



MEMORANDUM

DATE: March 15, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Public Testimony for AP 1-23 (HL 6-22), AP 2-23 (HL 7-22), AP 3-23 (HL 8-22), and AP 4-23 (DDR 2-22), Appeal of the Gwendolyn Hotel Land-Use Applications (Received on March 15, 2023)

Planning Commission Members,

Following is the public testimony that has been received for the appeal of the Historic Landmarks Committee's denial of the three Certificates of Approval for Demolition for the historic resources at 609, 611, and 619 NE Third Street, and the Certificate of Approval for New Construction for the Gwendolyn Hotel project on March 15, 2023.

Public Testimony:

- Carol Paddock, 03.15.23
- Nathan Coopriider, 03.15.23
- Ernie Munch, 03.15.23
- Katherine Huit, 03.15.23
- Ilsa Perse, 03.15.23
- Marilyn Kosel, 03.15.23

I wish to present to you a conceptual idea for reuse of the three historic buildings. Arguments against renovation have relied heavily on the cost of the potential need to seismically retrofit them. But since the last meeting we have learned that the need for seismic upgrades is less than likely. This is a reminder from the March 1, 2023 memo from McMinnville’s building official, Stuart Ramsing.

If an alteration or addition is to occur, the OSSC may require a building upgrade*** for seismic safety in several scenarios:

- When a change of use or occupancy occurs that places the building in an increased seismic risk category (this is unlikely to occur). For example, the occupant load for any of the three buildings increasing to more than 300 total occupants would result in an increased seismic risk categorization.
- Where a change increases the live load (e.g., weight of people and furnishings). For example, changing from office to an performance venue with a higher concentration of people (i.e., weight on the structure). This could occur without increasing the seismic risk category.
- If an addition is physically attached, then the existing structure plus the addition must be evaluated. Upgrading is avoided by separating any adjacent addition by several inches per story height. The building and addition could be “bridged” with seismic joints and exterior weather protection to functionally perform as a connected building without upgrading the existing building..
- If the building is altered in a manner creating structural irregularities (e.g., removing interior floors to create a large atrium).

***Upgrade for seismic safety may be to a lesser standard than for new construction, based on a number of variables.

So, we know that an efficient historic rehab, cost-wise, would generally be one which stays under a 300-person occupant load, avoids heavy additions such as major equipment or a substantial number of people, builds within the existing structure, and uses a straightforward (non-irregular) structure.

And

We know that the applicants’ structural expert found structural issues to be repairable:

Re: 609 NE 3rd Street, pages 65 of 292, Exhibit 2:

Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant’s expert, an out of plane roof truss, can be repaired and it is not clear how much of the \$11 million dollars relates to that particular repair over other restoration expenses. Moreover, the applicant’s

Re: 611 NE 3rd Street, pages 147 of 292, Exhibit 2:

not justify demolition in this particular case. The rehabilitation cost includes seismic retrofitting, which the Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant’s expert, missing built-up beams, can be repaired and it is not clear how much of the \$11 million dollars relates to that particular repair over other restoration expenses. Moreover, the

Re: 619 NE 3rd Street, pages 225 of 292, Exhibit 2:

justify demolition in this particular case. The rehabilitation cost includes seismic retrofitting, which the Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant’s expert, including rotten ends of roof or support trusses, can be repaired and it is not clear how

Teams and firms dedicated to renovation could provide exciting ideas for rehabilitating these structures.

The following is a concept for the O'Dell building. Depending on structure, similar (or different) concepts could be developed for the other buildings.

Not having toured the building for this purpose, I have made some assumptions:

Bays of the O'Dell building appear to be 20' x 20'—heavy timber trusses running E-W with timber cross bracing running N-S.

There is an assumption that a 2nd-story level is possible based on existing 2nd-story offices along 3rd street, and also the applicants' 2-story News-Register/Wild Haven boutique hotel example. I have used the stairs from their example to establish the height of the 2nd story.

Structural trusses and cross-braces appear to be at mid-2nd-story level, which limits mezzanines to within the bays at about 18' x 18' to account for structure. Truss size and heights are estimated from photos (counting bricks in photos, assumed to be 3" tall).

I don't know how the existing 2nd-story offices dealt with the cross bracing. If they had some way of breaching them and stabilizing the trusses, then the mezzanines in this concept could run the entire E-W width of the building—possibly 18' x 56' instead of 18' x 18'.

18' x 18' mezzanines are large enough for a nice individual office or 3 cozy workspaces.

Spaces can be open to the life, vibrancy, & noise of below, or fitted out with walls for privacy and quiet.

Spaces could be available to tenants who cannot afford a larger space.

The building would probably develop its own vibe: creative studios vs. offices vs. shops, for example.

Spaces are not required to be accessible, thus saving the cost of an elevator.

- Because of this, mezzanines cannot stand alone with a use that serves the public. They could be private offices for instance. However,
 - It would be acceptable to walk downstairs and meet a disabled client in a lovely area set up for the purpose.
 - It is also acceptable to use a mezzanine for overflow purposes if the disabled are served on the ground level, such as a ground-floor café with extra seating above, or a beauty shop with stations above, as long they are also on the ground level.

With the 20'-bay module, there is a variety of mezzanine configurations possible. I only showed three bays filled in. There is also a variety of stair access configurations. Stairs could serve as dividers between uses with storage or equipment beneath.

This concept does not take into account the potential of soil remediation. It is unclear from the submittals of the applicants' boutique hotel example how much to allocate to that. Although the original structure is not impacted by this scheme, there would still need to be new footings within its walls to support the mezzanines.

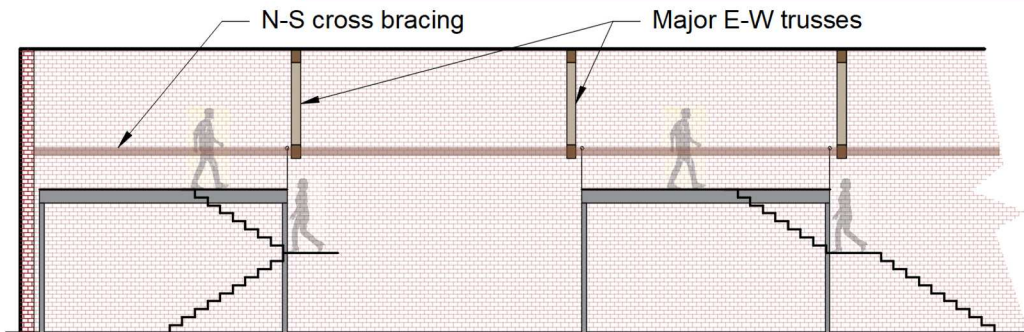
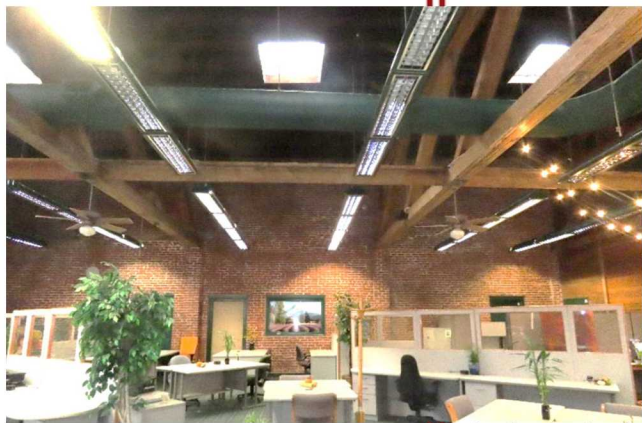
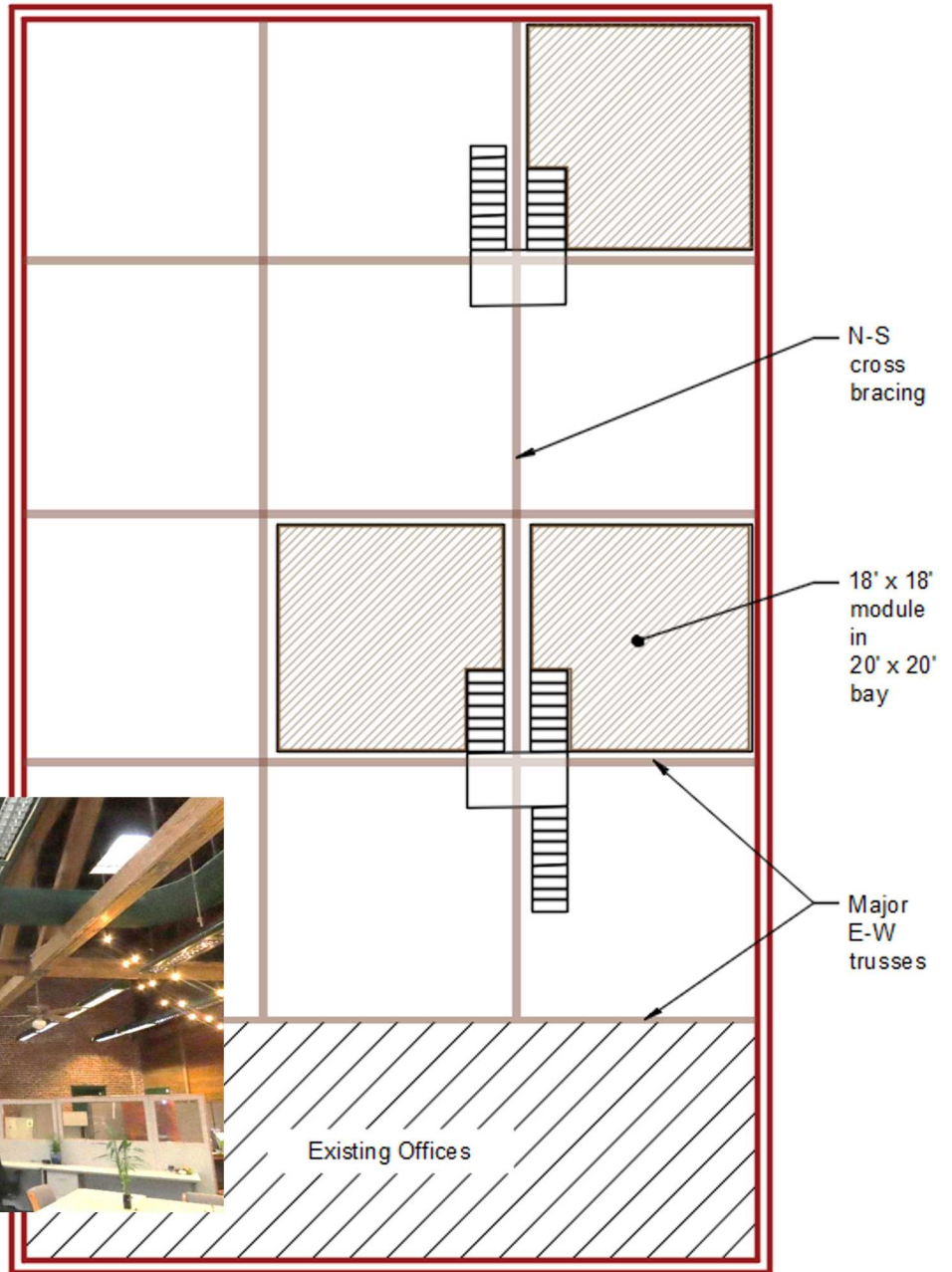
This is a complex set of applications. But you actually don't have to make this decision. Your task is to either support or overturn the Historic Landmark Committee's decision. It is possible to disagree with some aspect of their decision, yet still find it well founded.

Imagine how exciting it must have been 100 years ago to have a brand new car. It must have been thrilling to walk by, look in the windows and dream. It was a place downtown to check out the new technology, to see and be seen. This block must have been a "happening" place to be!

It can come alive again.

Carol Paddock

Thank you.
Carol Paddock



Memo: Public Testimony

Gwendolyn Hotel – Appeal of HLC decision, apps HL-6-22, HL-7-22, HL 8-22, & DDR 2-22

Date: Wednesday, March 15th, 2023, Interview with Kevin Cavanaugh, Guerrilla Development

By: Nathan Coopridr

Dear McMinnville Planning Commission:

At the hearing on the 2nd, I was asked if the Guerilla Development project “Atomic Garage” was profitable. I was able to reach Kevin Cavanaugh and ask him this and some other questions. He told me to share with everyone that he would love to come testify in person this week but he is over booked. He did emphasize to look on his website, and contact him when needed: <http://guerrilladev.co/> I was able to send him to the City’s website current record of these applications and we connected over a very quick phone call. The following Q&A is from my phone call with Kevin on March 7th, 2023.

Q: Is the Atomic Garage profitable?

A: I can’t say that right now because we just completed it! It takes time with each building. However we plan every project carefully and our profit is incremental, and comes through holding our buildings for the long haul. Office occupancy is tricky right now so I’m glad to see the Building Official say there are flexible options for other uses. Housing is doing better than office right now, so they might want to consider housing for the upper floor, but it all depends on running the numbers – which are always changing, and based not only on the specific block but also the point in time. Things go up and down.

Q: How do you make a profit on small building renovations, we’re being told that is not the “highest and best use”?

A: “Highest and best use” is mostly misunderstood, or differently understood depending on your objectives. Usually it is meant to convey only the highest use, and by highest meaning the highest profit. The “best” part is often ignored. “Best use” is about social capital and community. The question should be, “What is the highest and best use for this building? And for this neighborhood? And for this community?” This is how we approach projects. We find projects more successful when they tap into what’s happening in that specific location and we also do a lot of research into what is needed or a niche that isn’t being filled. We call many of our projects “social repair”, and find that investors and tenants respond to that, as it is often in line with their values providing a good or service to their community. Although any improvement is a kind of gentrification, we try to mitigate the rent increase impact on small businesses. In some ways, the more you spend the greater the gentrification. That’s why we take a lighter hand in renovations. We also include many very small tenant spaces to spread the rent out and help small businesses. That also creates a more vibrant and active building and block.

Q: These are 1 and 2 story brick auto-garages that are over 100 years old that need structural and cosmetic improvement, restoration, environmental clean-up and creative re-use to create a more dense and active building with a strategy to generate the rent needed for a profitable project.

A: Yes! These are my kind of buildings! Just because one developer has one idea about demolition and maximum number of new stories doesn’t mean that there aren’t many others who would do something differently. I am just one of them. Many do both new and renovation. Let me know if this attempt doesn’t go forward and I will take a serious look. In the meantime, I can do consulting for you or anyone interested. I can show alternatives, renderings, massing, and pro-forma to make it work. I will need to do some research on McMinnville and learn a little more about these buildings. I would like to find out if there are local investors. I would love to be retired and be able to come testify about adaptive re-use development and development scaled to fit in these historic buildings but right now I can’t take that time as so much is happening with my business that needs my attention. But please quote from me and share as much as you can. I’m happy to talk to anyone about projects we can look at in McMinnville. Look at my website where you can see project before-and-after photos and plans and pro-forma data. In the historic district, the City of McMinnville holds all of the cards. There are hundreds of developers. There is only one McMinnville. I can and want to do something with McMinnville. But don’t ask me to do something across the street if this building is built. A 5 or 6 story building is going to ruin the human

scale. You don't know if re-use doesn't pencil now until you have run the numbers on a realistic project that has some creative thought in it. We always start by looking at the building and asking what it offers, what its strengths are. And it is often the potential that others don't see that we capitalize on. Look at "The Ocean" on our website. That was a 1-story former auto-shop. It is zoned for a 6-story apartment building that would kill the feel of the neighborhood and the human scale. We renovated it. It is visited by 600 people a day. It has 7 different tenants and it is completely alive. It has Han Oak, restaurant of the year in Portland. This is how we create projects to the highest and best use. Across the street is "The Shore". It was an old Timberline Dodge building. This is also one of our most successful projects. If this was torn down for apartments it would ruin the scale and the character of the neighborhood. Show them alternatives. The Atomic Garage. Show them "Jolene's First Cousin". Quote me all you like. My career is built on projects like this, and this is all the proof you need that it can be done successfully. Especially when thinking creatively. We think 'outside the box', but do it inside the building envelope. One project we even reduced the square footage to bring in light and a sunny courtyard, and this created that much more store frontage, which is higher value, and in this specific building it was the best thing to do. That's "New New Crusher Court" on our website. That was an auto-shop too. Have them look at our website and call us if other info is needed. Don't let them convince you these buildings are a lemon. It needs to be given a real, creative look. My career is based on restoring this kind of building. I know, based on my own success, that this can be done.



The Ocean – Before



The Ocean – After

See Website for The Ocean Documentary...

https://vimeo.com/111675131?embedded=true&source=vimeo_logo&owner=6039869



The Ocean – After



The Ocean – After

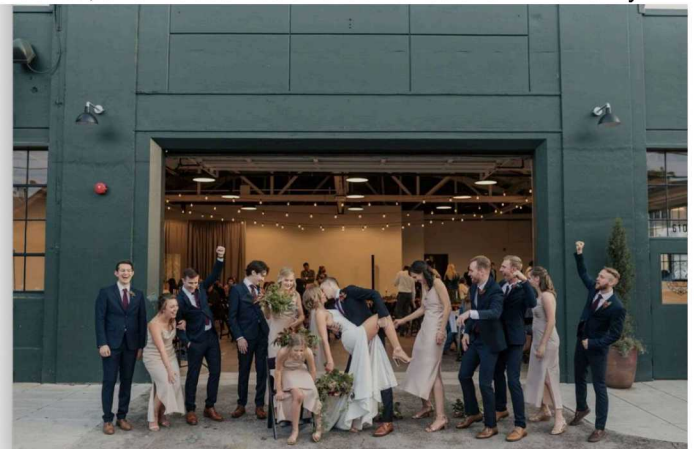
Hungry? Let's hope the tides roll you to The Ocean in NE Portland. In 2012, Guerrilla Development transformed a defunct car dealership into a sea of colorful storefronts that greet micro-restaurant goers. Grab a Piña colada and enjoy the ample outdoor seating – a social hot spot when the sun decides to shine (and, because we're Portlanders, even when it doesn't...)



