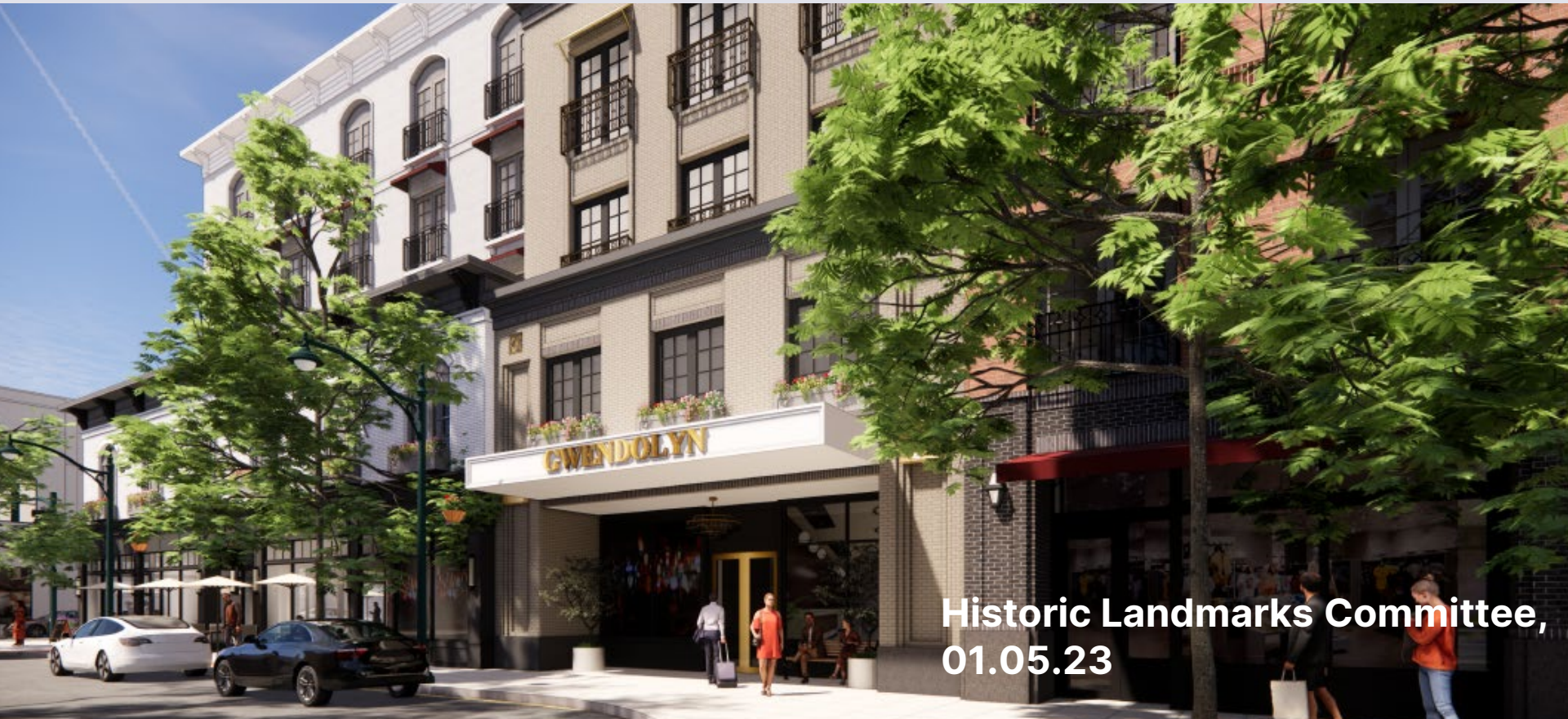




GWENDOLYN HOTEL PUBLIC HEARING



Historic Landmarks Committee,
01.05.23



609

611

619

GWENDOLYN HOTEL PUBLIC HEARING

Consideration of Certificates of Approval for Demolition for:

609 NE Third Street , HL 6-22

(Property Owner, Oregon Lithoprint Inc., represented by Jon Bladine)

611 NE Third Street , HL 7-22

(Property Owner, Bladine Family Limited Partnership, represented by Jon Bladine)

619 NE Third Street, HL 8-22

(Property Owner, Wild Haven LLC, represented by Phillip Frischmuth)

Applicant: HD McMinnville LLC



609

611

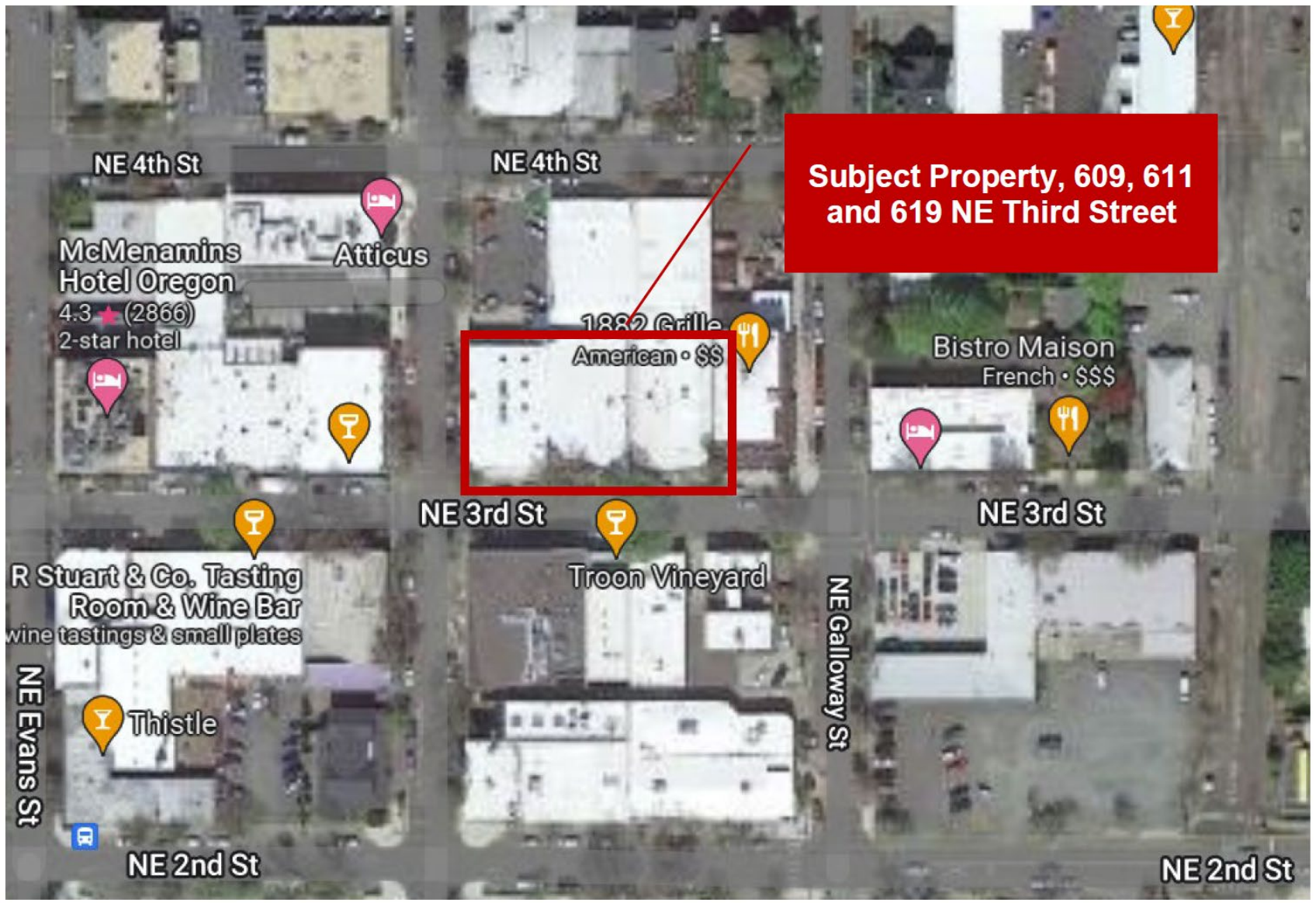
619

GWENDOLYN HOTEL PUBLIC HEARING

Consideration of Certificate of Approval for New Construction,
Downtown Design Review with a Waiver (DDR 2-22)

Applicant: HD McMinnville LLC





**Subject Property, 609, 611
and 619 NE Third Street**

NE 4th St
**McMenamins
Hotel Oregon**
4.3 ★ (2866)
2-star hotel

Atticus

NE 4th St

1882 Grille
American • \$\$

Bistro Maison
French • \$\$\$

NE 3rd St

Troon Vineyard

NE 3rd St

NE Galloway St

NE Evans St
**R Stuart & Co. Tasting
Room & Wine Bar**
wine tastings & small plates

