annette M. DeVoe".

Annette M. DeVoe
Skagit County Assessor's Office

Jean R. Eagleston and Terry F. Sapp
804 Ferry Street
Sedro-Woolley, WA 98284
tjsappton@gmail.com

October 14, 2022

Mayor Julia Johnson
325 Metcalf Street
Sedro-Woolley, WA 98284

Dear Mayor Johnson,

We were very pleased that our application to the Department of Archaeology and Historic Preservation was approved and that our property at 804 Ferry Street—the Dr. James and Margaret Mills house and former Valley Hospital—is now listed on the Washington Heritage Register.

As you can see in the attached letter from Dr. Allyson Brooks, the State Historic Preservation Officer, one of the benefits of being listed in the Heritage Register is “potential property tax deductions”.

Chapter 84.26 of the RCW addresses the issue of special tax valuation. We completed the Department of Revenue form “Application and Certification of Special Valuation on Improvements to Historic Property”. (A copy is attached.) According to the RCW rules, this application form was submitted to the Skagit County assessor.

To our great disappointment and considerable puzzlement, we received a letter from Annette DeVoe of the Skagit County Assessor’s office indicating that their office cannot proceed with approving or denying our application.

The reason? According to the RCW process, the County Assessor’s office refers the application to the “local review board”. Ms. DeVoe’s letter indicates that the City of Sedro-Woolley as well as the County Commissioners replied and indicated that no such local review board has been created and empowered to review special tax valuation applications. (A copy of Ms. DeVoe’s letter is attached.)

To: Mayor Julia Johnson
October 14, 2022
Re: Special Tax Valuation
Page 2

We wonder who in the City of Sedro-Woolley made the response to the County Assessor's office. Were you made aware of our application?

Further, and perhaps we are naive, but given local resources such as the Sedro-Woolley Museum, the Skagit County Historical Museum, and architects who are familiar with restoration of Craftsman-era homes, it seems feasible that a "local review board" could indeed be created.

We had a great deal of communication with Michael Houser, the State Architectural Historian as we completed the required application. (His contact information is: 360-890-2634 or Michael.Houser@dahp.wa.gov). RCW 84.26.110 specifically states that "the local legislative authority and local review board may request the assistance of the state historic preservation officer in conducting special valuation activities". While Dr. Brooks might be directly involved, we think it is likely that Mr. Houser would be a valuable resource if the City of Sedro-Woolley were to decide to create a local review board.

We welcome your questions, thoughts, and comments. Most of all, we are hopeful that the City of Sedro-Woolley will comply with the spirit of the RCW 84.26 procedures and impanel a local review board.

Respectfully yours,

Jean R. Eagleston

Terry F. Sapp

Attachments: Letter from Dr. Allyson Brooks, State Historic Preservation Officer
Application and Certification of Special Valuation on Improvements
to Historic Property (4 pages)
Letter from Annette M. DeVoe, Skagit County Assessor's Office



Jean Eagleston <tjsappton@gmail.com>

Heritage Register

1 message

Julia Johnson <jjohnson@sedro-woolley.gov>
To: "tjsappton@gmail.com" <tjsappton@gmail.com>

Thu, Nov 3, 2022 at 12:10 PM

Good Afternoon Jean and Terry,

I hope this finds you well.

I wanted to reach out and let you know we received your letter and request regarding the Heritage Register, and are in the process of researching the RCWs.

It's proving to be a much bigger process than first anticipated.

We're currently mid-way through our Budget discussion and by law must have completed by year end.

We will continue the slow progression of developing a local review board, along with ordinance, regulations and criteria.

Please hang in there with us as we move through the steps required to bring together this opportunity for you and Sedro-Woolley.

Our City Administrator, Charlie Bush, will be in touch within the next month or so.

Thank you,

Julia Johnson, Mayor

City of Sedro-Woolley

360-855-3160

jjohnson@sedro-woolley.gov



Advisory: Please be advised the City of Sedro-Woolley is required to comply with the Public Disclosure Act Chapter 42.17 RCW. This email is covered by the Electronic Communications Privacy Act, 18 USC 2510-2521 and is legally privileged. The information contained in this electronic message is intended only for the use of the recipient named above. If you are not the intended recipient, be advised that any disclosure, copying, distribution or use of the contents of this transmission is prohibited. If you have received this electronic message transmission in error, please notify the sender at (360) 661-6462 or reply e-mail and delete the original message.

**Chapter 84.26 RCW
HISTORIC PROPERTY**

Sections

- 84.26.010 Legislative findings.
- 84.26.020 Definitions.
- 84.26.030 Special valuation criteria.
- 84.26.040 Application—Fees.
- 84.26.050 Referral of application to local review board—Agreement—Approval or denial.
- 84.26.060 Notice to assessor of approval—Certification and filing—Notation of special valuation.
- 84.26.070 Valuation.
- 84.26.080 Duration of special valuation—Notice of disqualification.
- 84.26.090 Disqualification for valuation—Additional tax—Lien—Exceptions from additional tax.
- 84.26.100 Payment of additional tax—Distribution.
- 84.26.110 Special valuation—Request for assistance from state historic preservation officer authorized.
- 84.26.120 Rules.
- 84.26.130 Appeals from decisions on applications.