Believe this architect: It is very much possible and natural, to bring to life this beautiful group of buildings. Visualize: Creative, cosmetic storefront improvements. This is authenticity. This is Historic McMinnville. All that is missing are ACTIVE uses (and a color scheme). It has been closed off due to 47 years of office use. There are other incremental façade improvements, that can happen now and gradually as the owner takes root. The O'Dell Corner could have multi-panel sliding doors – closed in winter, all the way open in summer. Visualize the activity: The bakery, the coffee shop, the bookstore, the art gallery, the music stage, all in one. This is VERY low-hanging fruit when it comes to creative re-use. Shorter buildings are EASIER to re-use. Bring to life a sunny outdoor patio on the open corner of the block facing 4th Street. Share it with the Bindery. These are the only historic garages in the district – and they are UNIQUE, this is a REAL place, full of life. The upper floors are not being used, but they can be. Rehab is cheaper and greener way to achieve the same square footage, and add a little along the way. Expensive is to try to build this back 'in kind', which is why any replacement will ultimately have a cheaper look and NEVER provide the continuity that the district has now. Garage's have large doors for traffic. What if that historic auto flow was turned into an internal pedestrian 'street'? And along that internal 'street' there were MANY small business vendors. Pike's Place has a store just for honey. The INTERCONNECTEDNESS of these 5 buildings has been seen as a weakness. What if it is really a strength? Celebrate the skylights, the beams and rafters, the McMinnville BRICK, kept in place, where it was stacked! Don't forget the McMinnville way, that has led us to where we are. Mezzanine's ARE the McMinnville way. These owners have done such an amazing job improving these buildings and improving 3rd Street. It is simply time to pass that torch to new owners and investors who will keep this tradition alive. All are welcome. It is who we are, what we've chosen, and required by our codes, and it deserves and demands a SERIOUS try.

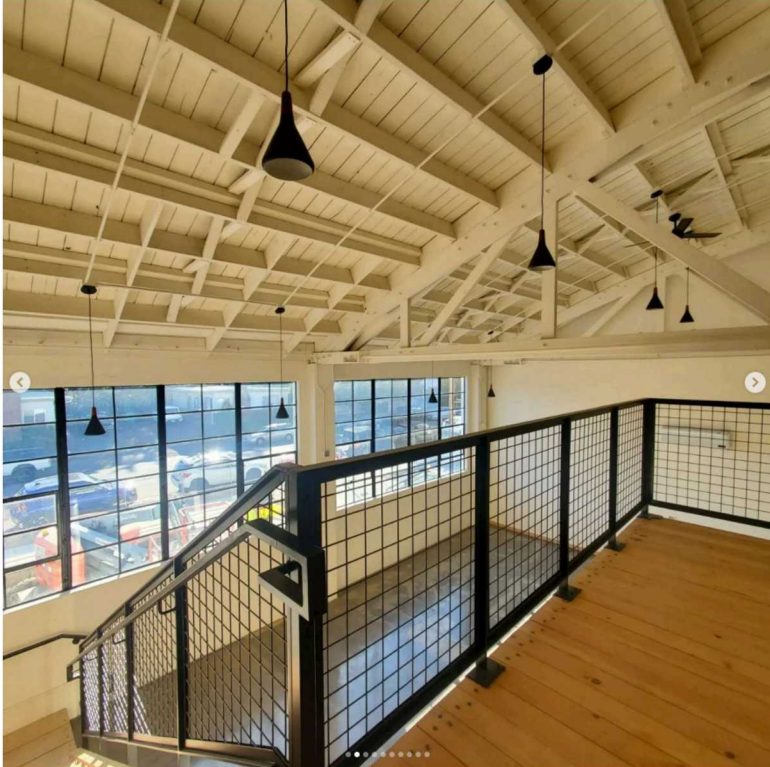


The Bindery – Before



The Bindery – After

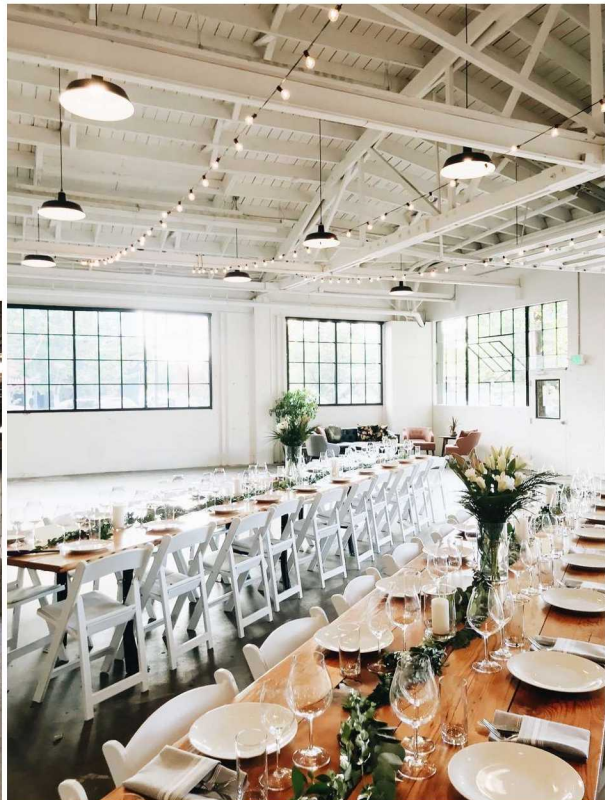
The Renovation of This Block Has Already Begun!!!



Guerrilla Development, Atomic Garage, 1 / 26 / 2023



The Bindery – Before



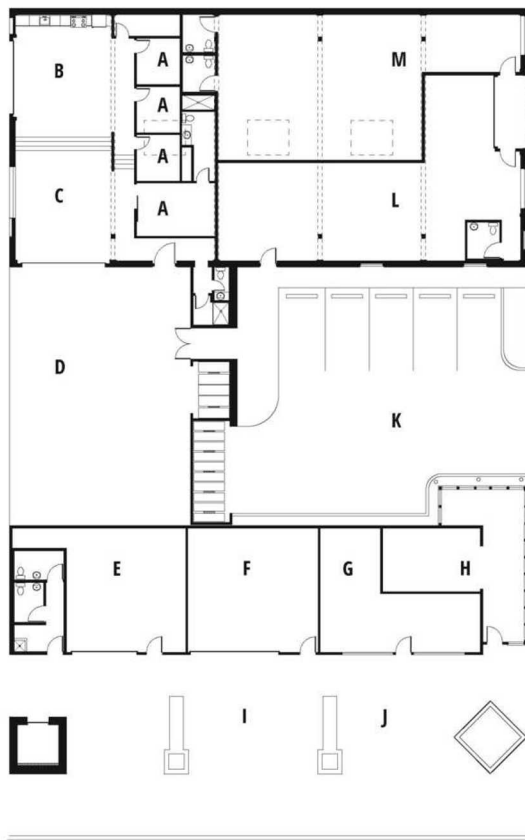
The Bindery – After

Google Kevin Cavanaugh. Watch his Ted Talk. Visit his website. This is a profitable approach to adaptive re-use. Many can do this. The current applicant can do this. The profit is there for the taking. This is not naïve idealism: this is creativity, this is investing in the place and in the historic patterns and building fabric that exist. **Purpose:** “To provide for the protection, enhancement and preservation of buildings, structures, and other elements in the downtown core which contribute to its special historic and cultural value”

The Ocean, 2015																				
4/1/2016																				
PROJECT FACTS:										CASH FLOW CALCULATION										
6	Site Area									NET OPERATING INCOME	\$ 129,764									
7	Number of stories	2014 base		2015 base	-1					(-) MORTGAGE	(\$85,596)	\$1,842								
8	Retail 1	\$ 1,424.0	638.5	\$1,467	576	8.41%				NET CASH FLOW	\$44,168	\$3,681								
9	Retail 2	\$ 1,568.0	702.5	\$1,615	640	9.26%						\$1,839								
10	Retail 3	\$ 1,370.0	567.5	\$1,411	505	7.48%						\$3,794								
11	Retail 4	\$ 1,489.0	667.5	\$1,534	605	8.80%														
12	Toilet Rooms/Mop sink				250					OWNERSHIP RETURNS										
13	Pie Spot	\$ 1,893.0		\$1,950	1,470	19.37%				Inv. 1 - KC	\$ 118,412	2013	2014	2015	2016	2017	2018	2019	2020	2021
14	Tails n Trotters	\$ 2,050.0		\$2,111	1,551	20.44%					\$ 30%	\$0	\$7,105	\$9,473	\$10,551	\$11,700	\$12,883	\$14,102	\$15,357	\$311,261
15	Loft	\$ 2,051.0		\$2,112	1,992	26.25%				Inv. 2 - JC	\$ 157,885	\$0	\$9,473	\$12,631	\$14,068	\$15,600	\$17,177	\$18,803	\$20,477	\$415,015
16	Number of Residential Units	0									\$ 40%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Number of commercial tenants	7								Inv. 3 - TL	\$ 59,206	\$0	\$3,552	\$4,736	\$5,275	\$5,850	\$6,442	\$7,051	\$7,679	\$155,631
18	GROSS BUILDING AREA		per plans		7,580					Inv. 4 - JL	\$ 59,206	\$0	\$3,552	\$4,736	\$5,275	\$5,850	\$6,442	\$7,051	\$7,679	\$105,631
19	TOTAL NET LEASABLE				7,580						\$ 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Overall Efficiency				100%	100.00%				Total Investment/Annual Dist.	\$ 394,709	\$ -	\$ 23,682	\$ 31,576	\$ 35,169	\$ 38,999	\$ 42,943	\$ 47,006	\$ 51,191	\$ 1,037,537
21	Retail Rent/sq.ft.	28.1	NNN	53%	\$1,507															
22	Loft Rent/sq.ft.	12.7	NNN	26%	\$2,112															
23	Pie Spot	15.9	NNN	29%	\$1,950															
24	Tails n Trotters	0.1	NNN	29%	\$2,111															
25	CAM (retail only)		included																	
26																				
27																				
28	Parking Spaces	\$ -			6															
29	Parking Rent - average	\$ -	month	\$ -																
30	Other Rent																			
31	Misc Income																			
32																				
33	Building + Land Price				\$ 792,000															
34																				
35																				
36																				
37	EXPECTED OPERATING PRO FORMA (PER YEAR)										9-11-12-13									
38	Gross Retail Income	\$ 28			\$72,324															
39	Gross Pie Spot Income	\$ 16			\$23,400															
40	Gross Tails n Trotters Income	\$ 0			\$25,332															
41	Gross Loft Income	\$ 13			\$25,344															
42	Net Tent Income	\$ 75	per month X 3		\$2,700															
43	Net ATM Income + FIT Income				\$2,580															
44	Net Management Income				\$4,842															
45	(-) Vacancy		0%		\$0															
46	(-) Fire Insurance - Commercial			NNN	(\$10,861)															
47	(-) Taxes			NNN	(\$1,425)															
48	(-) Water		NNN	0%	\$0															
49	(-) Trash/Utilities			per month	\$0															
50	(-) Repairs & Maintenance			3%	(\$2,872)															
51	(-) Replacement Reserves (cap. expenditures)			2%	(\$1,914)															
52	(-) Misc. Expenses				\$0															
53	(-) Commercial Management (Cavenaugh)			8%	(\$9,685)															
54	Total Expenses		18.3%		(\$36,759)															
55	Net Operating Income				\$129,764															
56																				
57																				
58																				
59																				
60																				

Guerrilla Development, The Ocean – Pro-Forma and Floor Plan from Guerrilladev.com

15,000 sq.ft. Site, 7,250 sq.ft. Building, 100% Occupancy. Historic Auto-Garage



↑
to NE SANDY BLVD.

NE 24TH AVE.

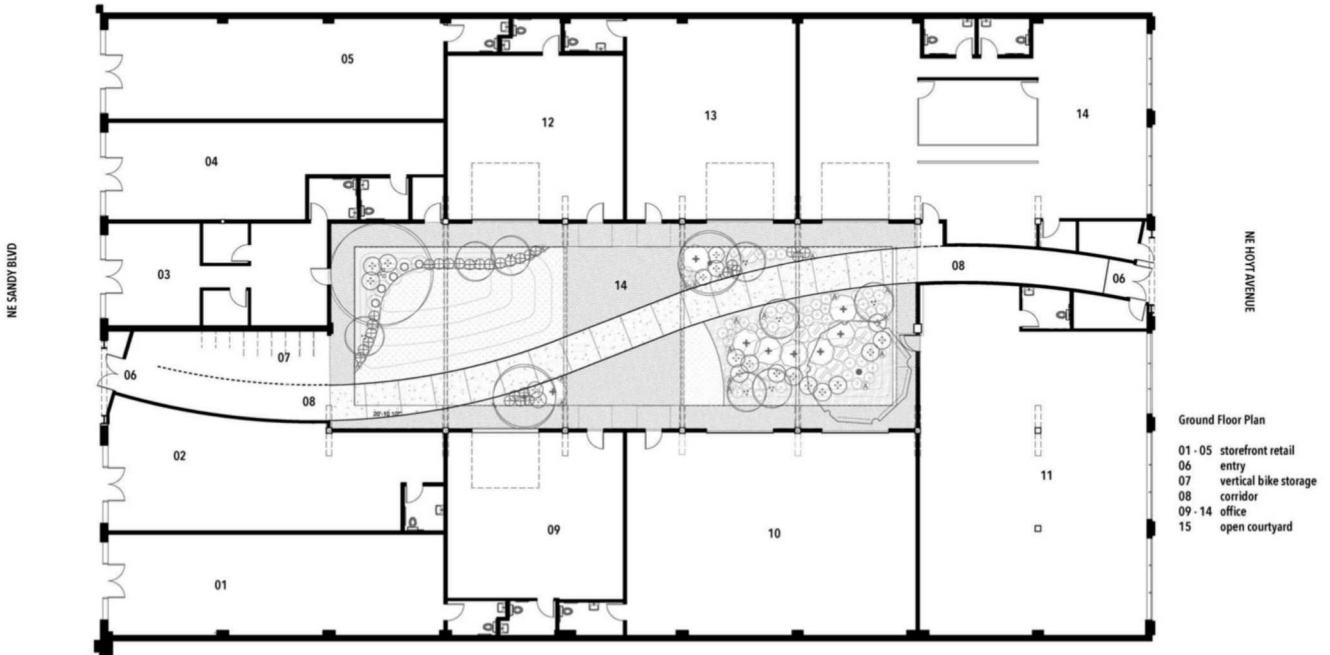
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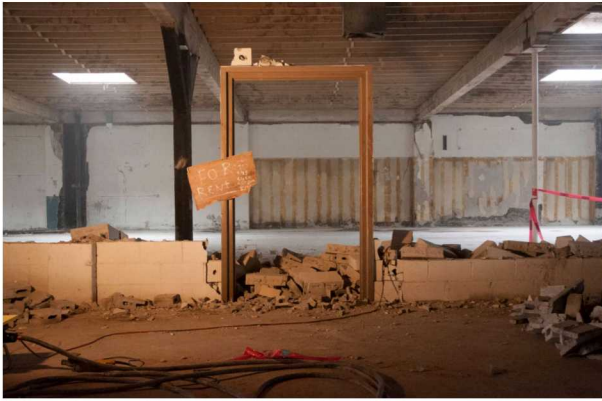
THE OCEAN

- A LOFT - BEDROOM
- B LOFT - KITCHEN/DINING
- C LOFT - LIVING
- D LOFT - PRIVATE COURTYARD
- E MICRO-RESTAURANT - SLOW BURGER
- F MICRO-RESTAURANT - SUDRA
- G MICRO-RESTAURANT - UNO MAS
- H MICRO-RESTAURANT - 24TH & MEATBALLS
- I SHARED OUTDOOR SEATING
- J SITE OF "LAND YACHT" DINING TENT/SCULPTURE
- K TENANT PARKING
- L RESTAURANT - PIE SPOT
- M RESTAURANT - TAILS AND TROTTERS

New New Crusher Court														
February 14, 2016														
PROJECT FACTS:				CONSTRUCTION LOAN										
Site Area			21,200	Interest Rate	6.00%									
Sandy Retail	5 units	1,076	5,380	Term (Months)	60									
Office	6 units	1,894	10,166	Construction/Perm Loan	1,250,000									
Common Area (not the courtyard) Load			1,476	Project Value	\$5,533,840									
Total Tenants	11 units		17,918	Drawdown Factor	100%					portion of a year				
GROSS BUILDING AREA			17,918	Annual Debt Service	\$75,000									
TOTAL NET LEASABLE			17,952	YR 1 PERMANENT FINANCING ASSUMPTIONS										
Overall Efficiency			95%	DCR	LTC									
Sandy Retail Rent s.f.	\$25.00	\$ 2.08	so ft./mth	Loan Amount	\$4,057,062					\$3,043,612				
Office Rent s.f.	\$22.00	\$ 1.83	so ft./mth	Interest Rate	5.50%									
Load Rent s.f.	\$22.00	\$ 1.83	so ft./mth	Term (Years)	2.5					5.50%				
Parking Spaces	0		\$ 2,200,000	Debt-Coverage Ratio	1.25					\$5,533,840				
INITIAL COST				Loan-to-Value	50%									
				Condo Valuation	\$373,763					\$332,030				
				Standard NOI						6.00%				
				Supportable Mortgage	\$3,043,612									
				Supportable Debt Service	\$75,000									
PROJECT COSTS				CASH FLOW CALCULATION (PER YEAR)										
Initial Value	\$122.64	sq. ft.	2,600,000	TOTAL DEVELOPMENT COST	\$3,906,071									
Remodel Hard Costs	\$47.44	sq. ft.	\$50,000	(-) M&T Bank 1st Position Loan	(\$1,250,000)									\$7,369 per month for 5 years
Hard Cost Contingency	9.0%	of hd costs	\$76,500	(-) Art Lease Carry-Back	(\$1,200,000)									
Artwork				(-) YR 0 Cash Flow	(\$48,290)									
Pre-Dev Consultants	1.8%	of hd costs	\$3,175	(-) Equity in Land	(\$400,000)									\$7,857 for 14 months
Architecture & Engineering	5.8%	of hd costs	\$9,250	(-) Development Fee	0%									
Development Fees	2.0%	of total	\$110,000	(-) Architecture Equity	0%									
Permit Fees	7.6%	of hd costs	\$65,000	(-) Leasing Equity	33%									
Legal & Accounting	1.1%	of hd costs	\$9,000	EQUITY REQUIRED	\$1,000,000									
Construction Financing & Carrying	13.8%	of hd costs	\$115,548	NET OPERATING INCOME	\$332,030									
Permanent Financing	0.0%	of hd costs	\$-	(-) MORTGAGE	(\$80,436)									
Labor	2.1%	of hd costs	\$17,578	(-) Loan Carry-Back	(\$68,438)									
Soft Cost Contingency			\$ 5,000	NET CASH FLOW	\$195,174									
Total Soft Costs	\$ 25.45	sq. ft.	\$84,571	Ownership Breakdown										
Total Soft Costs	\$ 195.53	sq. ft.	\$3,906,071	GUERRILLA										
OPERATING PRO FORMA (PER YEAR)				Investment	ownership									
Gross Sandy Retail Income	\$25.00		\$134,500	YR 0	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	
Gross Office Income	\$22.00		\$223,652	Long-Term Owner	0.0%	75.174	85.135	95.395	(38.037)	113.661	124.873	136.420	148.314	160.565
Gross Load Income	\$22.00		\$32,472	Investor 1	\$200,000	19.8%								
Total Gross Repts			\$390,624	Fixed for 5 years	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
(-) Vacancy	5%		(\$19,531)	Investor 2	\$600,000	59.7%								
(-) Fire Insurance - Commercial	NNN		\$0	Fixed for 5 years	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
(-) Taxes - Commercial	NNN		\$0	Investor 3	\$200,000	19.8%								
(-) Utilities and Trash	NNN		\$0	Fixed for 5 years	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
(-) Common Area Utilities	NNN		\$0	Revenue (3% escalator)	YR 0	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9
(-) Repairs & Maintenance	3%		(\$11,719)	Expenses (3% escalator)	136,718	300,624	402,343	414,413	426,845	439,651	452,840	466,425	480,418	494,831
(-) Replacement Reserves	2%		(\$7,832)	NOI	136,718	330,030	341,991	352,251	362,819	373,703	384,914	396,462	408,356	420,606
(-) Management	5%		(\$19,531)	NET CASH FLOW	48,290	195,174	165,135	175,395	185,963	193,661	124,873	136,420	148,314	160,565
Total Expenses	16.0%		(\$62,094)	RETURN ON INVESTMENT	3.4%	11.1%	11.8%	12.5%	13.2%	13.9%	8.1%	8.9%	9.7%	10.5%
NET OPERATING INCOME			\$ 332,030	Combined DCR	1.55	1.88	1.93	1.99	2.05	1.44	1.48	1.52	1.57	1.62
				PROJECT APPRECIATION at 3%	\$5,533,840	\$5,599,850	\$5,670,951	\$5,746,976	\$5,828,386	\$6,415,237	\$5,957,700	\$6,130,431	\$6,320,524	\$6,519,140
				NET REVENUE PROCEEDS						\$3,422,529				\$6,054,439
				LOAN BALANCES						\$3,218,937				\$2,978,888
				TOTAL EQUITY						\$103,492				\$3,075,550
				10 yr IRR	20.9%									
					48,290	195,174	165,135	175,395	185,963	193,661	124,873	136,420	148,314	160,565
THIS PROFORMA PREPARED BY MANAGER DOES NOT TAKE INTO ACCOUNT OR MAKE ANY PROVISION FOR ANY CHANGE IN LOCAL OR GENERAL ECONOMIC CONDITIONS, OR INCREASES IN REDEVELOPMENT COSTS OR THE AFFECTS OF ANY DELAYS IN COMMENCING THE REDEVELOPMENT PROCESS OR DECREASES IN RENTAL RATES. BY EXECUTING THIS AGREEMENT, EACH MEMBER ACKNOWLEDGES THAT MANAGER IS NOT MAKING ANY WARRANTIES OR GUARANTIES OR ANY REPRESENTATION WITH RESPECT TO ANY OF THE PROJECTIONS SET FORTH IN THIS PROFORMA. PROFORMAS ARE SUBJECT TO UNCERTAINTY AND VARIATION AND THEREFORE ARE NOT REPRESENTED AS RESULTS THAT WILL ACTUALLY BE ACHIEVED.														
THIS PROFORMA IS NOT INTENDED AS AN INDUCEMENT FOR ANY MEMBER TO ENTER INTO THIS AGREEMENT OR BECOME A MEMBER OF THE COMPANY.														