Thistle

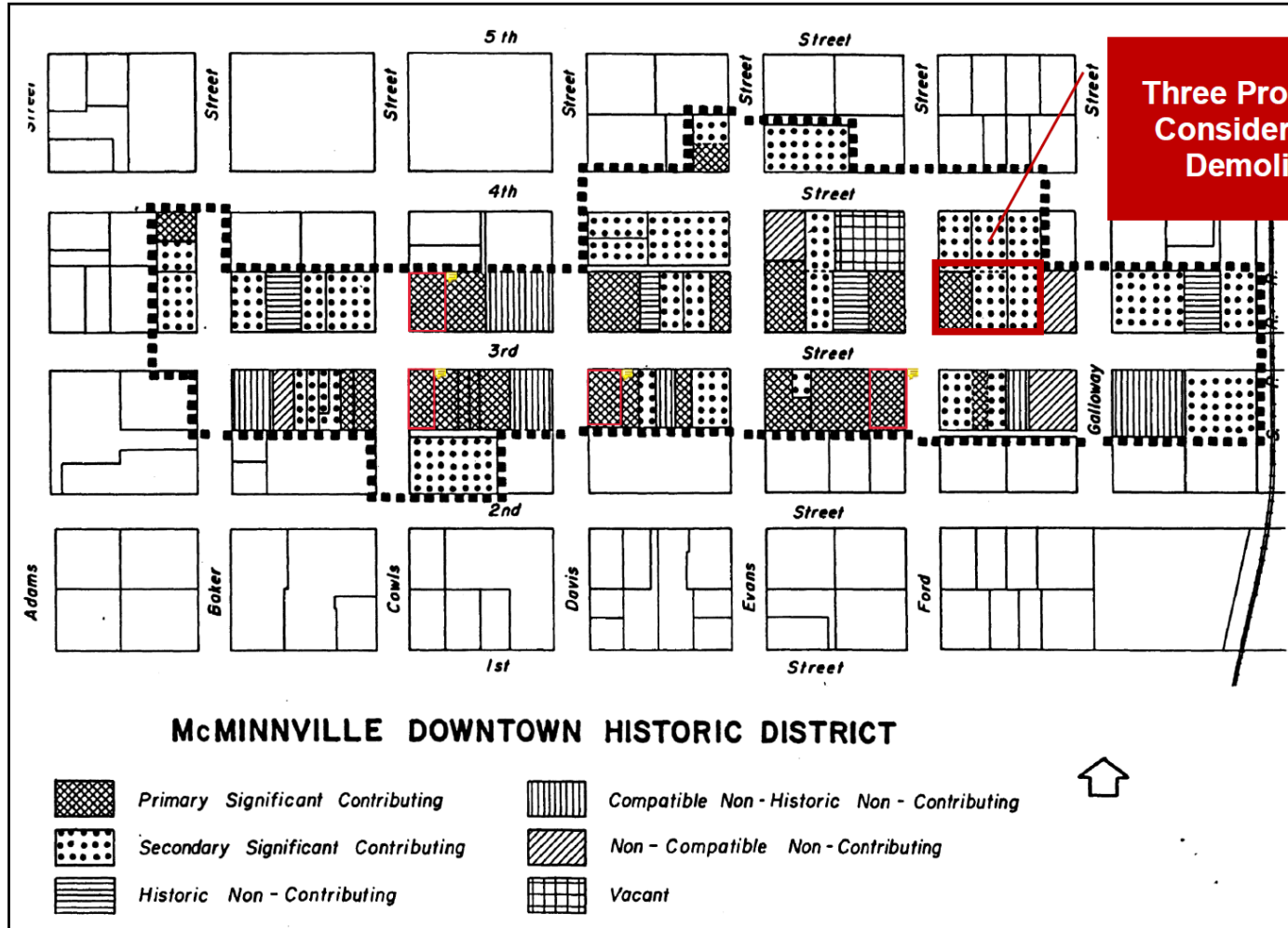
NE 2nd St

NE 2nd St

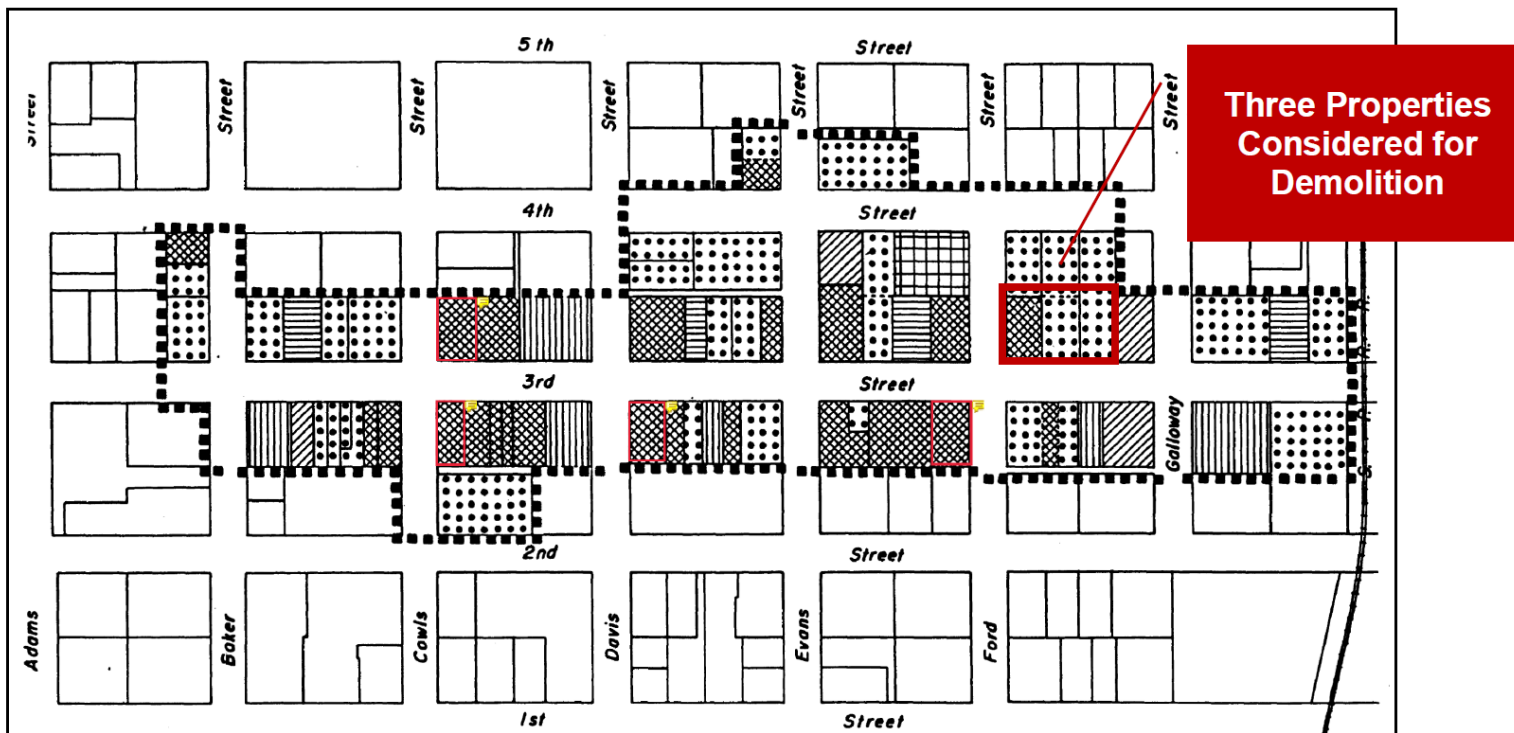
THIRD STREET CONTEXT



MCMINNVILLE DOWNTOWN HISTORIC DISTRICT



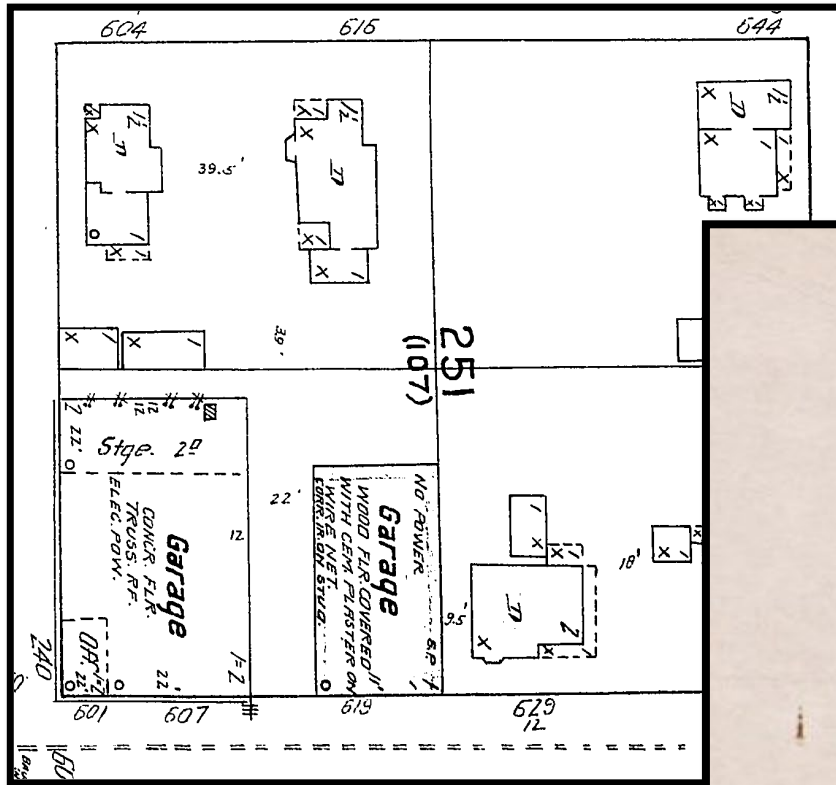
MCMINNVILLE DOWNTOWN HISTORIC DISTRICT



Primary Significant Contributing: Structures are classified as Primary Significant if they were built on or before 1912, or reflect the building styles, traditions, or patterns of structures typically constructed before this date. These buildings represent the primary period of construction and development in downtown McMinnville from initial settlement in 1881 to 1912, when city improvements and use of the Oregon Electric and Southern Pacific Railroad service prompted new construction in the downtown area.

Secondary Significant Contributing: Structures are classified as Secondary Significant if they were built in or between 1913 and 1937. These buildings represent the secondary period of construction and development from the increase of city improvements and auto traffic.