RCW 84.26.010 Legislative findings. The legislature finds and declares that it is in the public interest of the people of the state of Washington to encourage maintenance, improvement, and preservation of privately owned historic landmarks as the state approaches its Centennial year of 1989. To achieve this purpose, this chapter provides special valuation for improvements to historic property. [1985 c 449 § 1.]

RCW 84.26.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Historic property" means real property together with improvements thereon, except property listed in a register primarily for objects buried below ground, 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. 96-515; or

(b) Listed in the national register of historic places.

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

(3) "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.

(4) "State review board" means the advisory council on historic preservation established under chapter 27.34 RCW, or any successor agency designated by the state to act as the state historic preservation review board under federal law.

(5) "Local review board" means a local body designated by the local legislative authority.

(6) "Owner" means the owner of record.

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

RCW 84.26.030 Special valuation criteria. Four criteria must be met for special valuation under this chapter. The property must:

(1) Be an historic property;

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

(3) Be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within twenty-four months prior to the application for special valuation; and

(4) Be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2). [1986 c 221 § 2; 1985 c 449 § 3.]

RCW 84.26.040 Application—Fees. An owner of property desiring special valuation under this chapter shall apply to the assessor of the county in which the property is located upon forms prescribed by the department of revenue and supplied by the county assessor. The application form shall include a statement that the applicant is aware of the potential tax liability involved when the property ceases to be eligible for special valuation. Applications shall be made no later than October 1 of the calendar year preceding the first assessment year for which classification is requested. The assessor may charge only such fees as are necessary to process and record documents pursuant to this chapter. [1986 c 221 § 3; 1985 c 449 § 4.]

RCW 84.26.050 Referral of application to local review board—Agreement—Approval or denial. (1) Within ten days after the filing of the application in the county assessor's office, the county assessor shall refer each application for classification to the local review board.

(2) The review board shall approve the application if the property meets the criterion of RCW 84.26.030 and is not altered in a way which adversely affects those elements which qualify it as historically significant, and the owner enters into an agreement with the review board which requires the owner for the ten-year period of the classification to:

(a) Monitor the property for its continued qualification for the special valuation;

(b) Comply with rehabilitation plans and minimum standards of maintenance as defined in the agreement;

(c) 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;

(d) Apply to the local review board for approval or denial of any demolition or alteration; and

(e) Comply with any other provisions in the original agreement as may be appropriate.

(3) Once an agreement between an owner and a review board has become effective pursuant to this chapter, there shall be no changes in standards of maintenance, public access, alteration, or report requirements, or any other provisions of the agreement, during the period of the classification without the approval of all parties to the agreement.

(4) An application for classification as an eligible historic property shall be approved or denied by the local review board before December 31st of the calendar year in which the application is made.

(5) The local review board is authorized to examine the records of applicants.

(6) No new applications may be approved on or after January 1, 2031. [2020 c 91 § 2; 1986 c 221 § 4; 1985 c 449 § 5.]

Tax preference performance statement—2020 c 91 §§ 1 and 2: See note following RCW 84.26.070.

RCW 84.26.060 Notice to assessor of approval—Certification and filing—Notation of special valuation. (1) The review board shall notify the county assessor and the applicant of the approval or denial of the application.

(2) If the local review board determines that the property qualifies as eligible historic property, the review board shall certify the fact in writing and shall file a copy of the certificate with the county assessor within ten days. The certificate shall state the facts upon which the approval is based.

(3) The assessor shall record the certificate with the county auditor.

(4) The assessor, as to any historic property, shall value the property under RCW 84.26.070 and, each year the historic property is classified and so valued, shall enter on the assessment list and tax roll that the property is being specially valued as historic property. [1985 c 449 § 6.]

RCW 84.26.070 Valuation. (1) The county assessor shall, for ten consecutive assessment years following the calendar year in which application is made, place a special valuation on property classified as eligible historic property.

(2) The entitlement of property to the special valuation provisions of this section shall be determined as of January 1. If property becomes disqualified for the special valuation for any reason, the property shall receive the special valuation for that part of any year during which it remained qualified or the owner was acting in the good faith belief that the property was qualified.

(3) At the conclusion of special valuation, the cost shall be considered as new construction.

(4) (a) A property is eligible for two seven-year extensions of the special valuation if:

(i) The property is located in a county that is listed as a distressed area as reported by the state employment security department and the city is under twenty thousand in population; and

(ii) The property continues to meet the criteria provided in RCW 84.26.030.

(b) Extensions must be applied for by the owner, upon forms prescribed by the department of revenue and supplied by the county assessor, at least ninety days prior to the expiration of the special valuation.

(c) All extensions must be reviewed by the local review board and may be approved or denied at the local review board's discretion.

(d) No extension may be provided under this subsection on or after January 1, 2057. [2020 c 91 § 1; 1986 c 221 § 5; 1985 c 449 § 7.]