Guerrilla Development, New New Crusher Court – Pro-Forma and Floor Plan from Guerrilladev.com
 21,200 sq.ft. existing bldg. 17,918 sq.ft. finished product, plus court. 100% Occupancy. Historic Garage





New New Crusher Court – Before



New New Crusher Court – Before



New New Crusher Court – After



New New Crusher Court – After



New New Crusher Court – After

Bigger isn't always better. New New Crusher Court is the first shrinking project by GD. In other words the building we're creating via the deep adaptive re-use is smaller than the building we purchased, which fills the entire 21,000 sq.ft. site. What once was a stunning storefront on NE Sandy turned into a plain jane mid-block building with dark warehouse interior in the '60s (see images). But the wood structure has always been stout and gorgeous. By peeling off the center of the roof and planting trees and grass and shrubs in the newly created 'doughnut', GD is creating a light-filled Shangri-La that will only be discovered by folk invited into the deep core of the building. What was once an auto shop will soon be home to creative offices in the back and tiny fun shops in the front. Sand blasted beams, tall ceilings, and raw open spaces will make NNCC a great locale for GD's permanent office space.

There are additional projects and Por-formas at Guerrilla Development website which can offer more worthwhile comparisons of renovation costs and historic building investment strategies. I recommend looking at:

"The Shore": 18,400 sq.ft. site / 9,260 sq.ft. Building. Former brick auto garage converted into a mixed-use building with a market by the owners of Portland's Pastaworks:

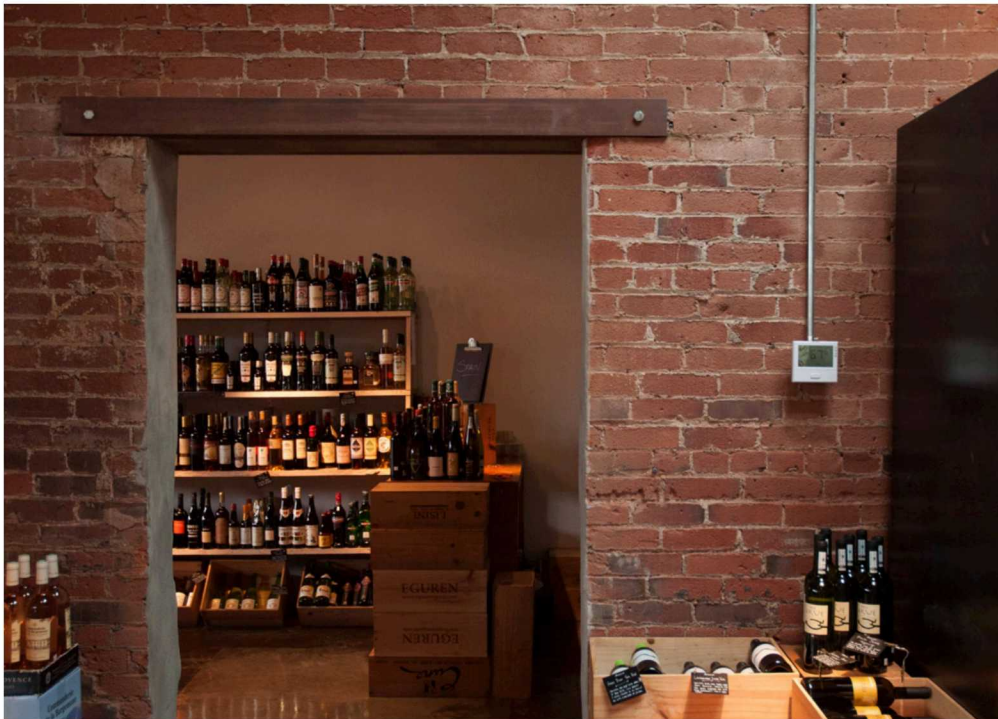
<http://guerrilladev.co/projects#/the-shore/>



The Shore – After



The Shore - After



The Shore – After



The Shore – Before



The Shore – Before



The Shore – After



The Shore – After



The Shore – After



The Shore – Before

Comments:

Some say retrofitting historic buildings is backward thinking, but this is actually new thinking. Going back is to forget the value of time, and patina, and the texture, scars and stories of history. The National Historic District is special because of its continuity (See: “National Register Bulletin, How to Apply the National Register Criteria for Evaluation” entered in the record under “Public Testimony received after 12-28-22”). I believe that this is why it is the exteriors that are protected, and flexibility is given on the interior. It is not a shrink-wrap but a living, evolving fabric. The logic, methods, metrics and tools included in the codes produce similar and expected outcomes for all who care to own buildings here. I believe that anyone who is a downtown property owner will tell you it is not easy to hold and improve their buildings, and we are all grateful that they do. However, a single project does not seem to be the right venue to drastically change the course of what is allowed. This is why the Historic Landmark Committee, have looked directly at the criteria and the facts, and not at any one person or group of peoples opinions. The HLC decisions should not be dismissed as individual opinions as this would be a discredit to the care, attention, long-hours, research, education and collaboration required by the HLC to review every application that comes before them. The community does have a say in the ordinances that are put in place, and this is where the rules are set. This is also where – if the community wants to shift toward valuing new construction over the defined historic buildings in the district – than it would seem apparent that this should be settled as a community in that venue. A project of this scale (in historic parcels – whether renovation or new construction or a combination of both) is the beginning of a long-term relationship. Trust is important, but also are the boundaries provided within the codes. Thank you for accepting this additional testimony, and thank you again for your care and attention in reviewing these four appeal applications.

Sincerely,
Nathan Coopridner

MAP Architecture

Ernie Munch Architecture Urban Planning LLC
111 SW Oak Street, Suite 300. Portland, OR 97204

15 March 2023

Heather Richards, Planning Director
Members of the McMinnville Planning Commission

Re: Gwendolyn Hotel Proposal

Prior to and during the Historic Landmarks Committee and Planning Commission hearings, opponents submitted sufficient documentation to support denial of the demolition and design review requests made the Gwendolyn Hotel proposers.

The attached are updates of that information. Testimony submitted and given by others will bolster that information. If the Planning Commission's decision is appealed, there will be additional updates.

The evidence shows that three buildings for which the subject of demolition requests mark a significant watershed in the past development of McMinnville; the transition between the horse-and-buggy and the automobile. It also shows the involvement of prominent McMinnville residents and initial architectural responses to the coming age.

The buildings also represent a watershed moment for McMinnville's future. Whether the community will stand with its 40-year commitment to preserving and restoring its historic roots as the core or its community, or head in a direction now rejected; a themed or artificial downtown environment. The choice is clearer than it appears.

The preservation strategy is working toward McMinnville's stated economic goals demonstrating that both preservation and economic growth can both be had, with different design approaches and broader commitments.

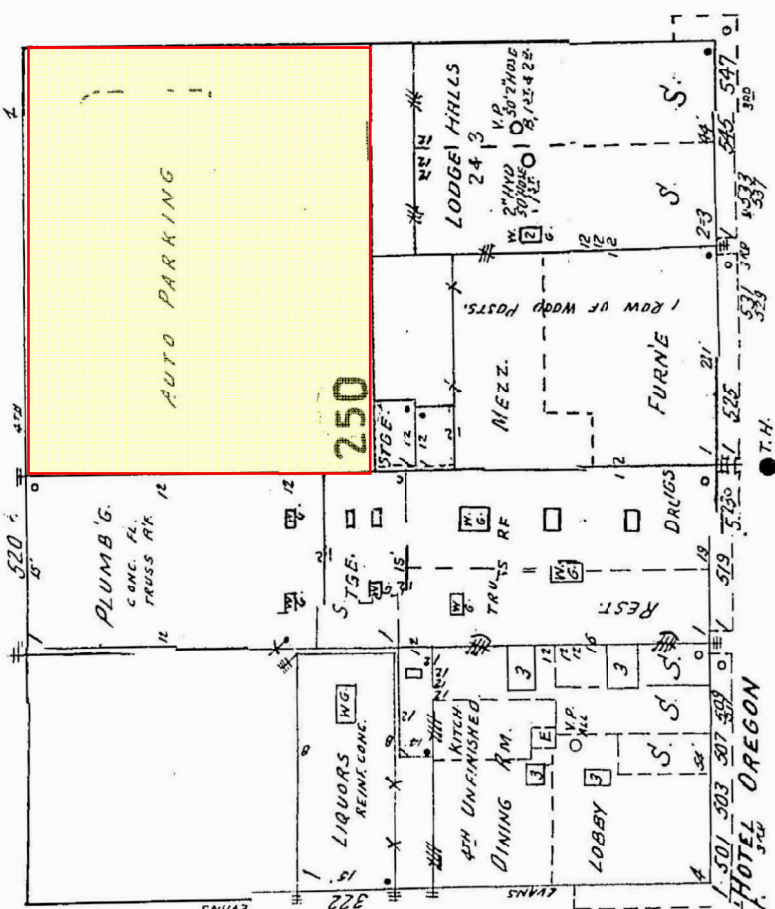
Thank you for your service to the City of McMinnville.

Sincerely yours,

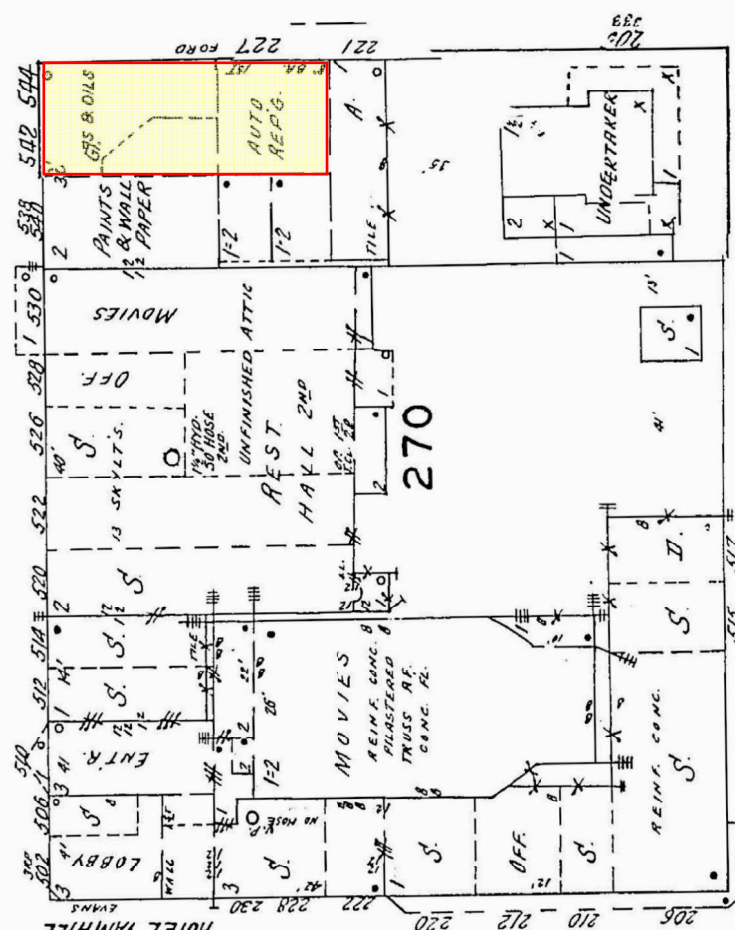


Ernie Munch, Architect,
Member MAP Architecture
Ernie Munch • Architecture • Urban Planning, LLC
111 SW Oak Street • Suite 300 • Portland OR 97204

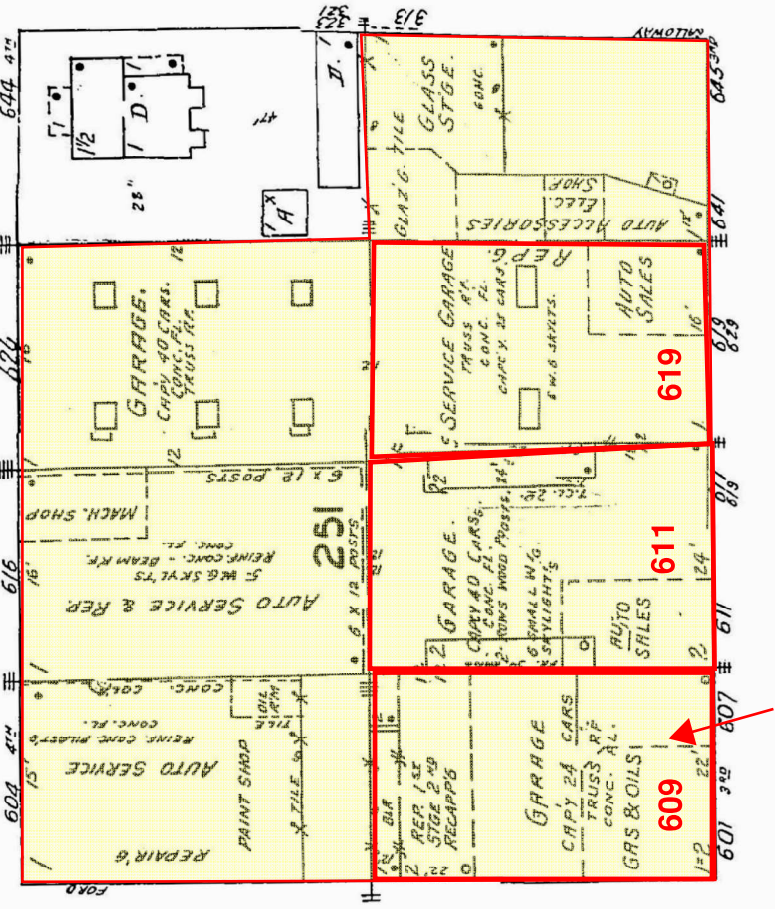
Ernie Munch
(503) 936.1062
Ernie@MAP-archplan.com



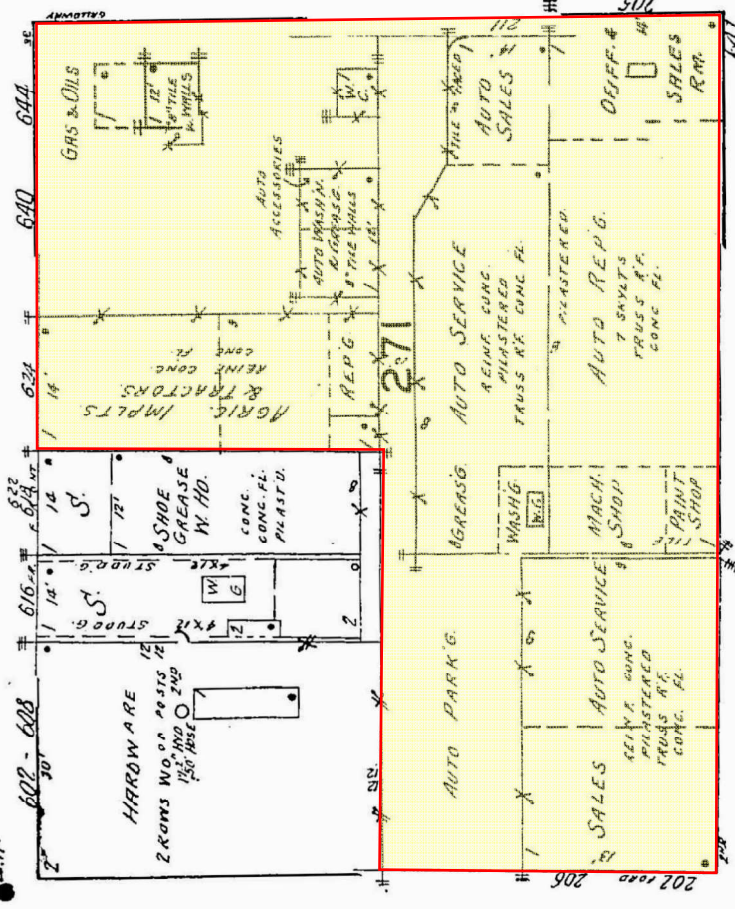
3 PD. 1948 AUTO ORIENTED USES



(F)



IT ALL STARTED HERE IN 1904



(G)

The Historical Significance of the O'Dell, News Register, and Bennette buildings



3rd Street McMinnville July 4th, 1888



McMinnville's First Auto Garage The Odell Building, Built ca.1904, Pictured ca. 1917

The History of Change

The construction of the Odell building at Fourth and Ford Streets marked McMinnville's watershed change between the horse-and-buggy days and the current automobile era.