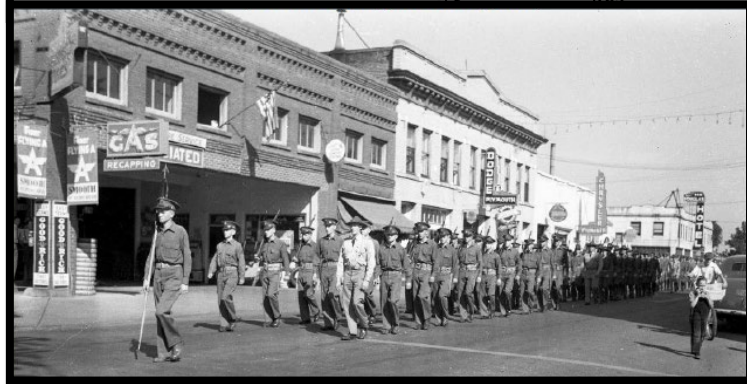
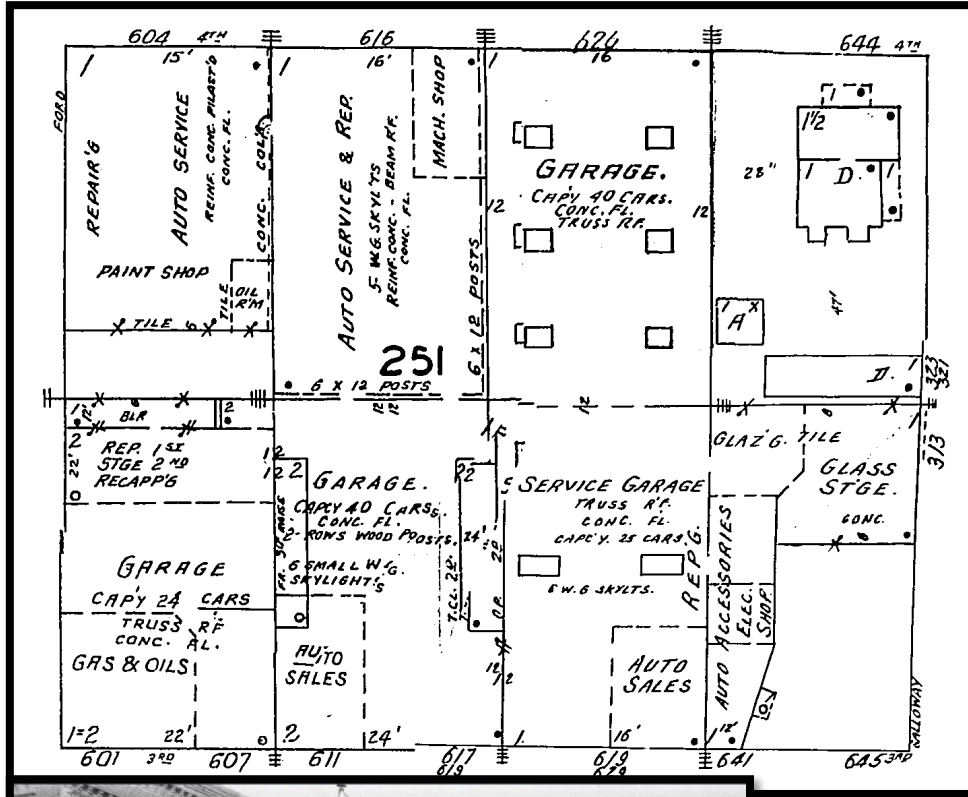
HISTORIC SIGNIFICANCE – 1881-1912



Circa: 1919



HISTORIC SIGNFICANCE – 1913 – 1937



Circa: 1940



MCMINNVILLE HISTORIC RESOURCES INVENTORY

- **Distinctive (A):** Resources outstanding for architectural or historic reasons and potentially worthy of nomination to the National Register of Historic Places;
- **Significant (B):** Resources of recognized importance to the City due to historical association or architectural integrity, uniqueness, or quality;
- **Contributory (C):** Resources not in themselves of major significance, but which enhance the overall historic character of the neighborhood or City. Removal or alteration would have a deleterious effect on the quality of historic continuity experienced in the community; or
- **Environmental (D):** This category includes all resources surveyed that were not classified as distinctive, significant, or contributory. The resources comprise a historic context within the community.

