



Planning & Economic Development

Conversion of Underutilized Commercial Tax Deferral Application

Rev.20240906

Deferral Requirements

The proposed project must meet all of the following criteria to be considered complete and eligible.

- The sales and use tax deferral is tied to the property owner. If a change of property ownership occurs during the project, a deed of trust transferring the property and a new state business license, will be required by the Department of Revenue. An updated Conditional Contract will be required by the City.
- Projects involving multiple qualified buildings must submit applications for each qualified building.
- A Conditional Contract must be approved by the City Council AND Department of Revenue **BEFORE** building/construction permits are issued.
- Proposed project consists of a comprehensive remodel/retrofit of an underutilized commercial property. "Underutilized commercial property" is an entire property, or portion thereof, currently used or intended to be used by a business for retailing or office-related or administrative activities as defined in [RCW 82.59.010](#).
- Proposed project consists primarily of new multi-family housing of at least four units. Any non-housing commercial use is limited to the first floor of the project.
- A minimum of 10% of multi-family housing units will be rented or sold at affordable rates to low-income households earning 80% of Area Median Income or less.
- The property owner has a business license with the Department of Revenue, including a Spokane city endorsement.
- Department of Revenue Form XX-XXXX will be completed and submitted to the City concurrently with this application. Upon approval of the City's Conditional Contract, City of Spokane staff will send the DOR Form, business license, and the approved contract to the Department of Revenue.
- Project will be completed within three years from the effective date of the approved Conditional Contract Tax Deferral.
- Pictures of the project building/site will be submitted with the application.

Signature: _____ Date: _____

Property Owner Information

Property Owner _____ Project contact _____

Address of owner _____

Email _____ Phone _____

Taxpayer(s) _____ Tax Reporting # (WA) _____

Taxpayer address _____ Phone _____

Taxpayer contact _____ Taxpayer email _____

Project Information

Project Address _____ Parcel number(s): _____

Project Name _____ Zoning designation(s) _____

Project narrative: include the current land use(s), the proposed future use(s), and how this incentive is important to the project feasibility.

Estimated qualifying use and tax deferral:

Qualifying use square footage (SF) _____ Estimated costs to convert SF _____

Commercial SF _____ Total building square footage _____

Total buildings within project _____ Proposed average SF per dwelling unit _____

Dwelling units per building _____ Will project be phased? Yes No

Estimated construction cost: \$ _____ Expected start date _____

Completion date _____ Estimated post-construction Market Value \$ _____

Please detail how this estimate was calculated (appraisal or other method):

Post construction type of affordable housing to be offered:

- Affordable Rentals – 10% of units will be rented to residents earning less than 80% AMI.
- Affordable Owner-occupied – 10% of units will be sold to residents earning less than 80% AMI (Note: this requires deed restrictions).
- This project has also applied for the Multifamily Property Tax Exemption and will offer additive affordable units in compliance with that program as well.

Statement of Tax Liability Once Exemption Begins

- _____ ^{initial} The property owner acknowledges the potential tax and interest liability if and when the property ceases to be eligible for the deferral and waiver.
- _____ The owner is aware that the tax deferral and waiver will be cancelled if the property is converted from multi-family to another use.
- _____ The property owner understands that if they decide to convert the multi-family housing to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements, the owner must notify the City Planning and Economic Development Department within 60 days of the change in use or intended discontinuance.
- _____ Applicant acknowledges that a permit fee of \$1,000 per qualifying parcel is required to be paid before the Underutilized Commercial to Affordable Housing Sales and Use Tax Deferral Conditional Contract will be completed and sent to the Department of Revenue.

Affirmation

As **property owner(s)** of the land described in this application, I hereby indicate by my signature that I am aware that the tax deferral does not begin until after approval of the Conditional Contract by the City Council and the Department of Revenue, and will cease upon the issuance of a Certificate of Occupancy once the project is completed. I declare under penalty of perjury under the laws of the State of Washington that this application and any accompanying documents have been examined by me and that they are true, correct, and complete to the best of my knowledge.

Signature(s) of all Taxpayer(s)

_____	_____	Date _____
Name and title	Signature	
_____	_____	Date _____
Name and title	Signature	
_____	_____	Date _____
Name and title	Signature	

By typing my name in a signature field I agree that my typed name will be the electronic representation of my signature for all purposes, including legally binding agreements, declarations of fact under penalty of perjury, and acknowledgment of receipt of information and/or documents, just the same as a pen and paper signature.