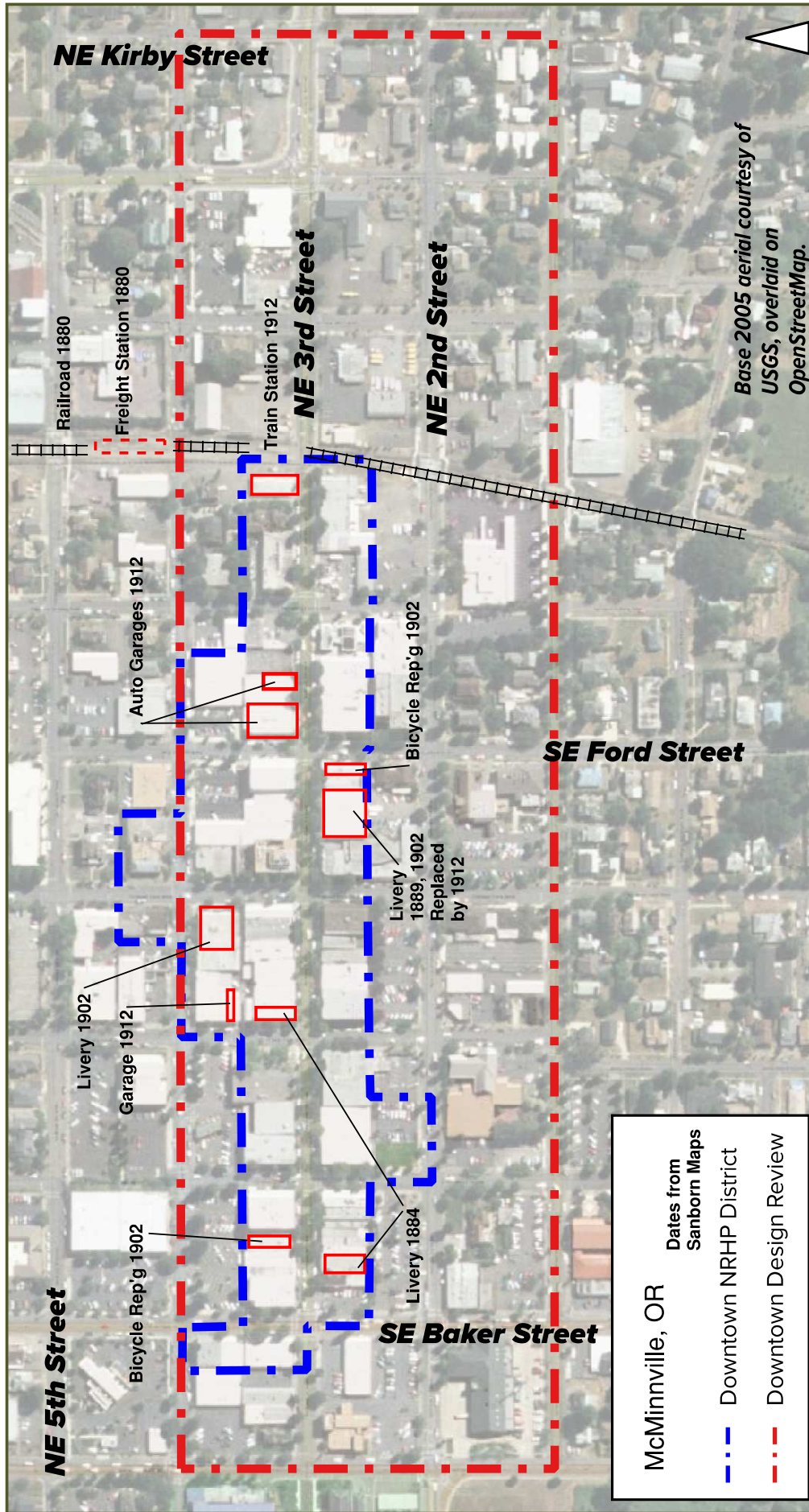
The Odell building and its two neighbors to the east are thus associated with a change in transportation which made a significant contribution to a broad pattern of McMinnville's history.

At that time, the Odell's architecture expressed the modernism of the new mode and marked the intersection of two prominent pioneer families, the Fentons and the Wortmans, lawyers and bankers who promoted McMinnville's future.



McMinnville Street Scene ca. 1925

Buildings Related to Transportation 1884 through 1912



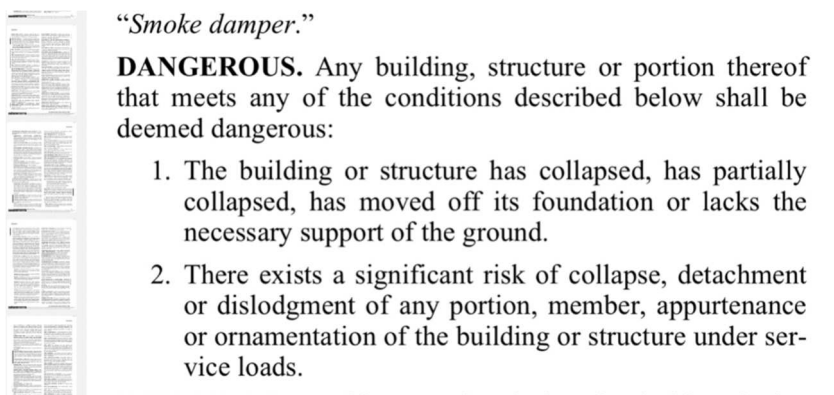
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13 March 2023

Heather Richards, Planning Director
Members of the planning Commission

The applicant stated words to the effect that there was no definition of a “dangerous building” in any code. In response I offer the definition which appears in Chapter 2 of the Oregon Structural Safety Code, (OSSC).



Discussions of the consequences of demolition by neglect which would bring such a condition to a historic resource are reflected in the zoning code and record.

The owners’ past conservation of the historical resources under their ownership is commendable, and they should be encouraged and supported in taking whatever permanent or temporary measures are necessary to the conserve of these significant structures.

Thank you,

Ernie Munch, Architect
Member

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Ernie@MAP-archplan.com

Meet the Fenton Family



Ca.1880

Oregon Historical Society

Back Row:

Henry L. Fenton Jefferson D. Fenton Charles R. Fenton Frank W. Fenton

Middle Row:

William D. Fenton James D. Fenton Margaret P. Fenton James E. Fenton Amanda F. Landess
Father Mother

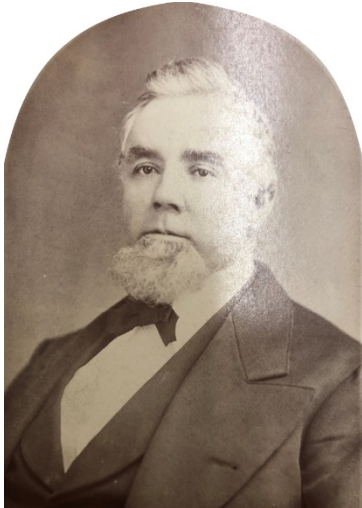
Front Row:

Matthew F. Fenton Margaret F. Spencer Hicks C. Fenton

The Fenton Family

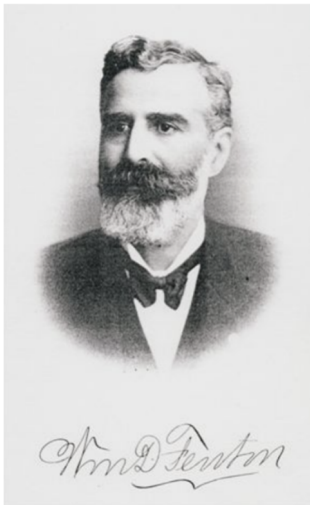
James Davis Fenton and Margaret A. (Pinkerton) Fenton Traveled from Missouri to Oregon in 1865, behind teams of oxen, with seven children from age 12 to less than a year old. Three more children were born in Yamhill County.

James Davis Fenton born in 1832 and raised in Boone County, Missouri, Married 1851, died 1886 near Lafayette OR. Teacher, Farmer, Yamhill County commissioner. Taught school for a year in Woodburn, OR and moved family to a farm near McMinnville area in 1866, and improved a farm near Lafayette.



Margaret A. (Pinkerton) Fenton, born in Barboursville KY. The oldest of 10 children. Died 1916, Portland Oregon. Her father David Pinkerton, at age 50, and her mother Mary Turtle Pinkerton then 42 and her family accompanied the Fentons to Oregon. The Pinkertons settled in the Walla Walla Valley area.

William David Fenton, born 1853, in Etna Missouri, Married Katherine Lucas 1879, native Polk County OR. Attended McMinnville College and Monmouth Christian College. Taught School in Yamhill County. 1874, studied law in Salem, OR, and admitted to the bar in 1875. From 1877 to 1885 he practiced law in Lafayette in the firm of McCain & Fenton. During that time, he was a one term member of the State Legislature. In 1885 FW Fenton located as lawyer to Portland, returning to Lafayette following his father's death in 1886. In 1889, he served as Seattle District Attorney. 1890 moved back to McMinnville. 1891, moved back to Portland and build practice as corporate lawyer representing the Southern Pacific Railroad in Oregon, Standard Oil, American Steel and Wire and others. 1903 became a leader for the organization of the Lewis and Clark Exposition, writing the legislation funding that event. He gave funds for Fenton Hall, the law school at the University of Oregon, and later donated his law library.



William David Fenton

He was a member of the Portland Arlington and University Clubs, 1880 member of Mason Lodge of Lafayette, then McMinnville. Member of Portland Masonic lodge 55, (33rd degree Mason) and related Oregon Consistory No. 1, Al Kader Temple and, the Ancient Order of United Workmen. He was one of 10 leaders who founded the Oregon Historical Society. In 1928 built the 6 story Fenton Building in downtown Portland designed by architect David Lohead Williams who was also the architect for two of his brothers' homes, Hicks C. Fenton in Portland and Frank W. Fenton in McMinnville.

Amanda FitzAlan Fenton Landrss, born 1855, died 1932, Married G.W. Landess, a Farmer in 1872, lived in Farmington Oregon, buried in the Masonic Cemetery, McMinnville.

James Edward Fenton born 6 April 1857, Etna Missouri, died 24 March 1944 in Los Angeles. District attorney in Spokane, WA, Nome AK, Las Angeles and San Francisco, CA. Married Mary Churchill 1878.

Frank Washington Fenton, born 1859, Missouri, died 1940,



W. Fenton

McMinnville, OR. Came to Oregon and then with his family to a farm near McMinnville in 1866. Frank Fenton was educated the Yamhill Public schools and graduated from the Monmouth Christian College. He read law in the Portland Office of Killin & Moreland for two years and the Lafayette office of his brother W.D. Fenton. He was admitted to the bar in 1884 and practiced law with his brother in Lafayette. In 1888, Frank Fenton moved his law office to McMinnville after it succeeded Lafayette as the seat of Yamhill County government. For eight years Fenton practiced law with Judge W. M. Ramsey. He then continued on his own becoming a prominent attorney who promoted the interests of McMinnville. He was a leading figure in the business, professional, and social life of the Yamhill County seat for over 50 year.



Amanda Fenton Landess

Frank Fenton served as the attorney for McMinnville Water and Light. He was director of the Oregon Mutual Fire Insurance Company and the McMinnville First National Bank. He was President of the McMinnville Building and Improvement Company and undertook the construction of several buildings in McMinnville's historic district including the Elberton Hotel, the Elks Lodge, the Fenton Building for JC Penney, and the three buildings now proposed for demolition. (See attached 1904 map of Fenton properties.) A number of these projects were undertaken with W.S. Link who was the cashier and a director of the McMinnville National Bank and served as a McMinnville Water and Light commissioner.



F. W. Fenton House McMinnville, Oregon

His McMinnville home was built in 1909 and designed by Portland architect David Lohead Williams and was modeled after a similar, earlier Portland house designed for his brother H. C. Fenton. Portland's six story Fenton Building was also designed by D.L. Williams and built in 1908.

The Fenton family and the Wortmans were both pioneer families, and over-lapped in business, banking, fraternal union membership, and social circles. In addition to being a director of one of McMinnville's leading banks, Frank Fenton was both a 32nd level Mason and a charter member of the McMinnville Elks Lodge.

Jefferson Davis Fenton, born 1861, Etna Missouri, died 1921, Portland, OR. Physician, Portland, Oregon

Henry Lee Fenton, born 1863, Etna Missouri, died 1930, Dallas, Oregon. Stockman Dallas, Oregon.

Charles Robert Fenton, born 21 February 1865, Missouri, Married May Baker 1892, died 1893, Spokane, WA, Attorney, Spokane, WA.

Matthew Fountain Fenton born 1866, Yamhill County, died 1931, Portland, Dentist, Portland OR

Hicks C. Fenton born 1868, Yamhill County, died 1943, Portland physician. His home at 1705 NW 32nd avenue was designed by Portland architect David Lohead Williams and served as a model for the Frank Fenton home in McMinnville, which is by the same architect. The H.C. Fenton home, which was designed by the same architect, leans more toward the craftsman style.

Margaret Mary Fenton Spencer born 1873, Yamhill County, died 1957, married Arthur Champlin Spencer, Portland, OR



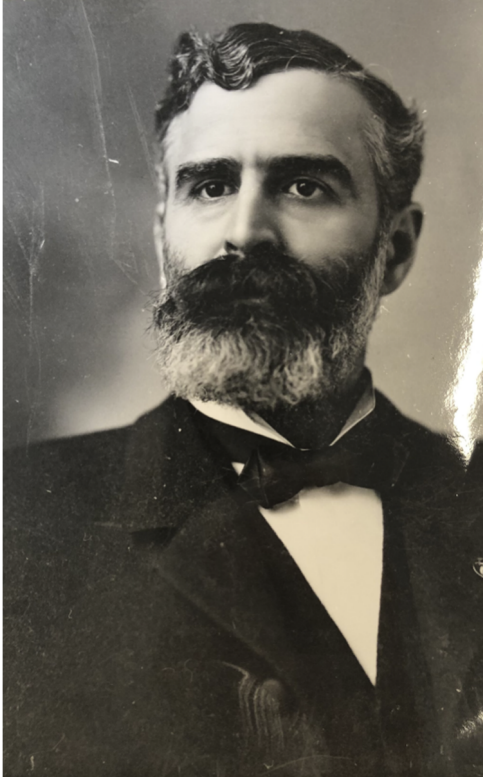
H. C. Fenton House 1705 NW 23rd Ave. Portland OR



Frank W. Fenton House McMinnville, Oregon



Frank W. Fenton Law Offices, McMinnville Oregon 1919



W.D. Fenton House, Portland Oregon

William David Fenton, Founder of the University of Oregon Law School



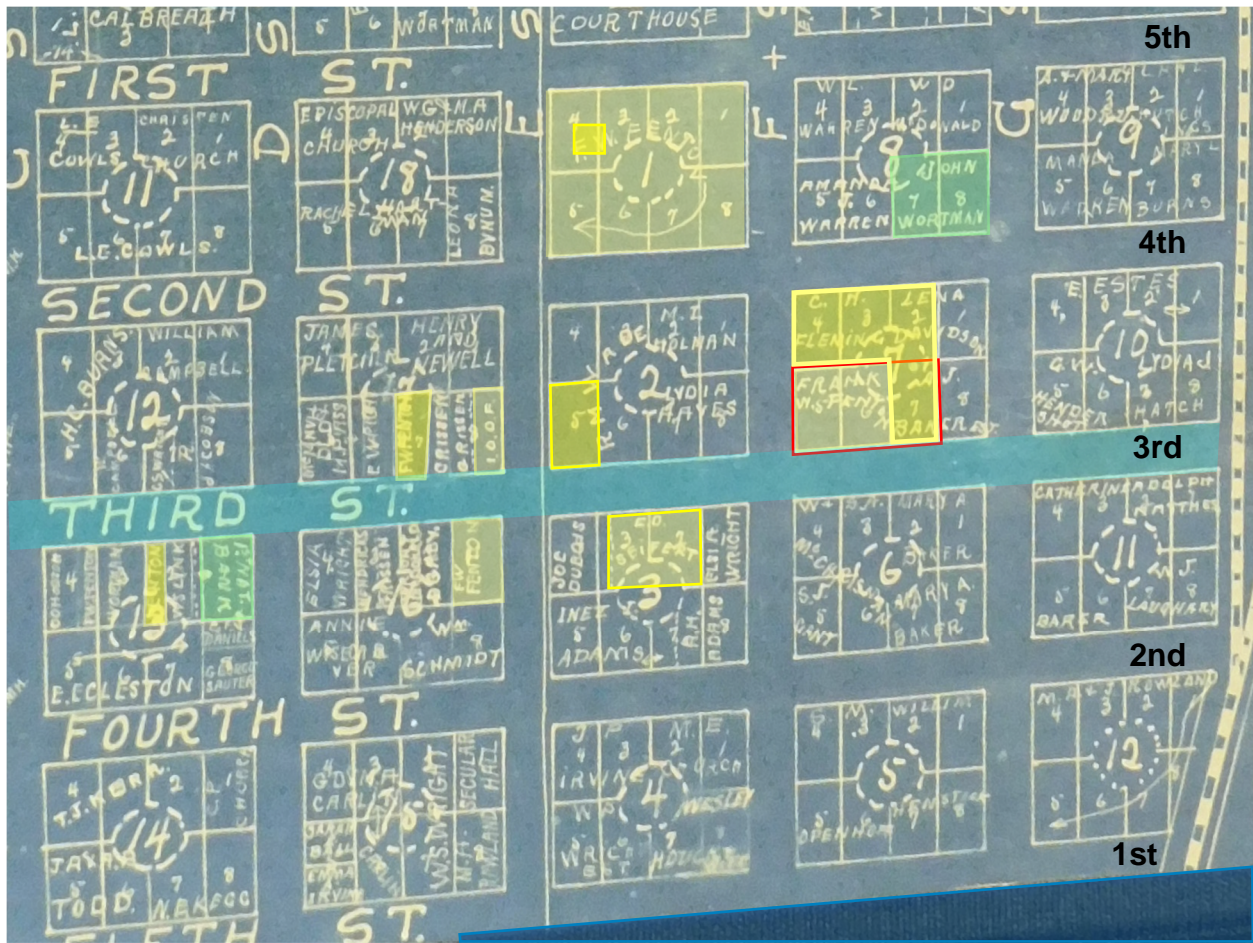
Fenton Hall, University of Oregon, Former Law School



Buildings by McMinnville Building and Improvement Company

Frank Fenton, President





Downtown McMinnville Property Ownership in 1904

- Properties owned by or associated with F.W. Fenton and his McMinnville Building and Improvement Company
- Properties associated with the Wortman Family
- Site of the proposed Gwendolyn Hotel

Note that the map uses the archaic street numbering system before it was flipped on the Third Street axis ca. 1912

Note that the map uses the archaic street numbering system before it was flipped on the Third Street axis ca. 1923

MAP Architecture

Ernie Munch Architecture Urban Planning LLC
111 SW Oak Street, Suite 300. Portland, OR 97204

January 13, 2023

Heather Richards, Planning Director
Planning Commissioners McMinnville

Re: the Gwendolyn Hotel Proposal

The Applicant has stated that the Historic Landmarks Committee has erroneously equated the the best interests of the majority of citizens with the views of the individuals who testified in opposition. And notes that the committee's interpretation of 17.65.050(B)(8) becomes little more than a call for a "popularity contest."