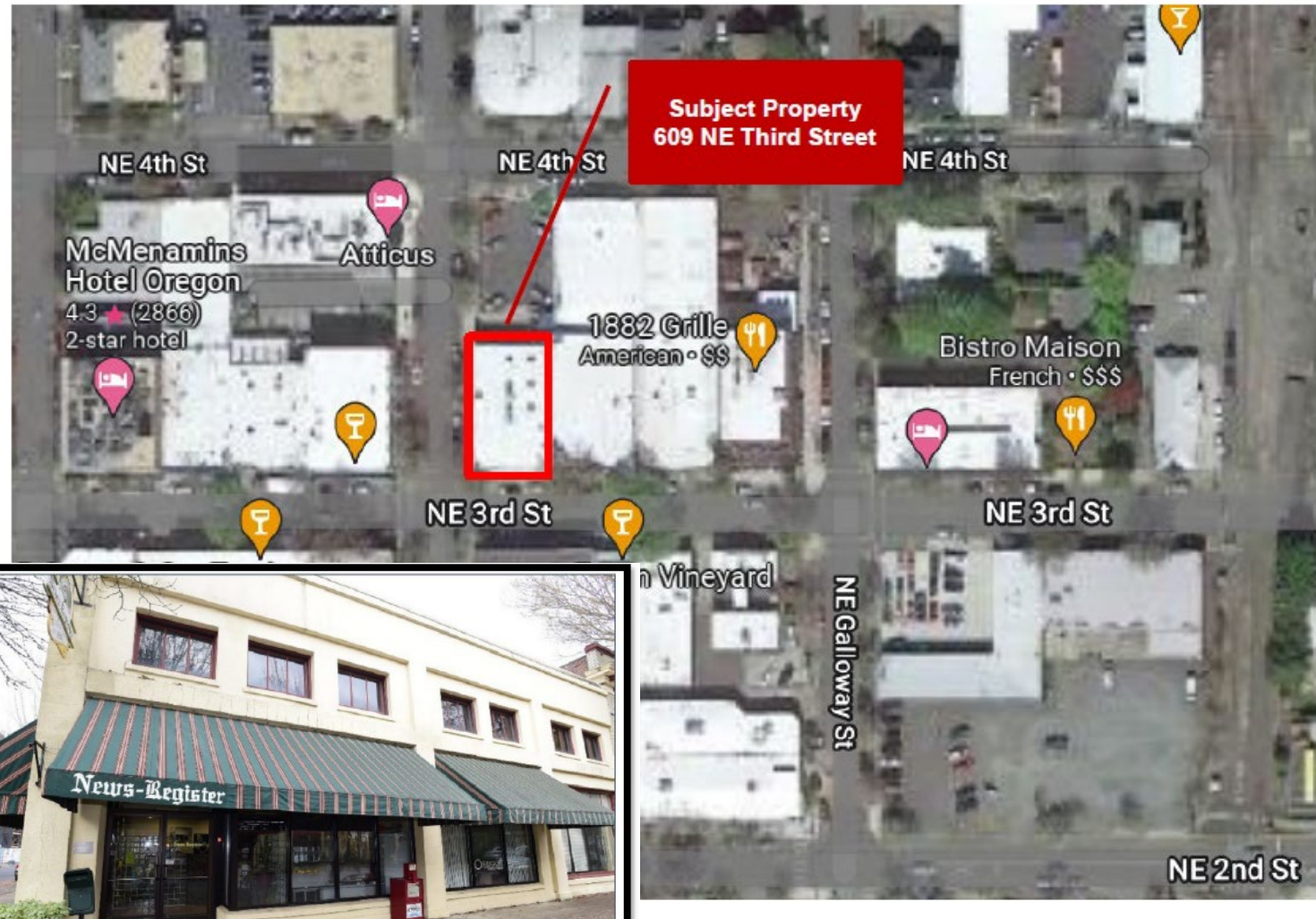
Structures Requested to Be Demolished

Historic Resource	Type of Designation in the McMinnville Downtown Historic District (NRHP)	Type of local designation on the McMinnville Historic Resources Inventory
609 NE Third Street	Primary Significant Contributing	B = Significant (B865)
611 NE Third Street	Secondary Significant Contributing	B = Significant (B872)
619 NE Third Street	Secondary Significant Contributing	D = Environmental (D876)



HISTORIC SIGNIFICANCE VERSUS HISTORIC INTEGRITY

609 NE THIRD STREET



609 NE THIRD STREET

Circa 1904, A historic photo provided by the Yamhill County Historical Society shows the original brick building with storefronts on the ground floor.



1940 Photo of 609 NE Third Street showing modified corner storefront for the gas pumps. (Yamhill County News Register)



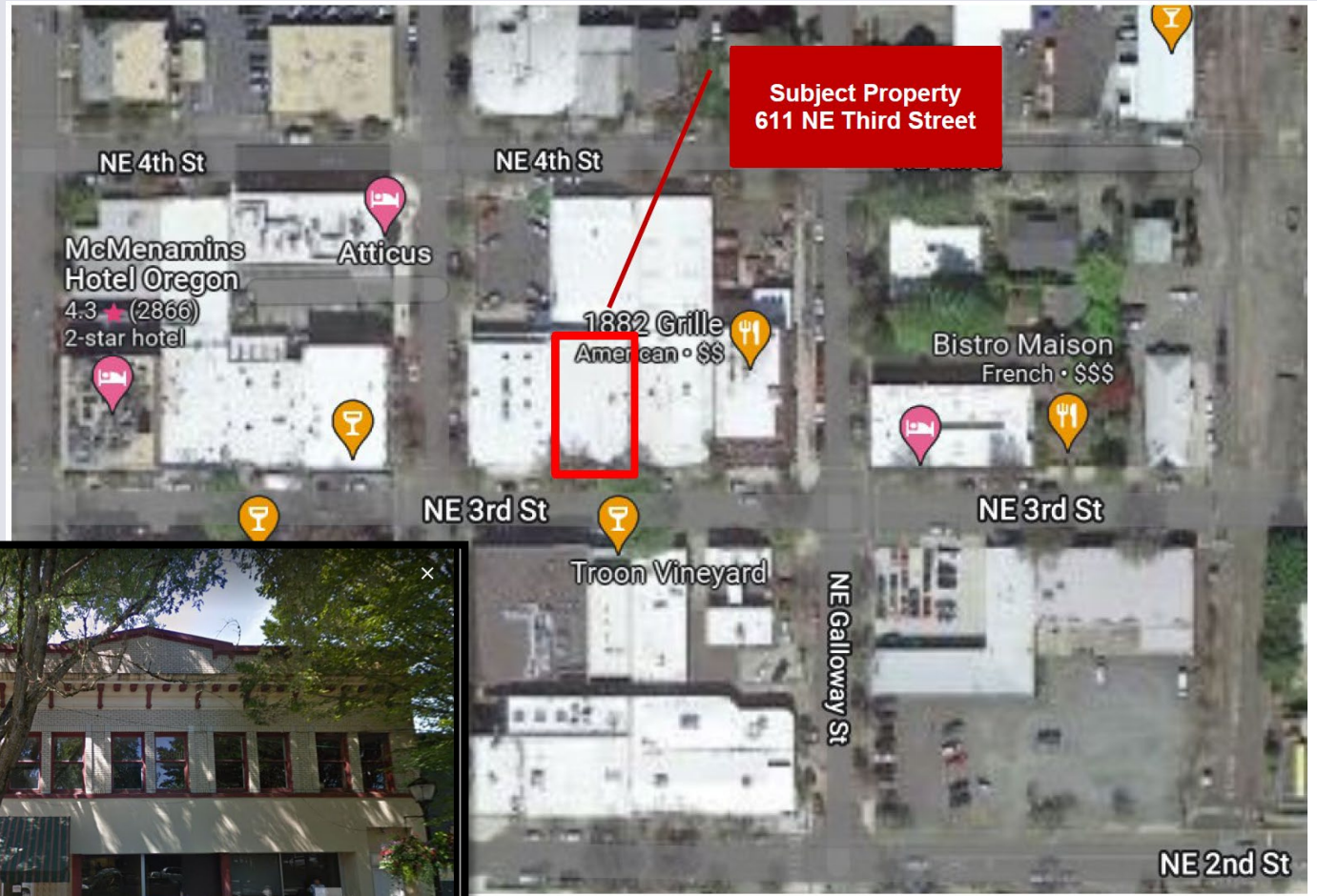
1983 photo of the property shows the modified corner storefront for the gas pumps, the removal of the brick corbeling on the second floor and the stucco veneer that was applied all over., (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)



2018, Photo of 609 NE Third Street, shows the modified corner storefront filled in with a street facing storefront.



611 NE THIRD STREET



611 NE THIRD STREET

Circa 1919 Photo of 611 NE Third Street depicting two-story brick construction with a decorative parapet and extensive brick corbeling.



1948 Photo of 611 NE Third Street depicting the ground floor storefront with the original brick veneer (Yamhill County News Register)



1983 photo of the property shows the modified ground floor storefronts, but with the retention of the original brickwork, parapet and second floor fenestration pattern, (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)



2018, Photo of 611 NE Third Street, shows the modified storefront, but the retention of the original brick, parapet and second floor fenestration pattern.



619 NE THIRD STREET



619 NE THIRD STREET



1983 photo of the property shows the modified automobile bays and decorative brick work. (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)



1969 Photo of 619 NE Third Street depicting the automobile bays. (Yamhill County News Register)



2018, Photo of 619 NE Third Street, the automobile bays have been modified into storefronts, and the brick is painted but the subtle brick decoration is still visible.



1927 PHOTO OF ALL THREE BUILDINGS



1927 photograph showing 609, 611, and 619 NE 3rd Street, looking northwest (News-Register Publishing Co).

1927 PHOTO OF ALL THREE BUILDINGS



1927 photograph showing 609, 611, and 619 NE 3rd Street, looking northwest (News-Register Publishing Co).

QUASI-JUDICIAL DECISION-MAKING

LAND-USE DECISIONS MUST BE MADE BASED ON STATE AND LOCAL REGULATIONS (Approve, Approve with Conditions, Deny)

Certificates of Approval for Demolition (HL 6-22, L 7-22, HL 8-22):

- Oregon Land Use Goal 5 – Cultural Resources
- Oregon Administrative Rule (OAR 660-023-0200)
- McMinnville Comprehensive Plan Policies
- Chapter 17.65, Historic Preservation of the McMinnville Municipal Code

New Construction (DDR 2-22):

- McMinnville Comprehensive Plan Policies
- Chapter 17.33, C3 General Commercial Zone
- Chapter 17.57, Landscaping
- Chapter 17.59, Downtown Design Guidelines
- Chapter 17.60, Off-Street Parking

QUASI-JUDICIAL DECISION-MAKING

QUASI-JUDICIAL PROCESS:

LAND-USE DECISIONS MUST BE MADE BASED ON STATE AND LOCAL REGULATIONS (Approve, Approve with Conditions, Deny)

Certificates of Approval for Demolition (HL 6-22, L 7-22, HL 8-22):

- Oregon Land Use Goal 5 – Cultural Resources
- Oregon Administrative Rule (OAR 660-005)
- McMinnville Comprehensive Plan Part 17
- Chapter 17.65, Historic Preservation

New Construction (DDR 2-22):

- McMinnville Comprehensive Plan Part 17
- Chapter 17.33, C3 General Commercial
- Chapter 17.57, Landscaping
- Chapter 17.59, Downtown Design Guidelines
- Chapter 17.60, Off-Street Parking

We must have legal findings that provide the basis for why the HLC feels that the application does or does not meet these regulations. And these findings need to hold up under a legal challenge.