Tax preference performance statement—2020 c 91 §§ 1 and 2: "(1) This section is the tax preference performance statement for the tax preference contained in sections 1 and 2, chapter 91, Laws of 2020. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals as provided in RCW 82.32.808(2)(e).

(3) It is the legislature's specific public policy objective to promote the revitalization of historic properties.

(4) If the review finds that the number of taxpayers claiming this preference increases, then the legislature intends to extend the expiration date of this tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state." [2020 c 91 § 3.]

RCW 84.26.080 Duration of special valuation—Notice of disqualification. (1) When property has once been classified and valued as eligible historic property, it shall remain so classified and be granted the special valuation provided by RCW 84.26.070 for ten years or until the property is disqualified by:

(a) Notice by the owner to the assessor to remove the special valuation;

(b) Sale or transfer to an ownership making it exempt from property taxation; or

(c) Removal of the special valuation by the assessor upon determination by the local review board that the property no longer qualifies as historic property or that the owner has failed to comply with the conditions established under RCW 84.26.050.

(2) The sale or transfer to a new owner or transfer by reason of death of a former owner to a new owner does not disqualify the property from the special valuation provided by RCW 84.26.070 if:

(a) The property continues to qualify as historic property; and
(b) The new owner files a notice of compliance with the assessor of the county in which the property is located. Notice of compliance forms shall be prescribed by the state department of revenue and supplied by the county assessor. The notice shall contain a statement that the new owner is aware of the special valuation and of the potential tax liability involved when the property ceases to be valued as historic property under this chapter. The signed notice of compliance shall be attached to the real estate excise tax affidavit

provided for in RCW 82.45.150. If the notice of compliance is not signed by the new owner and attached to the real estate excise tax affidavit, all additional taxes calculated pursuant to RCW 84.26.090 shall become due and payable by the seller or transferor at time of sale. The county auditor shall not accept an instrument of conveyance of specially valued historic property for filing or recording unless the new owner has signed the notice of compliance or the additional tax has been paid, as evidenced by the real estate excise tax stamp affixed thereto by the treasurer.

(3) When the property ceases to qualify for the special valuation the owner shall immediately notify the state or local review board.

(4) Before the additional tax or penalty imposed by RCW 84.26.090 is levied, in the case of disqualification, the assessor shall notify the taxpayer by mail, return receipt requested, of the disqualification. [2000 c 103 § 22; 1999 c 233 § 19; 1986 c 221 § 6; 1985 c 449 § 8.]

Effective date—1999 c 233: See note following RCW 4.28.320.

RCW 84.26.090 Disqualification for valuation—Additional tax—Lien—Exceptions from additional tax. (1) Except as provided in subsection (3) of this section, whenever property classified and valued as eligible historic property under RCW 84.26.070 becomes disqualified for the valuation, there shall be added to the tax an additional tax equal to:

(a) The cost 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 under this chapter; plus

(c) A penalty equal to twelve percent of the amount determined in (a) and (b) of this subsection.

(2) The additional tax and penalties, together with applicable interest thereon, shall become a lien on the property which shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the property may become charged or liable.

(3) The additional tax, interest, and penalty shall not be imposed if the disqualification 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 the power of eminent domain. [1986 c 221 § 7; 1985 c 449 § 9.]

RCW 84.26.100 Payment of additional tax—Distribution. The additional tax, penalties, and/or interest provided by RCW 84.26.090 shall be payable in full thirty days after the date which the treasurer's statement therefor is rendered. Such additional tax when collected shall be distributed by the county treasurer in the same manner in which current taxes applicable to the subject land are distributed. [1985 c 449 § 10.]

RCW 84.26.110 Special valuation—Request for assistance from state historic preservation officer authorized. The local legislative authority and the local review board may request the assistance of the state historic preservation officer in conducting special valuation activities. [1985 c 449 § 11.]

RCW 84.26.120 Rules. The state review board shall adopt rules necessary to carry out the purposes of this chapter. The rules shall include rehabilitation and maintenance standards for historic properties to be used as minimum requirements by local review boards to ensure that the historic property is safe and habitable, including but not limited to:

(1) Elimination of visual blight due to past neglect of maintenance and repair to the exterior of the building, including replacement of broken or missing doors and windows, repair of deteriorated architectural features, and painting of exterior surfaces;

(2) Correction of structural defects and hazards;

(3) Protection from weather damage due to defective roofing, flashings, glazing, caulking, or lack of heat; and

(4) Elimination of any condition on the premises which could cause or augment fire or explosion. [1985 c 449 § 12.]

RCW 84.26.130 Appeals from decisions on applications. Any decision by a local review board on an application for classification as historic property eligible for special valuation may be appealed to superior court under RCW 34.05.510 through 34.05.598 in addition to any other remedy at law. Any decision on the disqualification of historic property eligible for special valuation, or any other dispute, may be appealed to the county board of equalization in accordance with RCW 84.40.038. [2001 c 185 § 2; 1989 c 175 § 178; 1985 c 449 § 13.]

Application—2001 c 185 §§ 1-12: See note following RCW 84.14.110.

Effective date—1989 c 175: See note following RCW 34.05.010.