I submit the Recitals page of ordinance 5034, 2017 and **Purpose** sections of 17.65.050 and 17.59.050 of Ordinance 5034 which clearly define the public interest. Those statements of **Purpose** and the criteria, standards, guidelines, and protections which flowed from them are the product of 40 years of research and consensus building among McMinnville citizens beginning in 1973, with the adoption of Oregon Senate Bill 100 and **unanimously** adopted by the Planning Commission and City Council in 2017.

Objections are not part of a popularity contest, but are the result of members of the community, comparing their statements of **Purpose** to the proposed design and seeing that the project itself delivers what should be avoided, "a themed or artificial downtown environment", and does not "...provide the protection, enhancement and preservation of buildings, structures and other elements in the downtown core which contribute to its special historic and cultural value." and "to build on the "main street" qualities that currently exist to foster...the sense of place economic base and history unique to McMinnville..." And "Districts, buildings and objects, structures and sites in the City having special Historical architectural or cultural significance should be preserved as a part of the City's heritage."

Calling the process which the proposal now confronts a "popularity contest" points out that the applicant, as well as the proposed design itself, does not understand, acknowledge, or honor the long-term efforts of the community to preserve their historical heritage, nor that their strategy is having economic success.

The applicant stated that historic rehabilitation was never in their planning because it did not fit their building design, (02/03/2023, 2:12:41). They have stated that they like their building and wish it to be viewed alone. Hence, it was not surprising that the applicant could not readily answer how their project fits into McMinnville and supports the stated purposes of the ordinance. The criteria for demolition in section 17.65.050 reads: "The Historic Landmarks Committee shall base its decision on the following criteria: 1. The City's **historic** policies set forth in the comprehensive plan and the **purpose** of this ordinance. How can that be missed?

Ernie Munch
(503) 936.1062
Ernie@MAP-archplan.com

The applicant defines the historic significance as “structural stability” and what remains of the historic resource today. They should use the **National Register Criteria: A)** How the buildings are associated with events that have made a significant contribution to the broad patterns of our history, (the beginnings of the automobile era), and **B)** How the buildings are associated with the lives of persons significant in our past, (the Fenton and Wortman families), and **C)** How the buildings embody the distinctive characteristics of a type, period, (All three buildings were built as garages with 609 and 611 being of different but distinctive styles.)

Had the history of the site and buildings, and the purpose of the McMinnville Historic District been addressed initially and with commitment, the Historic Landmarks Committee would have approved a very different project.

Thank you for this opportunity to comment.

Sincerely yours,

A handwritten signature in blue ink, consisting of a stylized 'E' and 'M' followed by a flourish.

Ernie Munch, Architect

Member

MAP Architecture

Ernie Munch • Architecture • Urban Planning, LLC
111 SW Oak Street • Suite 300 • Portland OR 97204

Chapter 17.59

DOWNTOWN DESIGN STANDARDS AND GUIDELINES

(as adopted Ord. 4797, Oct. 23, 2003)

Sections:

- 17.59.010 Purpose
- 17.59.020 Applicability
- 17.59.030 Review Process
- 17.59.040 Review Criteria
- 17.59.050 Building and Site Design
- 17.59.060 Surface Parking Lots
- 17.59.070 Awnings
- 17.59.080 Signs

17.59.010 Purpose. To provide for the protection, enhancement and preservation of buildings, structures, and other elements in the downtown core which contribute to its special historic and cultural value. Further, it is not the purpose of this ordinance to create a “themed” or artificial downtown environment. Rather, its purpose is to build on the “main street” qualities that currently exist within the downtown and to foster an organized, coordinated, and cohesive historic district that reflects the “sense of place,” economic base, and history unique to McMinnville and the downtown core. (Ord. 4797 §1, 2003).

17.59.020 Applicability.

- A. The provisions of this Chapter shall apply to all lands located within the area bounded to the west by Adams Street, to the north by 4th Street, to the east by Kirby Street, and to the south by 1st Street. Lands immediately adjacent to the west of Adams Street, from 1st Street to 4th Street, are also subject to the provisions of this Chapter.
- B. The provisions of this ordinance shall apply to the following activities conducted within the above described area:
 - 1. All new building construction;
 - 2. Any exterior building or site alteration modification that requires a building permit; and,
 - 3. All new signage.
- C. This ordinance shall not apply to the following activities or uses:
 - 1. Maintenance of the exterior of an existing structure, such as re-roofing, re-siding, or repainting where similar materials and colors are used that comply with this ordinance;
 - 2. Interior remodeling; and,
 - 3. Single-family detached housing.
- D. The Planning Director shall determine whether any proposed maintenance activity complies with this ordinance and whether the

Chapter 17.65

HISTORIC PRESERVATION

Sections:

- 17.65.010 Purpose
- 17.65.020 Definitions
- 17.65.030 Historic Resources Inventory
- 17.65.040 Certificate of Approval Process
- 17.65.050 Demolition, Moving, or New Construction
- 17.65.060 Exterior Alteration or Remodeling
- 17.65.070 Public Notice
- 17.65.080 Appeals
- 17.65.090 Violation, Procedure, and Penalty

17.65.010 Purpose. Districts, buildings, objects, structures, and sites in the City having special historical, architectural, or cultural significance should be preserved as a part of the City's heritage. To this end, regulatory controls and administrative procedures are necessary for the following reasons:

- A. Stabilize and improve property values through restoration efforts;
- B. Promote the education of local citizens on the benefits associated with an active historic preservation program;
- C. Foster civic pride in the beauty and noble accomplishments of the past;
- D. Protect and enhance the City's attractions for tourists and visitors; and
- E. Strengthen the economy of the City.

Historic districts may have a separate set of regulatory controls and administrative procedures which take priority over this ordinance.

17.65.020 Definitions. For the purpose of this ordinance, certain terms and words are defined as follows: words in the present tense include the future, the singular tense include the plural and vice-versa; the word "shall" is mandatory; the word "may" is discretionary; and the masculine gender includes the feminine gender. For the purposes of this section, refer to Section 17.06.060 for Historic Preservation related definitions.

17.65.030 Historic Resources Inventory. The McMinnville Historic Resources Inventory, compiled in 1983/84 and as subsequently updated, is hereby adopted and shall be maintained and updated as required. The inventory shall be used to identify historic districts, buildings, structures, sites, and objects for the purposes of this ordinance.

- A. The Historic Landmarks Committee shall be authorized to make all additions, deletions, and changes to the inventory. Any addition, deletion or change, including a reevaluation of the significance of any resource, shall conform to the requirements of this section.
- B. Any person may file an application with the Planning Director to amend the inventory by adding or deleting a resource or changing the level of

ORDINANCE NO. 5034

AN ORDINANCE AMENDING THE MCMINNVILLE ZONING ORDINANCE SPECIFIC TO CHAPTER 17.06 (DEFINITIONS), CHAPTER 17.59 (DOWNTOWN DESIGN STANDARDS AND GUIDELINES), CHAPTER 17.65 (HISTORIC PRESERVATION) AND CHAPTER 17.72 (APPLICATIONS AND REVIEW PROCESS) FOR THE PRESERVATION OF HISTORIC RESOURCES IN MCMINNVILLE.

RECITALS:

The State of Oregon requires all cities and counties to address State Land Use Planning Goal 5, Open Spaces, Scenic and Historic Areas, and Natural Resources; and

The City of McMinnville has adopted a Comprehensive Plan Goal "To preserve and protect sites, structures, areas, and objects of historical, cultural, architectural, or archaeological significance to the City of McMinnville"; and

The City of McMinnville ordinance governing the preservation and protection of historic resources was last updated in 1987, and is outdated; and

Over the course of six meetings in 2016 and 2017, the McMinnville Historic Landmarks Committee discussed and reviewed the existing zoning ordinance language related to historic preservation and downtown design standards. The Historic Landmarks Committee's intent was to ensure that the language was consistent with the recently adopted amendments to Oregon Administrative Rule (OAR) 660-023-0200, also known as the Historic Resources rules for complying with Goal 5 of the Statewide Planning Program; and

In concert with the McMinnville Historic Landmarks Committee, staff drafted proposed amendments (G 3-17) to McMinnville Zoning Ordinance (Ordinance 3380) specific to Chapter 17.06 (Definitions), Chapter 17.59 (Downtown Design Standards and Guidelines), Chapter 17.65 (Historic Preservation), and Chapter 17.72 (Applications and Review Process). The amendments were reviewed over a series of Historic Landmarks Committee public meetings, and at their June 28, 2017 meeting the Historic Landmarks Committee recommended the amendments be advanced for consideration by the McMinnville Planning Commission and the McMinnville City Council; and

A public hearing before the McMinnville Planning Commission was held on July 20, 2017, after due notice had been provided in the local newspaper on Tuesday, July 11, 2017. At the July 20, 2017, Planning Commission public hearing, the application materials and a staff report were presented and no testimony was received. The Planning Commission then closed the public hearing, deliberated, and voted unanimously to recommend approval of G 3-17 to the City Council, with some minor amendments; and

The City Council, being fully informed about said request, found that the requested amendments conformed to the applicable Comprehensive Plan goals and policies, as well as the comprehensive plan text amendment criteria listed in Section 17.72.020 of the McMinnville Zoning Ordinance based on the material submitted and the findings of fact and conclusionary findings for approval contained in Exhibit A; and

The City Council having received the Planning Commission recommendation and staff report, and

having deliberated;


NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. That the Council adopts the Findings of Fact, Conclusionary Findings, and Decision as documented in Exhibit A for G 3-17; and
2. That Chapter 17.06 (Definitions), Chapter 17.59 (Downtown Design Standards and Guidelines), Chapter 17.65 (Historic Preservation) and Chapter 17.72 (Applications and Review Process) are amended as provided in Exhibit B, Exhibit C, Exhibit D, and Exhibit E. Text that is added is shown in **bold underlined** font while text that is removed is shown in ~~strikeout~~ font.
3. That this Ordinance shall take effect 30 days after its passage by the City Council.

Passed by the Council this 8th day of August 2017, by the following votes:

Ayes: <u>Drabkin, Garvin, Ruden, Stassens, Menke</u>
--

Nays: _____



MAYOR

Attest:

Approved as to form:

Melissa Grace
CITY RECORDER

Dan
CITY ATTORNEY



Exhibit 1 - MINUTES

March 23, 2022
Historic Landmarks Committee
Regular Meeting

3:30 pm
Zoom Meeting
McMinnville, Oregon

Members Present: Mary Beth Branch, Mark Cooley, Eve Dewan, Hadleigh Heller, Christopher Knapp, and John Mead

Members Absent:

Staff Present: Heather Richards – Planning Director and Adam Tate – Associate Planner

Others Present: Chris Chenoweth – City Council

1. Call to Order

Chair Mead called the meeting to order at 3:37 p.m.

2. Citizen Comments

None

3. Approval of Minutes

None

4. Work Session

- Public Records – Discussion of OTAK Memorandum date 03.01.22

City Attorney Guile-Hinman discussed the implications of the memo and overall work session process. There was no current pending application on this matter and they were not in a quasi-judicial land use process. However, there were concerns raised about potential bias or lack of transparency. Informal discussion on an application before it was submitted was not prohibited. Anything Committee members stated in work sessions were purely informational and not to be used or relied upon by the applicant in a future application process. Any documents exchanged in work sessions should be part of the record for the future application. She had advised staff that the OTAK memo should be part of the record, and if the Committee needed any clarifications made to the statements in the memo, that should be discussed today. If there were any future work sessions, she advised documents not be exchanged but general concepts could be discussed. She explained ex parte communications and the role of staff.

MAP Architecture

Ernie Munch Architecture Urban Planning LLC
111 SW Oak Street, Suite 300. Portland, OR 97204

13 March 2023

Heather Richards Planning Director
McMinnville Planning Commissioners,

Re: Correction of the Record on past Demolition Requests

During the 7 March 2023 Planning Commission hearing for the demolitions associated with the proposed Gwendolyn Hotel, the 2019 demolition of the building at 618 NE 3rd Street was given as comparable evidence that the Historic Landmarks Committee had never denied a demolition of a historic resource. The demolition of 618 NE 3rd is **NOT** comparable to those currently requested at 609, 611 and 619 for Gwendolyn Hotel.

Prior to asking the HLC to consider the demolition request, I submitted a request on behalf of the owner to drop the historic designation a Primary Significant Contributing Resource from the building to the site. This request was based on an in-depth investigation of the building and site history. The HLC granted the Change in Designation. After the designation was dropped from the building, the HLC granted the Demolition Request. Then applied for permission for New Construction in the Historic District, and for Design Review approval.

The design of the new construction was based on a ca 1918-1929 photo of the original building which was built ca. 1911-1912. It restated the storefront and cornice of the original building and added a second story in support of the Taylor-Dale restoration.

Our applications supported the purposes of the historic district and responded to the high bar set by the Historic Landmarks Committee. All four requests were granted unanimously, 5-0, in a single, long meeting.

The demolition requests for the Gwendolyn Hotel are based on the slimmest of historical research, and no attempt has been made to integrate the historic buildings and their significance in the design.

I have attached one of the narratives from our applications mentioned above with supporting photos.

Ernie Munch
(503) 936.1062
Ernie@MAP-archplan.com

Confirming our investigation, the hubcap pictured was found under the building slab during demolition. It is from a Willys 77, a model sold across the street at 609 NE 3rd from 1933 through 1936. For three of those four years it was the only model which Willys Overland produced. It saved the company during the Great Depression. The demolished building may not have qualified for the Secondary period of historic significance which ends in 1937.

The planning department should have all of our complete applications and history report, and the minutes of the meeting of the HLC, or we can supply a digital copy if necessary

Thank you, for this opportunity to testify.



Ernie Munch, Architect

Member

MAP Architecture

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503.936.1062 | cell



This building shown above in 2019, had been classified as a Primary Significant Resource.

When historical research made it clear that the building had been miss-classified, the owner asked for permission to demolish the structure, and build in its place an addition to the Taylor-Dale Building which was undergoing restoration.



Figure 16: North facades of 618 and 608 3rd Street

“No 3 Main Street” Undated, Thought to be ca 1918-1920



James Fletcher, owner of the Standard Electric Company
618 NE 3rd Street McMinnville Oregon ca. 1912.



left: New Construction proposed in 2019. right: Taylor-Dale Restoration



James Fletcher's Standard Electric Company building restated in support of the adjacent restoration. Inviting you to walk back into history or stand in the middle of the street and have it rush toward you.



Hubcap from a Willys 77 made by Willys Overland 1933-1936
found under the slab of the demolished building at 618 NE 3rd Street

Request to Change McMinnville's Historic Inventory for the Property at 618 NE Third Street, McMinnville OR

FROM: *Classifying the STRUCTURE as CONTRIBUTORY*

TO: *Classifying THE SITE as SIGNIFICANT.*

17.65.030 Historic Resources Inventory. The McMinnville Historic Resources Inventory, compiled in 1983/84 and as subsequently updated, is hereby adopted and shall be maintained and updated as required. The inventory shall be used to identify historic districts, **buildings**, structures, **sites**, and objects for the purposes of this ordinance.

FINDING:

McMinnville's Historic Resources Ordinance and Inventory may be used to identify sites as well as buildings. The inventory should be maintained and updated as necessary.

17.95.030 Historic Resources Inventory

C. *The Historic Landmarks Committee shall base each decision regarding additions or changes to the inventory on the following criteria:*

1. *History. The resource is associated with significant past events, persons, organizations, trends, or values which were important at the city, county, state, or national level. The age of the resource relative to other local development contributes to its historic significance;*

FINDING:

Closer historic investigation has shown that 618 NE Third Street property can be considered a significant site, but not a contributing building.

The original building on this site was constructed circa 1911 by Sarah A. and James L. Fletcher and first housed the Standard Electric Co. That business which is first listed in 1909, was owned by business partners James L. Fletcher and Harry O. Wheeler. The business was then located on "Third Street between D and E streets". In 1910, Fletcher was listed as the sole proprietor of Standard, and at that same address. (Wheeler went into the clothing business.) The electrical supply store is shown on the 1912 Sanborn map and listed at that address in the 1915 directory. Shortly after moving Standard to 616 Third Street (now 618 NE Third Street), Fletcher sold the business to Oliver E. Vanoose, who was listed as a McMinnville Water & Light Commissioner, in 1909.

From 1913 to 1923, the Standard Electric Company was owned by Milton H. McGuire. The business was also listed as McGuire Electric during that period. When McGuire was hired by McMinnville Water & Light in 1920, he moved the business to 413 NE Third Street and hired electrician Howard Miller to manage the store. By 1923 Miller owned the

company and the name had changed to Miller Electric. In 1927, the building at 618 NE Third Street was occupied by the McMinnville Plumbing Co.