THIS IS THE EVIDENCE

Demolition: STATE COMPLIANCE

OAR 660-203-0200

(8) National Register Resources are significant historic resources. For these resources, local governments are not required to follow the process described in OAR 660-023-0030 through 660-023-0050 or sections (4) through (6). Instead, a local government:

(a) Must protect National Register Resources, regardless of whether the resources are designated in the local plan or land use regulations, by review of demolition or relocation that includes, at minimum, a public hearing process that results in approval, approval with conditions, or denial and considers the following factors: condition, historic integrity, age, historic significance, value to the community, economic consequences, design or construction rarity, and consistency with and consideration of other policy objectives in the acknowledged comprehensive plan. Local jurisdictions may exclude accessory structures and non-contributing resources within a National Register nomination;

- 1. Condition**
- 2. Historic Integrity**
- 3. Age**
- 4. Historic Significance**
- 5. Value to the Community**
- 6. Economic Consequences**
- 7. Design or Construction Rarity**
- 8. Consistency with Local Policy Objectives in the Comprehensive Plan**



Demolition: STATE COMPLIANCE

OAR 660-203-0200

(8) National Register Resources are significant historic resources. For these resources, local governments are not required to follow the process described in OAR 660-023-0030 through 660-023-0050 or sections (4) through (6). Instead, a local government:

- (a) Must protect National Register Resources, regardless of whether the resources are designated in the local plan or land use regulations, by review of demolition or relocation that includes, at minimum, a public hearing process that results in approval, approval with conditions, or denial and considers the following factors: condition, historic integrity, age, historic significance, value to the community, economic consequences, design or construction rarity, and consistency with and consideration of other policy objectives in the acknowledged comprehensive plan. Local jurisdictions may exclude accessory structures and non-contributing resources within a National Register nomination;

1. Condition
2. Historic Integrity
3. Age
4. Historic Significance
5. Value to the Community
6. Economic Consequences
7. Design or Construction Rarity
8. Consistency with Local Policy Objectives in the Comprehensive Plan

There are no clear and objective directions in the OAR that states how to use the factors to make a decision (how many, etc.)

Demolition: LOCAL COMPLIANCE

Chapter 17.65.050(B): The HLC should base their decision on the following criteria:

- 1. Comprehensive Plan Policies**
- 2. Economics:**
- 3. Historic Significance**
- 4. Physical Condition**
- 5. Public Safety Hazard**
- 6. Deterrent to an improvement program**
- 7. Retention is a Financial Hardship to the Owner**
- 8. Retention is in the best interests of a majority of the citizens.**

Demolition: LOCAL COMPLIANCE

Chapter 17.65.050(B): The HLC should base their decision on the following criteria:

- 1. Comprehensive Plan Policies**
- 2. Economics:**
- 3. Historic Significance**
- 4. Physical Condition**
- 5. Public Safety Hazard**
- 6. Deterrent to an improvement program**
- 7. Retention is a Financial Hardship to the Owner**
- 8. Retention is in the best interests of a majority of the citizens.**

There are no clear and objective directions in the local codes that states how to use the criteria to make a decision (how many, etc.).

It is a discretionary decision.

SUPPLEMENTAL MATERIALS

At the September 28, 2022, the HLC determined that they needed more information to weigh out the different factors and considerations when making a decision on the land-use applications so they continued the hearing to provide the time for the applicant to provide the following information:

- *Additional Findings*
- *Historic Resources Assessment for 609, 611, and 619 NE Third Street by Architectural Resource Group, dated November 2022.*
- *Contaminated Media Management Plan for 609, 611 and 619 NE Third Street, by EVREN Northwest, dated October 13, 2022*
- *McMinnville Lease Rates by Pacific Crest Real Estate Advisors, dated November 2, 2022*
- *Property Tax Statements (609, 611 and 619 NE Third Street)*
- *Contractor Assessment, Existing Buildings, by Hugh Construction, dated October 11, 2022*
- *Overview of Historic Preservation Incentives for 609, 611 and 619 NE Third Street, by OTAK, dated October 31, 2022.*
- *Economic Value of Structures in Downtown McMinnville, Oregon, by Johnson Economics, dated November 2, 2022*

CITY PROCESS

Review application materials for compliance with state regulations, comprehensive plan policies, and local codes.

Draft decision document for consideration and to provide a baseline for discussion and deliberation.

- *Identifies Criteria for Review*
- *Draft findings matching evidence to decision of compliance with criteria*
 - *Procedural*
 - *Facts*
 - *Regulatory*

When we do not have the subject matter expertise within the staff team, we will engage consultants to review materials and provide their recommendations.

- *Traffic Impact Analysis – David Evans and Associates, Transportation Planning and Engineering*
- *Environmental Review (CMMP) – both legal and environmental technical experts.*

Review public testimony for evidence that can be used as basis for findings.

CITY PROCESS

Review application materials for compliance with state regulations, comprehensive plan policies, and local codes.

Draft decision document for consideration and to provide a baseline for discussion and deliberation.

- *Identifies Criteria for Review*
- *Draft findings matching evidence to decision of compliance with criteria*
 - *Procedural*
 - *Facts*
 - *Regulatory*

When we do not have the subject matter expertise within the staff team, we will engage consultants to review materials and provide their recommendations.

- *Traffic Impact Analysis – David Evans and Associates, Transportation Planning and Engineering*
- *Environmental Review (CMMP) – both legal and environmental technical experts.*

Review public testimony for evidence that can be used as basis for findings.

With an eye towards defending a decision legally if appealed.

DEMOLITION = JEOPARDIZE HISTORIC DISTRICT ELIGIBILITY

At the September 28, 2022, public hearing, the HLC asked if the demolition of the three structures would jeopardize the integrity of the historic district:

*Paul Lusignan, Historian, National Register of Historic Places,
National Park Service, Oregon Representative (email 12.29.22).*

“The answer to your question is that the effect of three demolitions MIGHT impact the overall eligibility of a district, but not likely. It would really depend on the historic character, location, or significance of those three properties. If they were located at the pivotal core of the district occupying prominent corner locations, or otherwise dominating their neighbors through scale or styling, the demolition might such an oversized impact that questioning the ability of the remaining district to convey a cohesive sense o time and place might be appropriate. If on the other hand the three buildings are merely typical historic infill, (or located at the edges of the district) then their loss would have limited impact on district’s eligibility. For the district in question the number of contributing to non-contributing resources would not be greatly altered with the loss of just three contributing buildings.”

DEMOLITION = JEOPARDIZE HISTORIC DISTRICT ELIGIBILITY

At the September 28, 2022, public hearing, the HLC asked if the demolition of the three structures would jeopardize the integrity of the historic district:

Paul Lusignan, Historian, National Register of Historic Places, National Park Service, Oregon Representative (email 1.3.23).

“While their potential loss is unfortunate, I don’t think the demolition would compromise the entire district’s eligibility. I do think the city will look back on the demolition, if it happens, sadly unless the infill is very compatible and not just more parking lots. That may be where they should place their effort – requiring some compensation for the loss by having stronger input into the replacement.”

DECISION DOCUMENTS

Choice of Approval, Approval with Conditions or Denial

Conditions of Approval provided for an Approval Vote

Recommended Changes to Conditions of Approval:

- **COA #1 – Amend Language**
- **COA #11 – Amend language**
- **COA #12 – Delete condition based on strengthened language in COA #1**

COA #1

Condition of Approval #1: The Certificate of Approval for Demolition of _____ NE Third Street is contingent upon a replacement project that meets all of the city's local regulations, state regulations, and federal regulations, including DEQ requirements, directions and guidance related to any DEQ LUST case contained in a Contaminated Media Management Plan (CMMP) or instrument such as an Easement and Equitable Servitudes **and is ready to proceed. Readiness to proceed is defined as issuance of building permits for the replacement project.** A demolition permit will not be issued until that has been established. The penalty for demolition without a permit will be equal to the real market value of the most recent assessor's statement for both the structure and the land paid to the City's Historic Preservation Fund. This will be assessed annually until the property is successfully redeveloped. (OAR 660-023-0200(8)(a))

COA #11

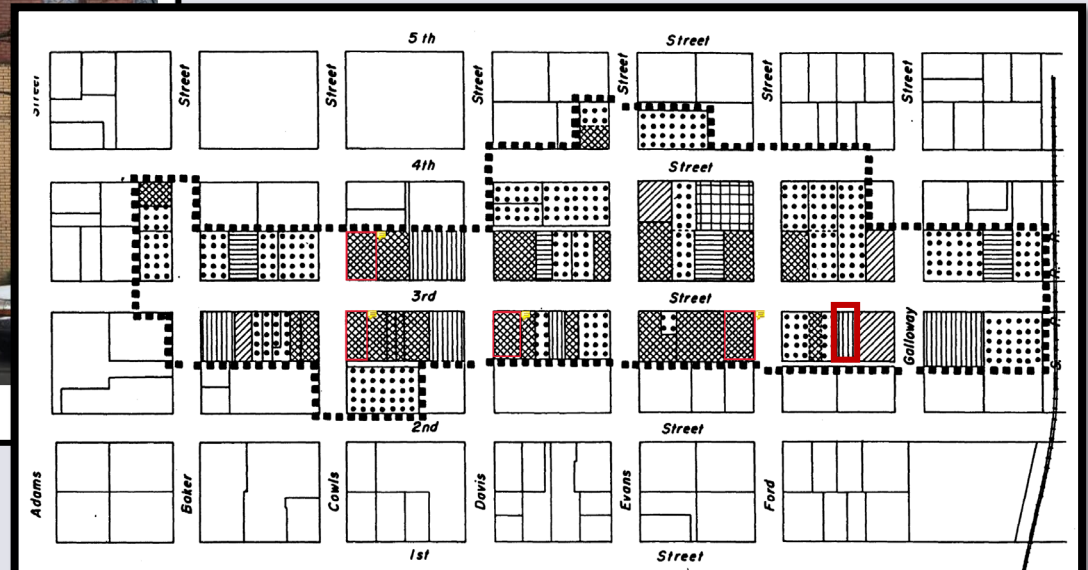
Section 17.65.010(B) – Promote the education of local citizens on the benefits associated with an active historic preservation program.

Current Language: Prior to the approval of a demolition permit, the applicant will commission a study on what needs to happen in McMinnville relative to market costs to achieve the community value of historic property rehabilitation/restoration with low lease rates to support local businesses. (McMinnville Municipal Code, 17.65.010(B))

Recommended Amended Language: Prior to the issuance of a building permit, the applicant will need to meet with the McMinnville Downtown Association to develop a program that will educate local citizens on the benefits associated with an active historic preservation program, that will then be approved by the Planning Director.

PRECEDENCE

National Register Historic Resource Demolition - 618 NE Third Street (2019) Primary Significant Contributing within the historic district. "C" resource on the local McMinnville Historic Landmarks Inventory.



McMINNVILLE DOWNTOWN HISTORIC DISTRICT

- | | |
|------------------------------------|--|
| Primary Significant Contributing | Compatible Non-Historic Non-Contributing |
| Secondary Significant Contributing | Non-Compatible Non-Contributing |
| Historic Non-Contributing | Vacant |



PRECEDENCE

"B" Resource Demolition, Mac Hall, Linfield College (2021),



GWENDOLYN HOTEL



Approximately 20,000 sf. Six stories. Underground parking garage with 67 parking stalls. Ground floor commercial. Four floors of hotel rooms for approximately 90 guest rooms. A rooftop deck with a pool, spa, and dining. Tallest point is the elevator tower in the back which is 79 feet tall.

CRITERIA = UNDERLYING C3 ZONE

The first layer of review is for compliance with the underlying zone, which are clear and objective standards.

*17.33, C3, General Commercial Zone
17.60, Off-Street Parking and Loading*

Hotel is an allowed outright permitted use downtown and on Third Street and does not need a land-use decision for the use.

Parking is not required in the downtown for any commercial establishment. This project is providing 67 parking spaces voluntarily.

Maximum height is 80' in the C3 zone.

CRITERIA = DOWNTOWN DESIGN

The second layer of review is for compliance with exterior design standards for the downtown overlay district. Those standards are comprised of shall and should criteria.

17.59, Downtown Design Standards and Guidelines

These are for the most part clear and objective standards, but there are also guidelines which are discretionary.

The testimony, has been, for the most part focused on the scale, height and massing of the proposed project, which fall into the guidelines category of the chapter, with “should” criteria and are discretionary.

SUPPLEMENTAL MATERIALS

Received on November 7, 2022

- *The Gwendolyn Hotel, Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- *Attachment 1: Contaminated Media Management Plan for 609, 611 and 619 NE Third Street*, by EVREN Northwest, dated October 13, 2022
- *Attachment 2: Transportation Impact Analysis Addendum, Gwendolyn Hotel*, by OTAK, November 4, 2022

And the following memorandum on November 7, 2022, for HL 6-22, HL 7-22, and HL 8-22:

- *Gwendolyn Hotel HHPR Structure Report – Response to City of McMinnville Staff Report dated September 29, 2022*, by Harper Houf Peterson Righellis Inc., dated November 6, 2022.



EXTERIOR FAÇADE CHANGES



FINDINGS

At the September 28, 2022 public hearing, staff determined that the project was not compliant with 17.59.050(B)(1):

Building Design: Buildings should have massing and configuration similar to adjacent or nearby historic buildings on the same block. Buildings situated at street corners or intersections should be, or appear to be, two-story in height.

Applicant's Response:

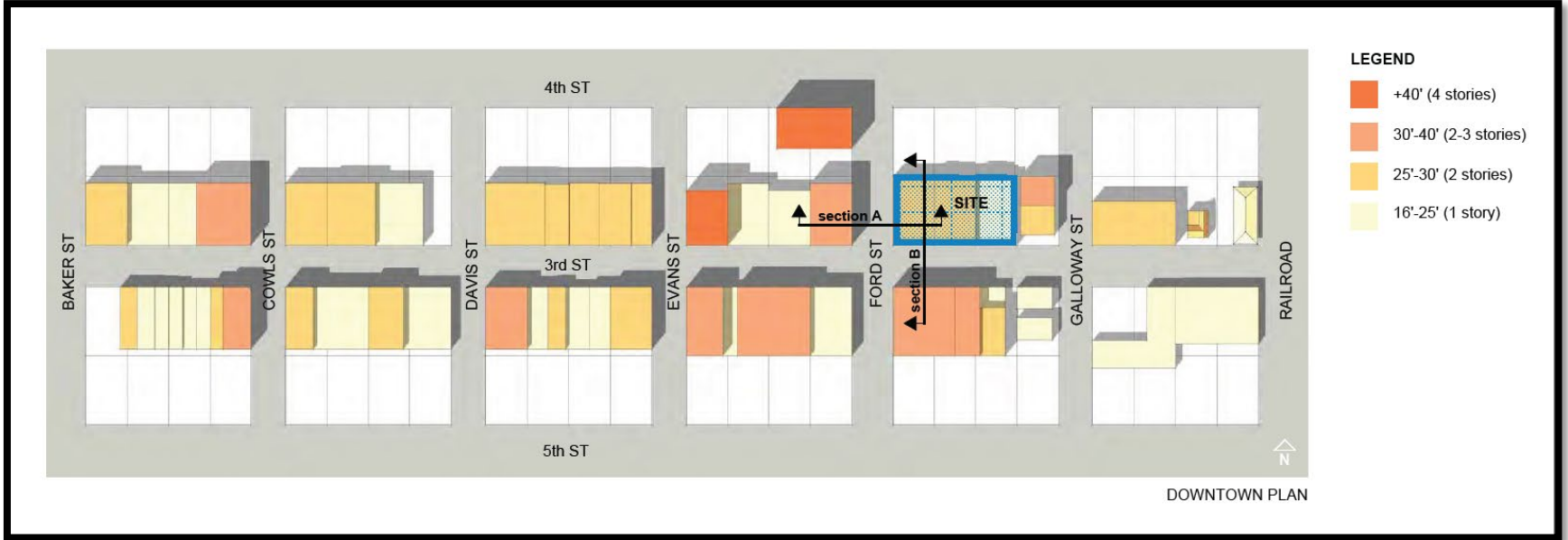
- **Criteria language is “should” and not “shall” – ie a guideline.**
- **Changed design so that the building steps back after the second floor and not the third floor.**
- **Argument that the height is one story taller than McMenamins and two-stories taller than the Atticus, and within the maximum height limit of the underlying zone.**