In 1932, the property at 608 and 618 NE Third Street was sold by the widowed Sarah A. Fletcher. Two couples, W. C. Hagerty and Lila Haggerty, and H.L. Toney and Pearl Toney purchased the property. Later, the building at 618 NE Third Street was incorporated into the adjacent Taylor Hardware business, which had been operating at 608 NE Third Street since 1918. The Hagerty and Toney heirs sold the property to the Taylor-Dale Hardware Co. in 1964. After Taylor Hardware closed its doors in 1993, 618 NE Third Street housed a coffee-roasting business, a shop for an adjacent furniture store and a bead shop.

In retrospect, the most notable figure to be associated with the site was Milton H. McGuire who, after he sold the Standard Electric Company, went on to become the superintendent of the electric division of McMinnville Water & Light, and then the manager of the electric and power division. McGuire led that division through major expansions and to national recognition until 1957. His stewardship is defined as "The McGuire Years" by that organization. The founding of McMinnville Water & Light and its expansion and continuance as a locally-owned utility was a key to the growth and success of present day McMinnville.

During McGuire's occupation of this site, the building appeared as it did in the, circa 1920 photo, as seen in Figure 16 of the attached history report.

After that photo was taken, between 1928 and 1948, whether at once or in stages, the building had its east and west walls and roof removed. A new roof was built that extended to the walls of its neighbors on either side. A new concrete floor slab was poured, and the NE Third Street façade was replaced. Two additions were made to the south as well. Those additions were altered later to reestablish a stairway allowing egress from the second floor brick building at 618 Northeast Third Street. All that remains of the building once occupied by Milton McGuire is some of the brick-embossed metal siding from the original street façade which was recycled beside the rear stairway and on a large sliding door off the alley.

2. *Style/Design. The resource is representative of a particular style or a type of construction. The uniqueness of the resource or its quality of composition, detailing, or craftsmanship contribute to its design significance. The resource was designated or constructed by a craftsman, contractor, designer, or architect of local, state, or national importance;*

FINDING:

The current building has no identifiable style. The local inventory's designation of the 618 building style as "Craftsman" is both ironical and erroneous.

Between 1928 and 1948, the building was completely rebuilt. All of the original materials and detailing were removed. The roof was removed and rebuilt to extend to the east and west walls of the adjacent buildings. Two additions were later made to the rear of the building. The street façade was replaced and reduced in height by 6 to 8 feet. The

stepped parapet and stucco finish is a clumsy attempt to imitate its neighbor to the east which is, in and of itself, is vaguely Dutch in architectural style. The original thin lined, tripartite storefront façade, with recessed entry, was removed and replaced by a heavy two bay, unbalanced mixture of doors, windows, and a bland wood panel. The current north street façade and south alley additions give the appearance of a hodge-podge of piecemeal, ill-considered, ill-proportioned, and under-funded work.

3. *Integrity. The resource retains original design elements, materials, and character with relatively minor alterations, if any; and*

FINDING:

The building has not retain the original design elements. The bits of the original brick embossed sheet metal from the original façade have been recycled as siding for the alley stair and door. The original façade, four walls and roof were completely replaced during the 1928-1948 era, and the building retains none of its original character.

4. *Environment. The resource contributes to the character or continuity of the street or neighborhood.*

FINDING:

The subject building façade contributes less to the street and the historic district than did the original. It detracts from its authentic two-story neighbor to the west.

5. *Consistency with the National Register Criteria for Evaluation as follows:*

- a. *The resource is associated with events that have made a significant contribution to the broad patterns of our history; or*

FINDING:

The building is not associated with events that have made a significant contribution to the broad patterns of our history.

- b. *The resource is associated with lives of significant persons in our past; or*

FINDING:

The current building cannot be associated with significant persons in McMinnville's past. The site can be, and the original building could have been associated with Milton McGuire.

- d. *The resource has yielded or may be likely to yield, information important in history or prehistory; and*

FINDING:

The building has not yielded and is unlikely to yield historical or prehistorical information.

6. *The designation of the resource is consistent with the priorities described in the historic preservation plan.*

Goal III 2 McMinnville Comprehensive Plan

"HISTORIC PRESERVATION:

To preserve and protect sites, structures and objects of historical, cultural, or architectural significance to the City of McMinnville.

FINDING:

As it now appears, the building at 618 SW 3rd Street does not qualify as a historic resource given local criteria 1-5 above. Nor is the existing structure of historical, cultural or architectural significance to the City of McMinnville. Age, in and of itself, is not a local criteria for the designation of an historic resource. Its designation is, in fact, another error in the original survey for the National Register of Historic Places. Those errors are carried into the local inventory. Neither description can ascribe any architectural virtues to the building. In classifying the building, both descriptions make errors of fact, and do not speak to the established criteria.

At the national level, the existing structure at 618 Northeast Third Avenue is more suitably classified as a "Historic Non-Contributing...Structures are classified as Historic Non-Contributing if they were built during either the primary or secondary periods of construction but have been so altered over time that their contributing elements (siding, windows, massing, entrances, and roof) have been lost or concealed. If their contributing elements were restored, these buildings could be reclassified as Primary or Secondary Significant."

The proposed structure will emphasize many historic elements true to the original building and support the adjacent historic building at 608 Northeast Third Street, and McMinnville. The proposal to bring back a rendition of the original façade is based on a more in-depth documentation of the building's history. It will recreate a street façade similar to the initial construction, and subsequently occupied by Milton H. McGuire, the mainstay of McMinnville Water & Light's Electricity and Power divisions from 1920 to 1957. The addition of a second floor with two more short term residential rental units will support both the second floor use of the adjacent Jameson/Taylor Hardware building, and additional heritage tourism throughout downtown McMinnville.

The embossed metal siding will be saved for preservation and educational purposes, but not be used on the exterior. The proposed facade materials will be a more durable thin

- c. *The resource embodies the distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction; or*

FINDING:

The building does not embody the distinctive characteristics of a type, period, or method of construction, nor does it represent the work of a master, or possesses high artistic values, or represent a significant and distinguishable entity whose components may lack individual distinction.

The current design fails when evaluated by the current design standards and guidelines for McMinnville's Downtown Historic District as listed in Section 17.59.050, B, (3):

b. A bulkhead at the street level: **Sub-FINDING: There is no bulkhead. Half of the building façade is a three part, large vehicle door. On the other half of the façade, the area under the windows is distinguished from the wall finish above by neither its material, finish, color, nor design.**

d. A recessed entry and transom with transparent door; **Sub-FINDING: The entry is not recessed.**

e. Decorative cornice or cap at the roofline. **Sub-FINDING: There is no decorative element on the cornice to match the adjacent building at 620 NE Third Street of which 618 NE Third Street is a clumsy copy.**

17.59.050, B, (5). The primary entrance to a building shall open on to the public right-of-way and should be recessed. **Sub-FINDING: The primary entrance to the building is not recessed.**

17.59.050, B, (7). The scale and proportion of altered or added building elements, such as new windows or doors, shall be visually compatible with the original architectural character of the building. **Sub-FINDING: The scale and proportion of altered or added building elements, such as new windows or doors, ARE NOT visually compatible with the original building's architectural character as documented in the 1918-1920 photo. The existing storefront lacks the proportion, delicateness and elegance of the original storefront.**

17.59.050, B, (8). Buildings shall provide a foundation or base, typically from ground floor to the lower windowsills. **Sub-FINDING: On the existing storefront there is no base below the lower windows. The stucco wall finish runs down to the sidewalk.**

The proposed rendition of original storefront will add the foundation under the sill of the bulkhead.

brick of the type allowed by the District Design Guidelines. The original finials and decorative molding shown in the 1920 photo may be reproduced in sheet metal.

To the extent possible, the original storefront will be replicated from the circa.1920 photo. This will add to the pedestrian scale of the streetscape and protect pedestrians entering and leaving the building.

Note: This narrative is supported by the attached report:

The History of Buildings at 608 and 618 Northeast Third Street, McMinnville OR.

MEMORANDUM

Date: March 15, 2023

To: McMinnville Planning Commission

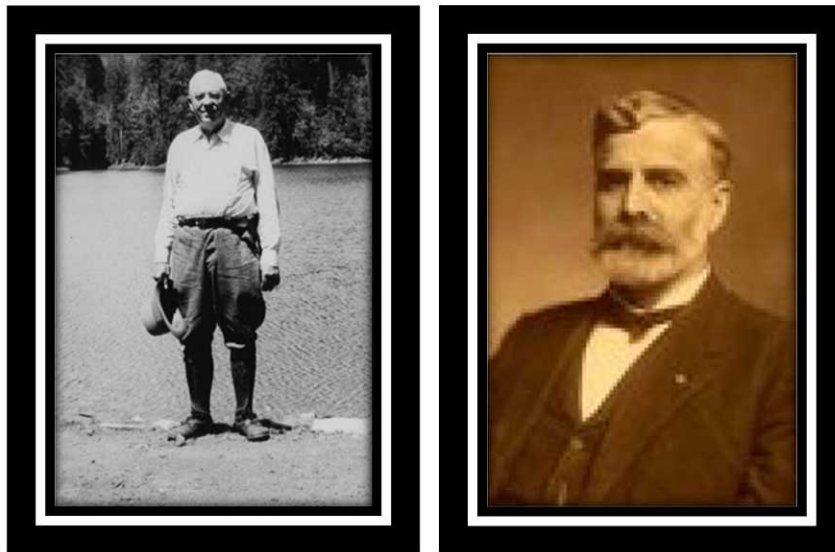
From: Katherine Huit, Historian, CRM

Subject: Public Testimony on the Gwendolyn Hotel - Appeal of HLC decision, applications HL- 6-22, HL-7-22, HL 8-22, and DDR 2-22

Thank you for your time and devotion to McMinnville's future. I come before you again as a professional historian with experience writing about local history (including *McMinnville Water and Light's First 100 Years* in 1989, updated and published in 2022 as *At Your Service: The Story of McMinnville Water and Light, One of the Oldest Municipal Utilities in the West*) and National Register nominations. Being a historian involves in-depth research and storytelling. Stories are a part of the fabric of our downtown and they meld with the architectural structures to create the historic context that ultimately placed our main street on the National Register. My previous testimony brought forth some of these stories. One of the stories I shared involved Hotel Oregon. I bring this up in response to testimony presented during the March 2 hearing, which mentioned how the McMenamin brothers brought new life to McMinnville's main street. *While it is true that McMenamins breathed life into the Hotel Oregon, this success came because of the National Register historic district listing - and the efforts of a group of enterprising McMinnville business folks who formed the Old Oregon Hotel Business Partnership.* At the time (the late 1990s), the decade-old MDHD had already attracted businesses including Union Block Coffee, 403 N. Third Street; Corner Stone Coffee, 216 NE Third Street; Nick's Italian Restaurant, 521 E. Third Street (famous internationally by this time), The Sage, located upstairs in the historic 1893 building, 406 NE Third Street; Kame, then located in the Hotel Yamhill building at 228 N. Evans and Third Street Grill, at 729 NE Third Street; and these restaurants and events, such as the Brown Bag concerts, which began in 1994, were already drawing tourists to the MDHD.

In this written testimony, I will also address the comments made in support of the Gwendolyn Hotel, during the March 2 hearing, which questioned the designation of the O'Dell, News Register and Bennette buildings as historic - or whether they have historic value - and in turn, also have value to the community. Before I get into that further, I wish to note that while the boundary of McMinnville's Downtown Improvement Plan includes the O'Dell, News Register and Bennette buildings and overlaps with the MDHD, my testimony focuses on the placement of these three structures in the *National Register-listed MDHD*, with its irregularly shaped boundary that runs from portions of Fourth Street to the north, Second Street to the south, the Southern Pacific Railroad tracks to the east and Baker Street to west. As a historian, I consider the MDHD like the Philadelphia Historic District, which represents the foundation of the United States. The MDHD represents the foundation of the City of McMinnville and it deserves continued preservation as such.

There is plenty of supporting documentation that proves the three buildings in question, are, indeed, historic structures worth preserving. The following narrative provides some of the reasoning behind this statement. Not unlike the O'Dell, News Register and Bennette buildings, the building that houses McMennamin's Hotel Oregon began life during the early 20th century. Local attorney Frank Fenton (also builder of more than ten structures in the MDHD, including the O'Dell, News Register, Bennette, Old Elks Lodge on Third, and Fenton buildings) partnered with local banker (McMinnville National / US Bank) Walter Link (also a long-time McMinnville Water and Light Commissioner and namesake of Link Reservoir, part of McMinnville's spectacular water system). The Fenton - Link partnership¹ developed and constructed the two-story Hotel Elberton in 1905, investing \$15,000 to accomplish the task. This came just prior to the advent of Oregon's Red Electric, which stopped in McMinnville between Portland and Eugene. Upon completion, the Hotel Elberton served as McMinnville's premium lodging, which stepped up competition with its neighbor - also located on Third and Evans: The Hotel Yamhill.



Walter S. Link and Frank Fenton partnered to build the Hotel Elberton. Fenton also developed at least three other structures in McMinnville's Historic Downtown District: the O'Dell, News Register and Fenton (JC Penny) buildings.

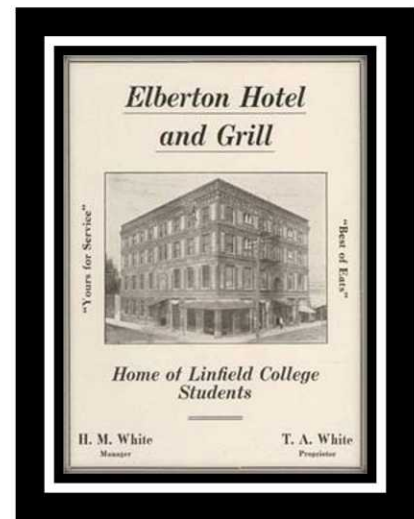
The Hotel Elberton featured 26 guest rooms, a large dining room, banquet room, barber shop, cigar store, ladies parlor and a bar for the gentlemen. Thomas White was the Elberton's first proprietor. Also a local farmer, White sowed and harvested crops from land occupied today by Evergreen Aviation and Space Museum. He had previously operated White's Restaurant on Evans near Third Street. White lost his first restaurant to fire in the early hours of July 27, 1900. The fire also destroyed Hibbs Bicycle Shop next door, damaged two structures belonging to Joe Dubois behind the Hotel Yamhill, and nearly reached City Stables, where the Old Elks Lodge Building now sits. Rebuilding his establishment, White continued in business until offered the position at the Hotel Elberton. The establishment quickly became popular with commercial and transient traffic as well as students and professors from McMinnville College (now Linfield University).

¹ Link and Fenton partnered in other developments along McMinnville's Third Street and other areas in McMinnville under a venture known as the McMinnville Building and Improvement Company.

Construction of the Hotel Elberton- along with the O'Dell, News Register, and Bennette buildings - took place during a transitional era when the traditional horse and buggy and the railroad as a means of personal and commercial transportation began to give way to the automotive industry. During the first decade of the 20th century the popularity of the automobile increased, and those operating livery stables, harness shops and horse shoeing services saw their enterprises evaporate, seemingly overnight. As automobiles became more affordable, folks began to purchase and use them for excursions to and from McMinnville, which gave rise to new hotel construction and, individuals like Frank Fenton, who were enterprising enough to see the wave of the future, invested in developing automobile show rooms and service garages like the O'Dell, News Register and Bennette buildings in the MDHD. In tandem with this transportation-related transition came the gasoline engine and, in November 1910, Oregon voters ratified a constitutional amendment authorizing counties to issue and sell bonds with which to construct roads. McMinnville saw its local roads macadamized in the 1910s. Road construction, in turn, brought more automobiles - and people - to McMinnville.



Hotel Elberton in 1905 (left) and after the addition of the upper floors, circa 1910.



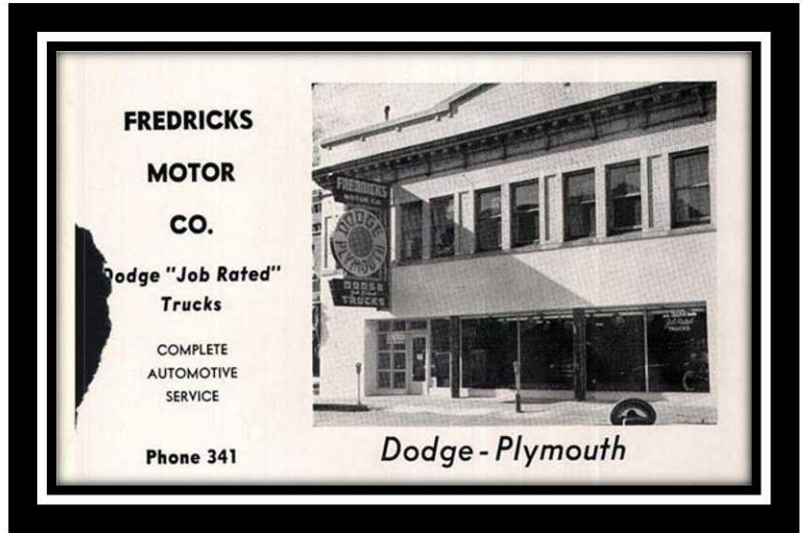
As the Red Electric waned, the automobile became king, which in turn delivered more visitors to McMinnville on travels to the coast and returning to points north, like Portland. In 1909, Joe Dubois, owner and proprietor of Hotel Yamhill, expanded his establishment, adding a wing on the Evans Street side that included 12 new rooms. Fenton and Link followed Dubois' lead and added two more floors to the Elberton in 1910, leaving the fourth floor an unfinished, barren framework.

The Oregon Legislature, in 1913, began establishing an integrated state highway system and by 1917 a newly created Oregon Highway Commission directed the State Highway Department to construct a standardized system of roads and bridges throughout the state. The funding for this endeavor grew from a unique system of taxing gasoline and collecting revenue from motor vehicle registration fees and licenses. Interestingly, the federal government adopted Oregon's gas tax as a main source of funding for the federal highway system, which resulted in millions in federal grant dollars flowing back to Oregon for use in constructing and improving the state's highways. The main trunk line roads adopted by the Oregon Highway Commission as the official state highway system included the *Columbia* (east-west along the river), *Pacific* (north-south through the Willamette and Umpqua valleys), *Roosevelt* (north-south coastal route), *The Dalles-California* (central state north-south), and *East-West Central*. McMinnville benefitted from the construction of the Pacific and Roosevelt highways, becoming the hub between Highways 28, (later the *Pacific West Side Highway - or 99W*) and Highway 32 (then known as the *Yamhill - Nestucca Highway, and later the Salmon River Highway or 18*). Highway 32 connected to the Roosevelt Highway (today's Oregon Coast Highway 101) a few years later. Thus, ***McMinnville's economy benefitted directly from the improvement of roads brought about through the development of the automobile industry and the gas tax, which originated in Oregon.***



The Maida family purchased fuel at O'Dell's Tires and Service Station in the film Quarterback Princess.