HEIGHT PERSPECTIVE

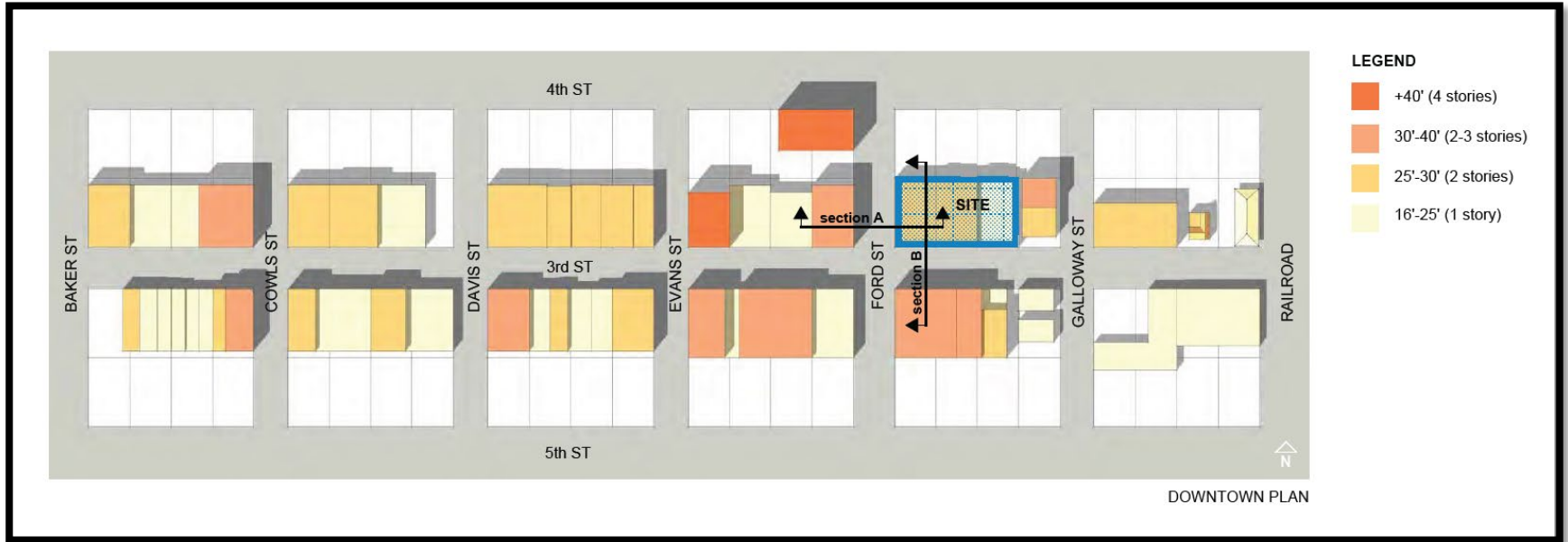


VIEW OF GWENDOLYN HOTEL FROM FORD ST AND 3RD STREET

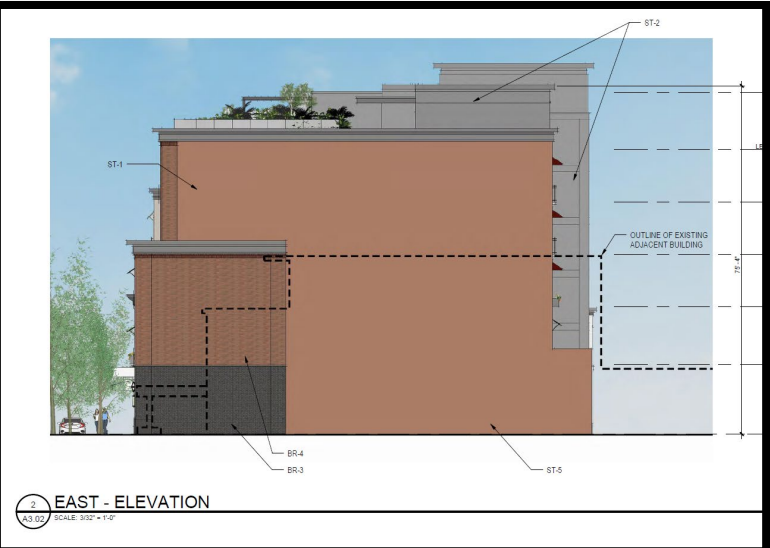
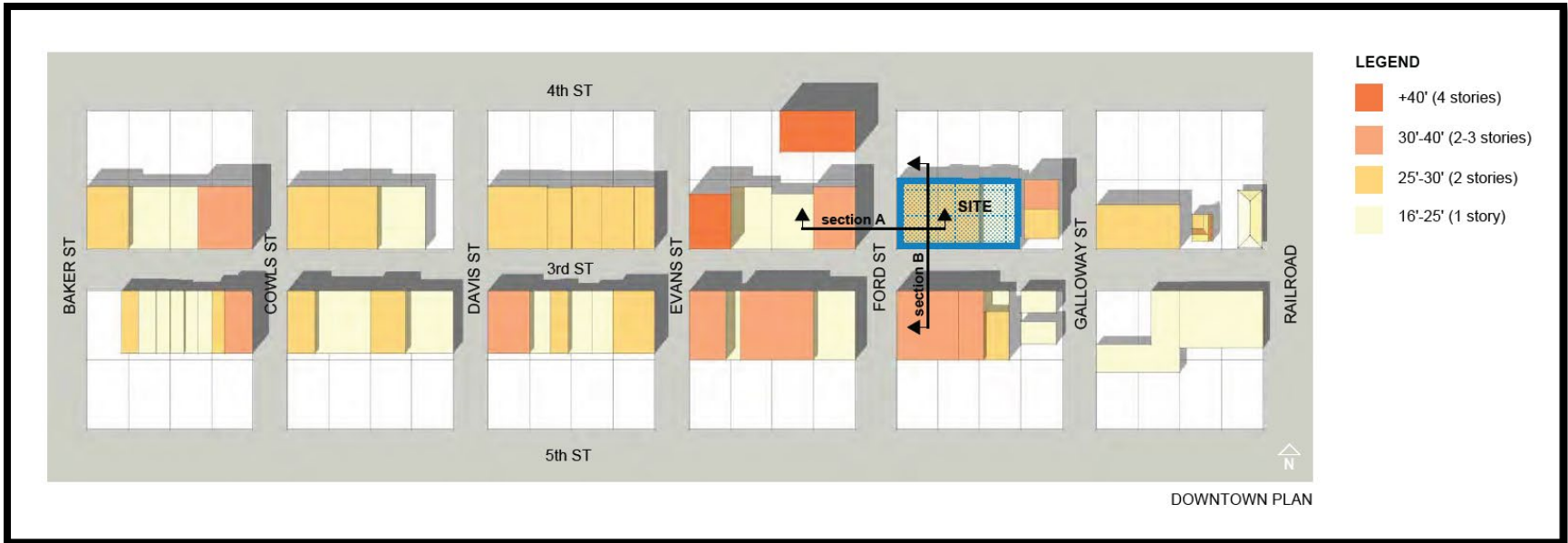
HEIGHT STUDY



HEIGHT STUDY



HEIGHT STUDY



CORNER PERSPECTIVE



PERSPECTIVE AT CORNER OF 3RD AND FORD

PRECEDENCE

Atticus Hotel (2017)
First Federal Bank (2019)



Criteria Not Met

McMinnville Municipal Code, 17.59, Downtown Design Guidelines (New Construction):

Section 17.59.050(B)(2) *Where buildings will exceed the historical sixty feet in width, the façade should be visually subdivided into proportional bays, similar in scale to other adjacent historic buildings, and as appropriate to reflect the underlying historic property lines. This can be done by varying roof heights, or applying vertical divisions, materials and detailing to the front façade.*



180' length.

Bays = 82', 36' and 60'
(not proportional)



Proportionality is the same.