The News Register Building once served as the home for Fredrick's Motor Company.



Auto row in the snow, circa late 1960s. Here we see the Bennette Motor Company, which featured Rambler and Datsun autos and service. (Tim Fuller photo)

Did you know that, historically, early dealerships, which typically included a service garage, were generally at or near the edges of downtown districts? *Most first-generation dealership buildings are long gone, demolished for progress of one form or another.* Unlike the sprawling suburban dealerships of today, the early showrooms fit beautifully into their urban environments. That was the case of the O'Dell, News Register and Bennette buildings. With its main street a part of the statewide network of highways came growth, including hotels, auto showrooms and servicing shops. Besides auto industry-related businesses downtown, records from the era show the emergence of light industrial businesses in McMinnville with locations near the newly minted state road known today as Lafayette Avenue, including a foundry, machine shops and a cannery. *During the 1920s, the diverted tax funds helped renumber and align city streets in 1923 and fueled the building boom of 1928, which included more automobile-related businesses in and around the edges of the MDHD - like Cline Chevrolet - housed in the Bennette Building,*

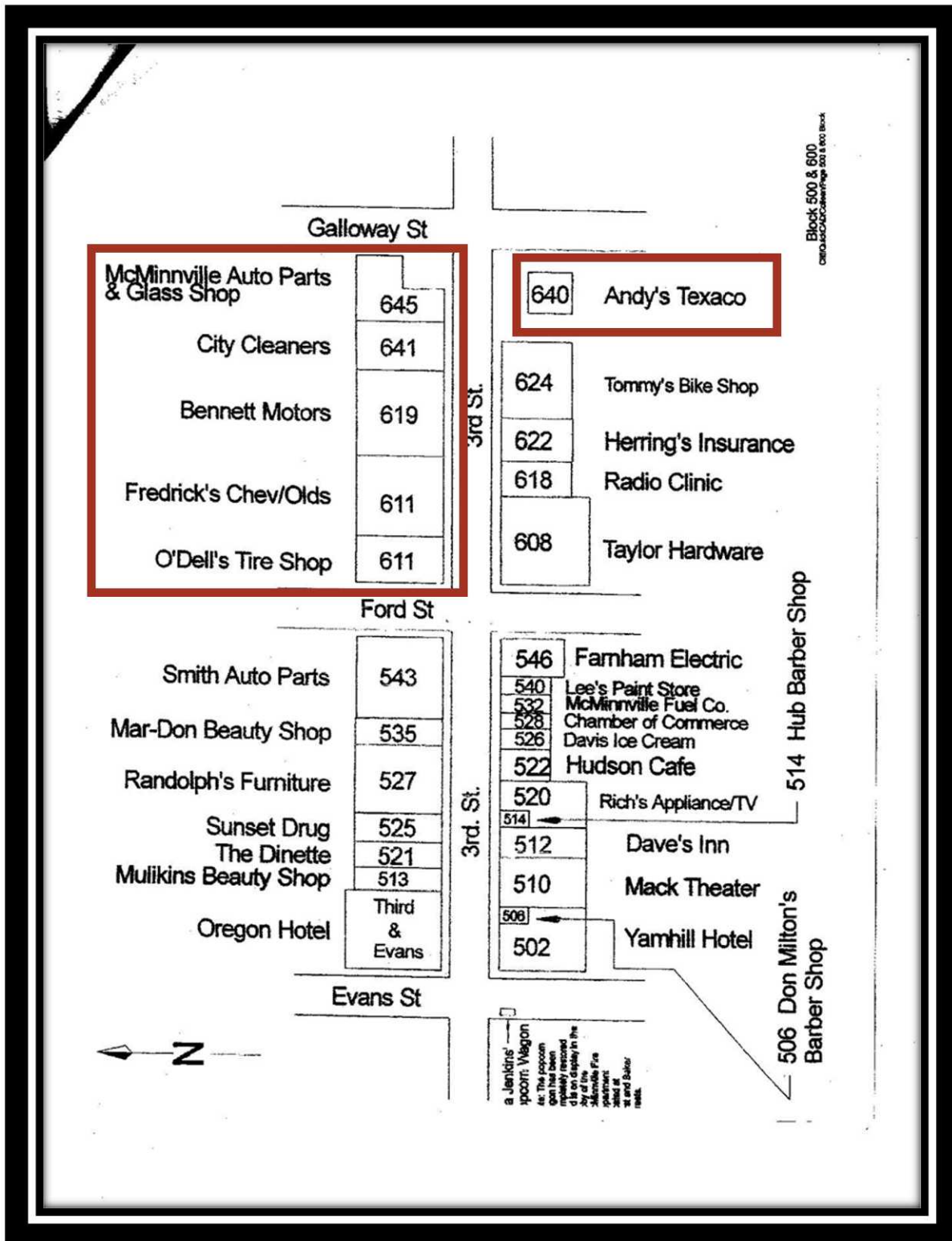
McMinnville's economy continued to benefit from funds diverted for state highway construction, which subsidized the city's street improvements in lieu of property taxes. For example, during the six years between 1944 and 1950, McMinnville received funds totaling \$85,412.26 (that is \$1,060,281.57 in 2023 dollars).

Meanwhile, in 1932, after the Elberton Hotel saw a complete first floor renovation and the addition of one of Yamhill County's first elevators, the structure became the Hotel Oregon. Several street-level shops, including a barbershop and real estate office attracted new customers during an era when the hotel's business waned.

Arnold "Nic" Nicolai, owner of the Hotel Montclair in Portland, bought Hotel Oregon during the Second World War. He and his brother opened the Paragon Room restaurant and lounge in 1946. Located in the northeast corner of the first floor, the neon lit Naugahyde and wood-paneled Paragon Room gained a reputation for its great steak, onion rings and live performances by such talent as Heck Harper's western band.

In 1955, the State Highway Department began the survey that created the Highway 18 Bypass, which took 20 years to complete. The McMinnville portion of the bypass began on September 11, 1958, when the Oregon Highway Commission adopted a survey resolution for the McMinnville Junction - Three Mile Lane Section of the Salmon River Highway. Construction on the bypass began in 1963 and, by 1967, Three Mile Lane served as a designated extension - officially a "spur" - of the Salmon River Highway. In 1975, records show the removal of the Adams to Johnson Street / Third Street section of the old highway (the old 99W route from Lafayette, that traveled Lafayette Avenue to Third Street and on out to Three Mile Lane).

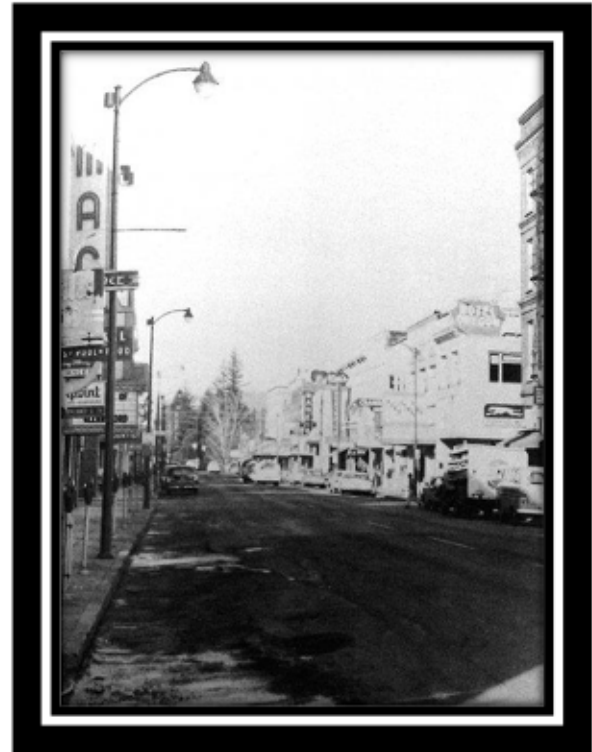
During the 1950s and into the early 1980s we find various ventures housed on the first floor of the Hotel Oregon, including the Greyhound Bus depot, Shamrock Taxi service, a Western Union office, the Book Retriever, the Beauty Maid Shop, Mac's Gems and Art Crafts, and a snack counter - amidst the stories of John the Ghost - the shop keepers' explanation for hard-to-explain sounds and events occurring in the uninhabited portions of the building. However, by the late 1950s, the Hotel Oregon building saw a slow decline of its resident businesses. First, the Paragon Room closed in 1958, and then during the deep freeze of 1967, bursting water pipes caused damage that led to the closure of many hotel rooms. In 1975, the bus depot moved and the Beauty Maid Shop, a 40-year business resident, closed its doors a few years later.



Business located in east downtown McMinnville, circa 1959, included auto-related services like O'Dell's Tire Shop, Fredrick's Chevrolet and Oldsmobile, Bennette Motors, McMinnville Auto Parts and Glass Shop, and Andy's Texaco.

The Hotel Oregon illustrates what happened to many main streets when arterial highways and thoroughfare roads replaced the avenues traveled through towns and cities. Instead of stopping over, or taking a few hours break in a downtown community, travelers, riding in improved automobiles, hurried to their destinations, grabbing fast food or sleeping in motels at convenient junctures along the way. The decline of main street McMinnville in the 1970s and 1980s is an illustration of the effect of urban sprawl along better and wider roads such as 99W and the Highway 18 Bypass.

The snapshot to the right shows Third Street looking west, circa late 1950s. Notice the Greyhound Bus sign on the southwest corner of the Hotel Oregon Building



The second floor of the News Register Building once housed McMinnville Bowling Alley, and later Duck Pin Bowling. It also served as the home of the McMinnville Jaycees. (News Register photo)

Fortunately, Mac had a group of visionaries who, with knowledge of new vineyards and the spark of an idea known today as heritage tourism, sought to preserve what once was a vibrant downtown area – and the result is today’s McMinnville Historic Downtown District.

I had the opportunity to interview Mike McMenamain for an article titled, *Welcome to the Hotel Oregon*, published in the *Portland Business Journal* in December 1999. Yamhill County’s charm initially attracted Mike and Brian McMenamain. They sought a location for a new bed and breakfast and, in 1989, they began looking at old houses in the Carlton area. The beautiful countryside, and the idea of a quaint community, kept them looking for the right place. In the late 1990s, the Old Oregon Hotel Partnership approached them about purchasing the Hotel Oregon property. The property offered everything they sought: *a great location in a pleasant historic district, a charming old structure, and a great, established customer base.*

In short, Hotel Oregon became an icon in the heart of the MDHD. The McMenamain brothers’ business model involves taking older structures and bringing them back to their former splendor while also adding new, sometimes quirky touches with historic tidbits about the properties and the community in which they reside sprinkled throughout. The McMenamains’ rehabilitate properties, preserving the past while understanding that we live in the present. They keep history alive, while at the same time creating spaces that are inviting and modern. And really, the reason for their success in the Pacific Northwest comes from their willingness to look at the bones of an old building, conducting the research into its history and creating a legacy from the past in the present for the future.

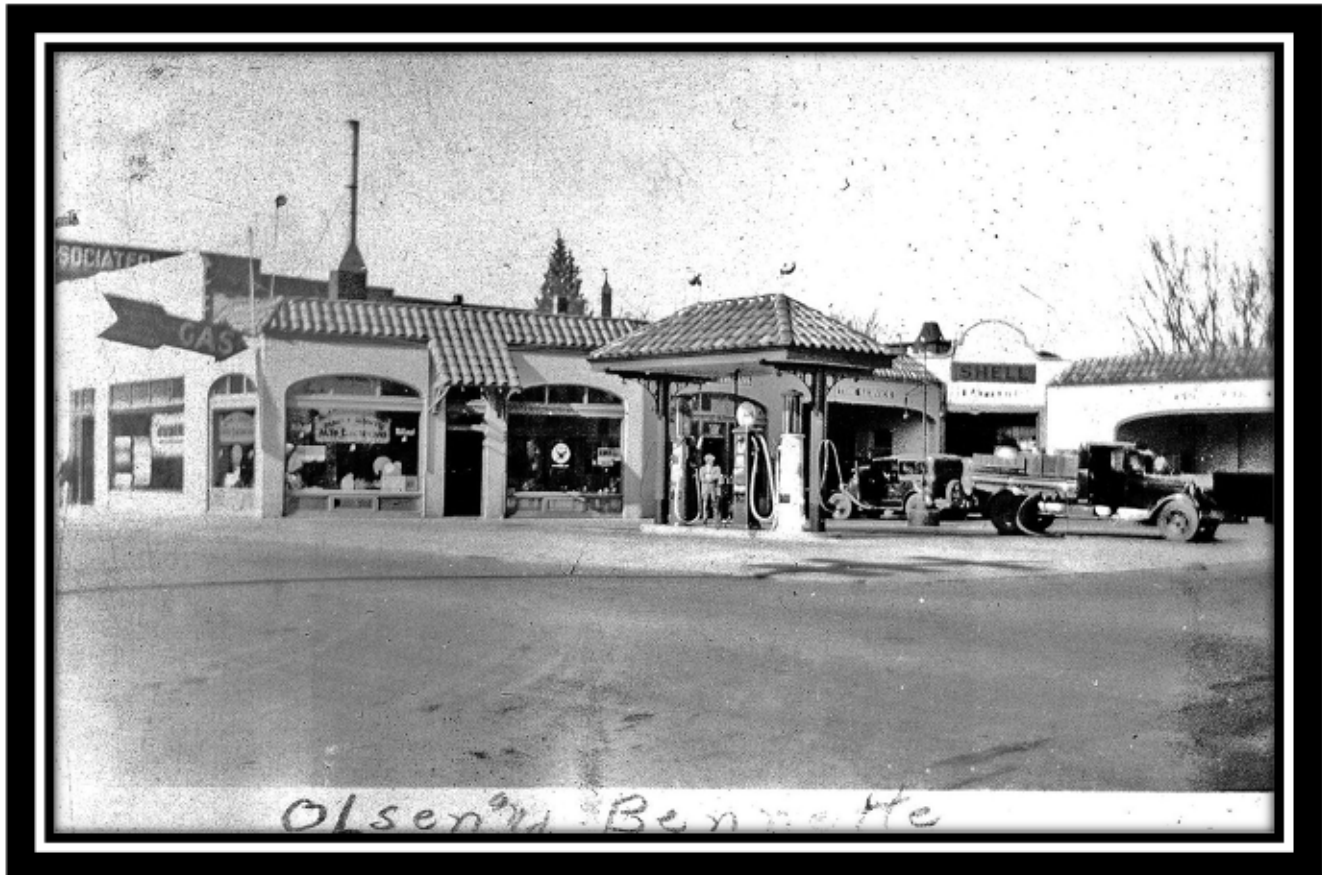
In January 1999, after many months of renovation, McMenamains’ Hotel Oregon opened its doors. The renovation included completion of the fourth floor, refurbishing of guestrooms, a “stratospheric” Rooftop Bar, and a “subterranean” Cellar Bar. The addition of a building-wide art gallery that blended old photographs and paintings, to depict the lore and history of the hotel and McMinnville, bestowed an added personality not found in other local structures (new and historic) until recently.

Entering from Evans Street one encounters the Hotel’s Front Desk to the right and, to the left, the old Paragon Room. Named after the former restaurant and lounge, history buffs interested in the look of the original Paragon Room can find a group of photographs revealing details of its life clustered on the northeast wall by the kitchen. Tucked away to the left of the old photographs, behind a set of old Stockton, California, saloon doors one finds the fun and extraordinary Kitchen Bar. Guests can easily hold conversations with the chef or sample the soup du jour while enjoying a painting of McMinnville’s mysterious 1950s UFO sighting. Mattie’s Room, located on the second floor and named for Mattie Hanna, the beloved proprietor of the hotel’s restaurant during the 1950s, offers businesses a great place to hold retreats, meetings or conferences. Located outside Mattie’s Room is a balcony overlooking Third Street. I was one of many kids in Mac who wanted to stand on that round arched, brick balcony with its gracefully curved wrought iron railing back in the day! It is a show piece of the hotel. In years past proprietors draped the American Flag over the balcony during parades and other significant events. Continuing up the stairs to the Rooftop Bar, one can view the artwork and photographs – and of course the destination at the top of the hotel offers a fabulous view of McMinnville and the surrounding countryside. And it’s interesting to take the slow ride down the old and original elevator from the Rooftop Bar to the Cellar Bar.

McMenamins is a gold star example of what historic preservation brings to not only downtown historic districts but how it also breathes new life into areas not listed on the National Register of Historic Places, and one from which the Gwendolyn Hotel developers could learn. In my opinion, it is incredibly irresponsible not to explore the possibilities for rehabilitation of these three structures. The HD McMinnville LLC is stomping on the efforts made by citizens of our community to preserve a piece – a *very small piece* of our local history. Further, the O’Dell, News Register and Bennette buildings illustrate the history and role transportation played in early 20th century McMinnville, Yamhill County and Oregon.

During their March 2 testimony, members of the developer's team stated, in essence, that they will walk away from this project if not allowed to demolish the O'Dell, News Register and Bennette buildings, making way for the Gwendolyn Hotel development. I am astonished that HD McMinnville LLC is not interested in working with this community and is willing to just walk away without *serious consideration* of 1) adaptive reuse of the three structures located in the MDHD or 2) an alternate location in its proposal. Instead, HD McMinnville LLC wants to destroy MDHD structures to construct *their vision of what McMinnville needs*.

This appears to be the developer's modus operandi: to destroy older structures without one thought of rehabilitation / restoration - let alone concern that the O'Dell, News Register and Bennette buildings are part of a US Department of the Interior-recognized historic district.



The above image, taken in 1932, shows the business of Olsen and Bennette Auto Electricians, which stood at the corner of Third and Galloway where the Kaos Building now stands. This business operated in tandem with Bennette Motors. In later years Mac Glass and Auto Parts occupies this space without the gas pumps. Note the Associated Oil "ghost mural" on the east side of the News Register Building. The construction process of the Kaos Building uncovered the lower portion of a similar mural on the east side of the Bennette Building. A local artist recreated it and now it serves as part of the attractive character of the MDHD. (Bennette family photo)

During the March 2 hearing, a member of the HD McMinnville LLC team mentioned a proposed project in Seattle, which involves demolishing a historic brick structure. Otak, an HD McMinnville LLC partner and the designer of the Gwendolyn Hotel, is also a partner with Vibrant Cities, and designer of the proposed 17-story Jasmine Building, which, if successful, will replace the historic Bush Gardens building in Seattle's culturally significant Chinatown. The old Elgin Hotel housed Bush Gardens, a Japanese restaurant for many years - so long, in fact, that locals now refer to the building as the Bush Gardens Building. Although located in the historic Chinatown district, the building is not a protected historic structure nor considered part of a historic district. Over a three-to-four-year period, Vibrant Cities pushed and pushed, brought in their legal team to push more and finally the governmental entity (the International Special Review District (ISRD) Board) gave in to the pressure. Then, another structural engineer came forward with an alternate view about the older building's viability (see attached article), and the ISRD requested more information, postponing demolition, albeit temporarily.