FINDINGS

Section 17.59.050(B)(2) *Where buildings will exceed the historical sixty feet in width, the façade **should** be visually subdivided into proportional bays, similar in scale to other adjacent historic buildings, and as appropriate to reflect the underlying historic property lines. This can be done by varying roof heights, or applying vertical divisions, materials and detailing to the front façade.*

Applicant's Response:

- **Criteria language is “should” and not “shall”.**
- **Changed the design for the appearance of three distinctive buildings.**
- **Provided a study of tax lot widths and similar proportionality of buildings across the street.**

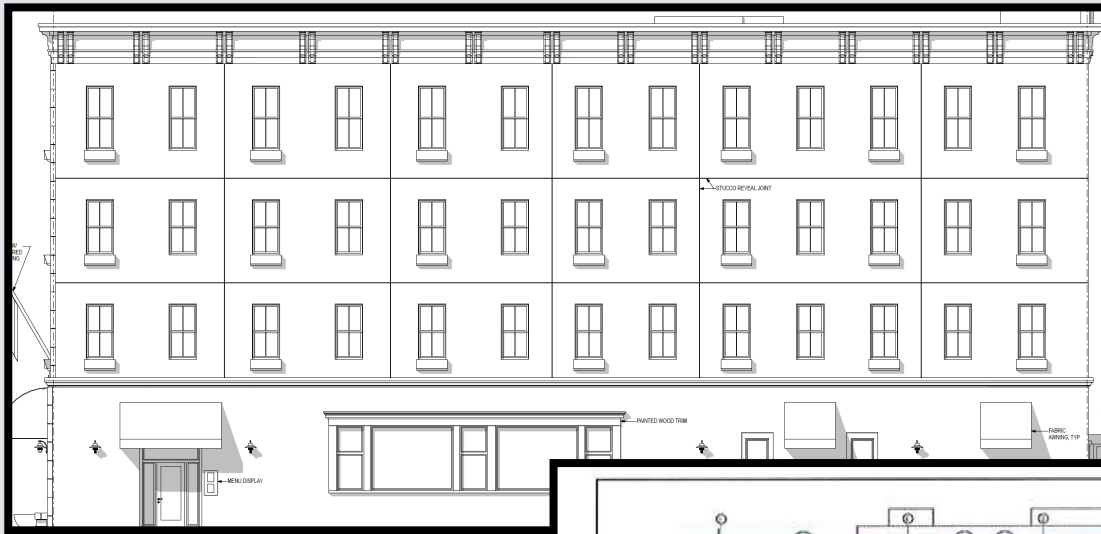
90, 30, 60



PRECEDENCE

Atticus Hotel (2017)
First Federal Bank (2019)

116 Feet



160 Feet



WAIVERS FOR GUIDELINES

SECTION 17.59.030 (D)

Waiver Process

A guideline or standard contained in this ordinance may be waived as part of the design review process when it can be demonstrated that the proposed design satisfies or exceeds the downtown design goals and objectives of this ordinance. If a waiver is requested, the applicant must explain in their application how the proposed design satisfies or exceeds these goals and objectives. **A request for a waiver to the standards of this ordinance shall be reviewed by the McMinnville Historic Landmarks Committee, as described in Section 17.59.030(C)(2).**

The code does not define a guideline versus a standard.

The City has not recently required waivers for those elements of the Downtown Design Guidelines and Standards that have “should” statements.

KAOS building, Atticus Hotel, First Federal Bank, Taylor Dale 2

DECISION DOCUMENTS

Choice of Approval, Approval with Conditions or Denial

Conditions of Approval provided for an Approval Vote

Recommended Changes to Conditions of Approval:

- **Add a Condition of Approval #14 – per the applicant’s narrative, all three properties will need to be consolidated into one property prior to building permit issuance.**

PUBLIC TESTIMONY

Victoria Anderson
Kira Barsotti
JP and Ames Bierly
Jeb Bladine
Phyllice Bradner
Beth Caster
Nathan Coopriider (x3)
Courtney Cunningham
Carol Dinger
Shanna Dixon
Peter and Linda
Enticknap
Elizabeth Goings
Sharon Julin
Meg and Zach Hixson
Practice Hospitality
Katherine Huit

Daniel Kiser (x2)
Marilyn Kosel (x2)
Michael Kofford
Sylla McClellan
Marianne Mills
Megan McCrossin
Ernie Munch (x3)
Abigail Neilan
Carol Paddock (x2)
Ilsa Perse
Kellie Peterson
Jordan Robinson
Karen Saxberg
Scott Family
Mandee Tatum
Patti Webb

COA AMENDMENTS

HL 6-22, 7-22, 8-22:

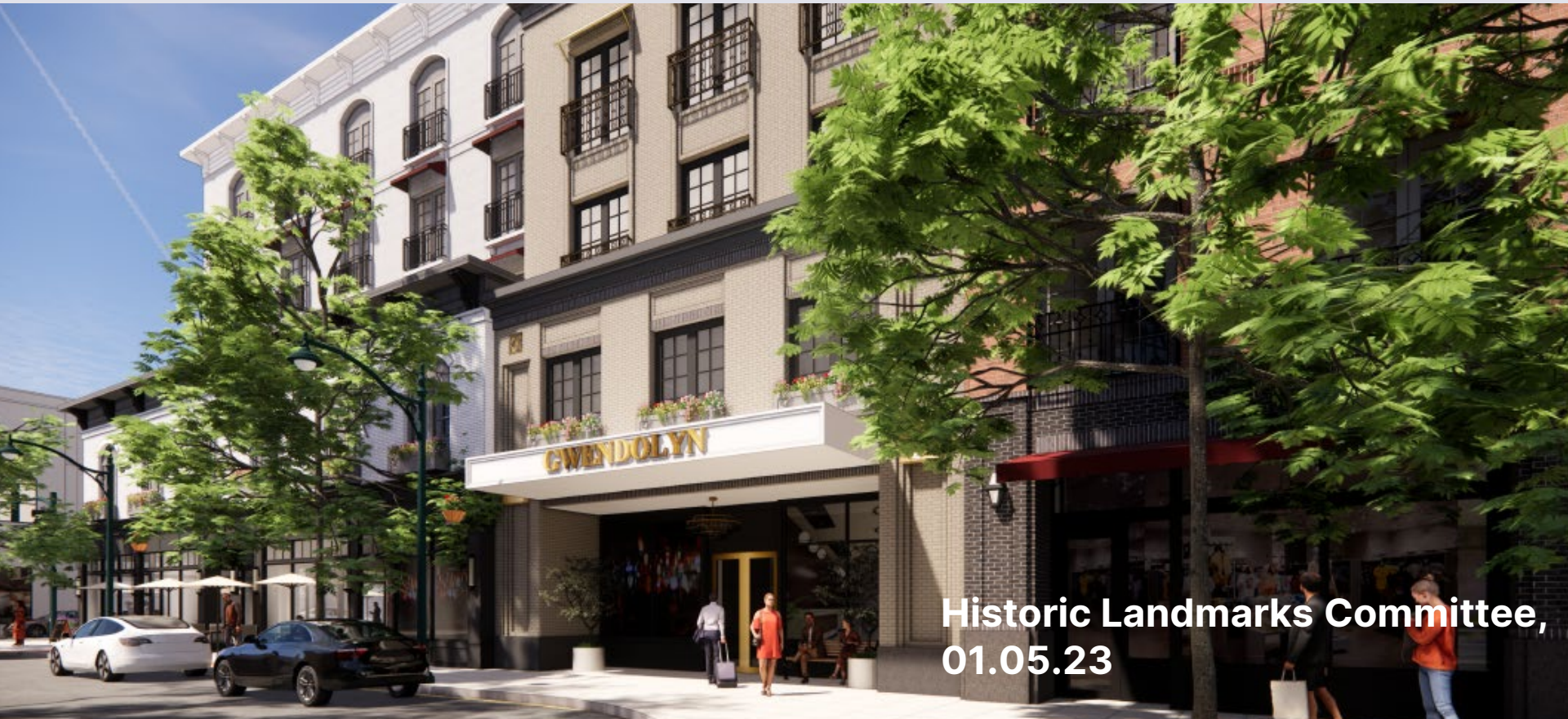
- **Amend Condition of Approval #1:** The Certificate of Approval for Demolition of _____ NE Third Street is contingent upon a replacement project that meets all of the city's local regulations, state regulations, and federal regulations, including DEQ requirements, directions and guidance related to any DEQ LUST case contained in a Contaminated Media Management Plan (CMMP) or instrument such as an Easement and Equitable Servitudes ***and is ready to proceed. Readiness to proceed is defined as issuance of building permits for the replacement project.*** A demolition permit will not be issued until that has been established. The penalty for demolition without a permit will be equal to the real market value of the most recent assessor's statement for both the structure and the land paid to the City's Historic Preservation Fund. This will be assessed annually until the property is successfully redeveloped. (OAR 660-023-0200(8)(a))
- **New Condition of Approval #11:** Prior to the issuance of a building permit, the applicant will need to meet with the McMinnville Downtown Association to develop a program that will educate local citizens on the benefits associated with an active historic preservation program, that will then be approved by the Planning Director.
- **Delete Condition of Approval #12:**

DDR 2-22:

- **Add Condition of Approval #14:** Per the applicant's narrative, all three properties will need to be consolidated into one property prior to building permit issuance.



GWENDOLYN HOTEL PUBLIC HEARING



Historic Landmarks Committee,
01.05.23