HD McMinnville LLC is using the same tactics here in McMinnville. They've down played the importance of our history -in essence framing it as insignificant and they've brought their argumentative legal team in to 'win the case'. In the process, they've caused a schism in our community through divisive and negative comments; in other words, they are not building trust within the local community. I make this point to show that HD McMinnville LLC has the time, and willingness, to drag out this process for a long, long stretch. There are many articles available online where one can read more about the Jasmine design and Vibrant Cities' interaction with the community. It isn't difficult to locate complaints about the developer's design, which did absolutely nothing to connect with the history of the community - its people, the sense of place and changes over time - in any authentic way. The modus operandi is eerily familiar to what is happening here in McMinnville with HD McMinnville LLC and its proposed Gwendolyn Hotel project - a project that is not at all connected with what makes McMinnville unique.

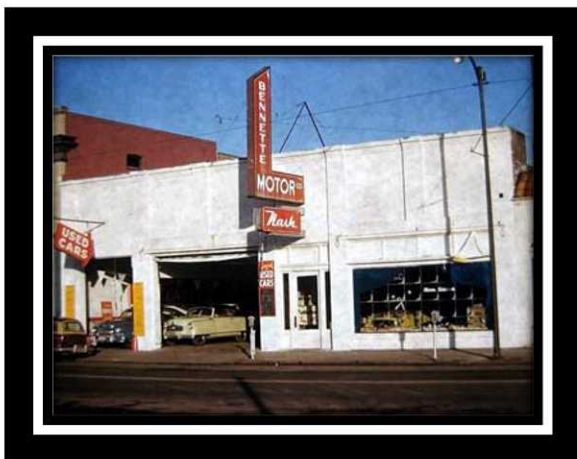
Should HD McMinnville LLC walk away from its proposed Gwendolyn Hotel project, there is evidence the O'Dell, News Register and Bennette buildings will not languish in a for-sale state for long. During the March 2 hearing we learned from Linda Leavitt that her Wright Building at the southwest corner of Third and Ford (diagonally across from the O'Dell, News Register and Bennette buildings), sold quite recently. Other structures in much worse shape than the O'Dell, News Register and Bennette buildings have also sold recently - in fact the historic Mack Theater and Hotel Yamhill, which sat nearly empty for years while several developers examined the possibilities of the structure, finally found the right group to purchase the property. These folks, like the McMenamin brothers, understand what it means to be a part of a recognized historic district and how to bring vitality to the old bones of a historic structure.

McMenamins' Hotel Oregon is a template that shows how the stories of our community can contribute to the success and preservation of the O'Dell, News Register and Bennette buildings. Imagine a future News Register building, renovated to include news stories through time, which tell the history of this wonderful city - woven directly into the materials involved in the structure's "rebirth" as an inviting place to work - or live, while preserving the memory of the newspaper and other businesses once housed within its walls. If approached with a heritage preservation hat on, the News Register building can certainly become an icon of east Third Street!

As a professional historian who knows what it takes to write a successful Historic Register nomination, I know it is not a small accomplishment to become a recognized downtown historic district. Creating the MDHD was a brilliant step in bringing heritage tourism to downtown McMinnville. The wine industry, Evergreen Aviation and Space Museum and Spirit Mountain Casino have also contributed to the growth of tourism in the McMinnville area.



This 1946 image of the Bennette Building, which housed the Bennette Motor Company, also shows a 'ghost sign' on the east side of the News Register Building, harkening back to the day of the auto dealership of Turner and Christenson, who sold Overland automobiles there before Wilson and Newman, who operated the Plymouth dealership, moved from the O'Dell Building, making way for the O'Dell brothers tire and service station. Bennette Motors was later a Nash dealership. Note in the image at right, the ghost mural is gone. (Bennette Family photos)



I also understand that McMinnville has plans to develop new historic areas. Developing these areas involves building trust – and allowing the destruction of buildings already listed in an existing historic district is not the way to ensure that, once established, those in oversight positions conduct their due diligence to protect these important heritage areas. It is extremely important to follow best practices in preserving what we’ve worked so hard to protect. We need to “walk the talk” of historic preservation if we are to maintain trust in our community.

During my last testimony I was not prepared to talk about codes. In closing, however, I remind everyone that the MDHD, which includes the O’Dell, News Register and Bennette buildings, falls under and is subject to the provisions of Oregon Special Assessment Program ORS 358.475, wherein it states, “The Legislative Assembly hereby declares that it is in the best interest of the state to maintain, preserve and rehabilitate properties of Oregon historical significance. Historic preservation incentive programs provide a public benefit by encouraging preservation and appropriate rehabilitation of significant historic properties. These historically significant portions of the built environment contain the visual and intellectual record of our irreplaceable cultural heritage. They link us with our past traditions and values, establish standards and perspectives for measuring our present achievements and set goals for future accomplishments. To the extent that Oregon’s historic preservation incentive programs encourage the preservation and appropriate rehabilitation of significant historical property, the programs create a positive partnership between the public good and private property that promotes economic development; tourism; energy and resource conservation; sustainability; neighborhood, downtown and rural revitalization; efficient use of public infrastructure; and civic pride in our shared historical and cultural foundations. [1975 c.514 §1; 1995 c.5 §1; 2001 c.540 §1; 2009 c.892 §1]”

Thank you again for your time and devotion to McMinnville’s future.

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Sources used to prepare this testimony:

- Katherine L. Huit, *At Your Service: The Story of McMinnville Water and Light, One of the Oldest Municipal Utilities in the West* (McMinnville: Willoheart Enterprises, 2022).
- Katherine L. Huit, *Welcome to the Hotel Oregon*, Portland Business Journal, December 1999
- Oral history and research notes in the author’s possession.
- Chetanya Robinson, *Structural Engineer Says Bush Garden Building Can Be Saved*, International Examiner, March 17, 2022.
- SWCA Environmental Consultants, *Historic Context of McMinnville, Oregon*, 2011.
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- *A Hard Fight with Fire*, The Yamhill County Reporter, July 27, 1900, p. 5

Structural engineer says Bush Garden building can be saved

By **Chetanya Robinson**

March 17, 2022

#



Bush Garden. **Photo by Chetanya Robinson.**

Developer Vibrant Cities has argued for over three and a half years, based on reports from structural engineers it commissioned, that the Bush Garden building is so structurally unsafe and poorly built that it cannot be retrofitted and must be demolished as part of the developer's proposed 17-story project named Jasmine.

A new report challenges this claim for the first time, arguing that the historic building can be improved and preserved like other buildings of its age and type.

The report was written by Dan Say, Principal of Swenson Say Faget (SSF) Structural Engineering, and commissioned by Historic Seattle, which has consistently argued the Bush Garden building should be preserved and not demolished.

The report became the main subject of a February 22 briefing before the International Special Review District (ISRD). After the last briefing on the Jasmine project in August 2021, the ISRD board agreed it needed no further information about plans to demolish the Bush Garden building, allowing Vibrant Cities to move forward with further design proposals.

Vibrant Cities and its design partner, Otak, came to the meeting hoping the Board was ready to focus the discussion on massing options in the project, as well as a new plan to provide double the amount of community space and retail, over the first two floors.

Most of the almost three hour meeting was focused on the new report, prompting frustration from the design team. "We thought we settled this issue at briefing number four," said James Wong, CEO of Vibrant Cities, during the meeting. "When does this process end?"

Still, only two ISRD board members said they needed more information about the building's salvageability following the report. The Board took no action during the briefing. It will vote to approve or deny the complete application for the project – and possible demolition of the building – at a future date.

Celebrated as the first karaoke bar in the U.S., and over the years as a hub for the Japanese American community and a gathering spot for activists, Bush Garden restaurant and bar has been closed since January 31, 2021. Bush Garden business owner Karen Akada Sakata plans to relocate the business to Uncle Bob's Place, a housing project scheduled for completion in 2023.

The building was constructed in 1910 as the Elgin Hotel, designed by Seattle's first Japanese American architect Sabro Ozasa, who also designed the Panama Hotel. The two upper floors were added in later years.

Soon after the Jasmine project was first presented to the ISRD board, Bruce Zhong, Structural Engineer at DCI, conducted an analysis of the building and concluded it would not hold up well in an earthquake due to weaknesses. These included rotten wood framing, walls made of poor material and deteriorating bricks. The addition of the upper two floors in 1913 caused the underground slab to crack and warp, he said. Added to this, poor soil conditions under the building made it difficult to retrofit. "It's just like three blocks of legos just put

on top of each other and no glue on it and without a solid base,” Zhong said during the February 22 briefing.

Zhong and Gary Reddick of Otak, the project’s architecture team, have said at previous briefings that while they always favor rehabilitating historic buildings, it would be unfeasible and too costly to do so with this one. Demolishing and then rebuilding the entire building would be the only way.

Historic Seattle, which specializes in rehabilitating historic buildings, has consistently argued the building could be saved, and commissioned Say of Faget Structural Engineering to take another look. The firm specializes in seismic assessment and retrofit of buildings.

“There is nothing unusual or risky with using traditional retrofit measures to improve the seismic performance of this building,” Say wrote in his report, provided to the ISRD Board and obtained by the *International Examiner*.

Based on reviewing photos in a DCI report from early 2020, Say believes what DCI describes as rot in the floor framing is actually water damage.

While DCI found that the exterior walls are in poor condition and not strong enough to withstand an earthquake, in Say’s opinion, the original construction of the building is “similar to many buildings I have reviewed in the Seattle area,” and the loss of mortar and worn down bricks are normal.

“The notion that the bricks would need to be removed and re-built is not accurate,” Say wrote. “The suggestion that the brick walls would need to be strengthened on one of both sides is an over-reaction. Traditional URM walls repairs, and strong backing are the likely remediation approaches. These are common solutions to URM bearing walls experiencing deterioration.”

A report from DCI says the building’s foundations are stressed from the weight of the upper two stories added later, and show slab settlement – the sinking of concrete slabs because the soil below can’t bear the weight. But Say said if this were true, cracks in the building walls would be visible.

According to Say’s analysis, not enough information was explored about the building’s foundations. A Seismic Review Report by Coughlin Porter Lundeen from January 2017 suggested the building could be supported on piles. According to Say, “if the existing building is confirmed to be on piles the capacity of the foundation is greater than suggested in the DCI report.”

A report from DCI explored what it would take to preserve the building. Its portrait of the condition “only serve[s] to fan the flames for a demolition recommendation,” Say wrote. “The proposed methods result in an impractical and unaffordable scenario, which certainly would support the demolition proposal. In our professional opinion, less heavy – handed alternatives are available since the building is not in the fragile state depicted in the report.”

In conclusion, Say wrote: “The condition of the existing building does not appear to limit the ability to make seismic interventions that are typical for buildings of this age and construction type.”

Say’s assessment was based on previous ISRD briefings and reports commissioned by Vibrant Cities, including seismic assessments and rehabilitation recommendations. Say also visited the site and looked at the building exterior, but building ownership denied him entry to review the interior.

Zhong of DCI Engineers provided a response letter to the ISRD Board arguing that Say’s analysis was faulty because it was partly based on observing the building from the outside. “[W]ith my 30 years structural engineering experience, I would never make recommendations on building safety by just walking around the building from the public right-of-way,” Zhong wrote. “Our conclusion is that this old building is not safe and extremely difficult to be rehabilitated. The normal retrofit methods SSF have used in the past will not work.”

Responding to the report from SFF, Reddick said during the briefing: “We’re very, very comfortable with the position that we’ve had for some time. We have the benefit of having been in the building firsthand.”

ISRD Board member Ming Zhang said he trusted DCI’s structural analysis. “To me it’s very common sense: This structure is not safe at all,” he said.

Board member Lizzy Baskerville said the new report made her rethink the feasibility of rehabilitating the building. She said she would like a fuller report, and asked why Say was not allowed in the building. “Basically the rebuttal letter is stating that this engineer doesn’t have the full information to make an assessment because they weren’t allowed inside the building,” she said. “So maybe we ought to let them inside the building.”

Wong replied that the building’s condition would create a safety liability. He added that because Say was commissioned by Historic Seattle, “they have competing interests, and it’s not unbiased.”

"They're going to say, you know what, it can be saved," Wong added. "There are certain things that can be saved within reason. It has to be saved within reason, too."

Board member Matt Fujimoto also said he wanted more information about the proposed demolition, given the new report, and that the developer should let SFF follow up with a more detailed memo "and put this to an end." He said the Board is charged with discouraging unnecessary demolition. "Given that we have somebody's new opinion, who is an incredible expert – who has said that perhaps the building is a viable candidate for seismic retrofit or some parts of it are – I think it's important to follow up on that and have that information presented to the board."

Board chair Andy Yip suggested the board could select another, independent analyst to investigate the building, but ISRD coordinator Rebecca Frestedt responded that the Board cannot do this.

Board members Zhang and Nella Kwan said the board should not delay the Jasmine project further, as the empty building made the neighborhood feel unsafe.

The board expressed excitement about the proposed two floors of community space in the project. Baskerville and Zhang suggested the lower floors have masonry or brick on the outside to honor Bush Garden.

Baskerville said the 17 stories seemed out of scale with the surrounding neighborhood.

In a letter to the Board, Historic Seattle echoed this: "[T]he 170' high tower stands out jarringly and does not relate to the neighborhood or to its immediate neighbors."

Many letters and public comments to the board expressed concern about demolishing the Bush Garden building, pointing to its historic significance, and lamented the prospect of Jasmine as a new large market-rate housing project in the neighborhood. Affordability of projects falls outside of the ISRD Board's purview.

Nina Wallace, a longtime worker in the neighborhood, urged the Board to reject a demolition of the building, citing SFF's new report. The building "has been a home, a gathering space, and an organizing hub for generations of the CID community," she said. "Demolishing the building to replace it with luxury

housing inaccessible to the vast majority of CID residents and community members is an affront.”

In a statement, InterIm Community Development Association argued that existing small businesses will not benefit from “an influx of new more affluent neighbors with different tastes,” and that the project will help raise property values and rents, contributing to “physical, economic, and cultural displacement.”

InterIm said that the building is similar to other historic SRO hotels that were included in the National Register designation for the neighborhood, and should have been included. The letter quoted Dr. Marie Wong, author of *Building Tradition: Pan-Asian Seattle and Life in the Residential Hotels*: “It is as important as any of the SRO buildings that currently make up the greater share of structures in the CID.”

The design team plans to present a new briefing to the board at a future date.

To: McMinnville Planning Commission
Re: HL 6-22, HL 7-22, HL 8-22 (AP 1-23, AP 2-23, AP 3-23)
March 15th, 2023

Commissioners:

Your job is to deliberate about the decision made by the Historic Landmarks Committee to *deny* the demolition permits that were requested by HD McMinnville LLC (OTAK). You are focusing on the *legal findings* used to justify the HLC's denial. The OTAK representatives have steered the hearings towards issues such as the hotel's restaurant and other irrelevant topics. The hearing on March 16th should focus on the *legal* findings that the developers are appealing. Please do not allow them to turn the hearings into a conversation about the colors of the drapes and wall coverings. None of that matters. What does matter is the integrity of McMinnville's Historic District and what makes McMinnville a wonderful place to live and work.

"In communities around Oregon historic downtowns are struggling, but along East 3rd Street in McMinnville, the downtown isn't just surviving, but flourishing," *Oregon.com* website.

A large part of what allows a town to flourish is access to what local residents need for their quality of life. A large hotel will not make the town better for locals, but will in fact change the nature of the town to a Wine Disneyland, displacing a large number of small, locally owned businesses. As a gallery owner on Third Street, I meet dozens of people a month who come to McMinnville just for the day in order to stroll on Third Street, have a nice meal, and simply enjoy the charm of a place that is well loved, beautifully maintained, and *authentic*. Wine has *nothing* to do with what brings them to McMinnville.

We cannot live by retailing and tourism alone. We need anchor enterprises with substantial payrolls to sustain us through the generations to come, and they aren't easy to come by.

March 3rd Editorial, News Register

In order to manufacture a supposed need for a large hotel, the out-of-town developers have tried to make their case by submitting *one* of the *eight* Goals and Objectives of the Mac-Town 2032 Strategic Plan, the goal that focuses on being a "Leader in Hospitality and Place-Based Tourism." As I'm sure you realize, there are 5 goals above this one and 2 below, goals that have *nothing to do with tourism*.

Once again, the OTAK team has tried to distract from the issue of demolishing significant buildings in the Historic District to a discussion about tourism. That is NOT the issue on which the PC is voting.

JOBS, HOUSING, WAGES

The local hospitality industry has suffered greatly in the past three years. Many of McMinnville's well-known local eateries are having a difficult time finding enough staff and have had to cut their business hours. One does wonder how the Gwendolyn will find 60 maids, janitors, desk clerks, etc. that they claim they will hire when small, well-established restaurants in McMinnville cannot find enough staff.

Job numbers at the Gwendolyn will vary wildly depending on hotel occupancy. The hotel will not require all those employees for most of the year. Hotel jobs are NOT dependable jobs. And of course, the bigger question is where will these low-wage workers live? McMinnville's biggest challenge is providing adequate housing for the people who already work here.

The developers mentioned at the hearing on March 3rd that they will be providing "living wage jobs." However, without the benefit of a microphone, they have since submitted a document to the record that shows this is not the case. On March 9th, Practice Hospitality, the Texas-based hospitality company that has been hired to run the hotel, sent memo breaking down the wages that will be paid, done as a percentage of total wages, NOT by numbers of employees. According to the MIT Living Wage Calculator, the *living wage* for an individual in Yamhill County with NO children is \$21.85 an hour. For an individual with ONE child, the *living wage* is \$40.44 an hour.

The Practice Hospitality list shows salary ranges that do not come close to \$40.44 an hour for 69% of its projected payroll, which represents the largest number of employees. Then mysteriously, the pay range goes from \$20 - \$25 an hour up to ANNUAL salaries of \$55,000 to \$140,000 for 31% of total payroll. The higher salaries represent a percentage of the payroll paid to *fewer* people. These salary figures are yet another example of a misleading, public statement from the developer.

Historic Significance

Jeb Bladine, the representative of the owners of two of the buildings in question, said, quite rightly, in written testimony to the Planning Commission that significant work was done to restore the O'Dell building. I know for a fact that Mr. Bladine cares deeply about the historic nature of McMinnville. The *News Register* covered the restoration projects in the September 18th, 2004 edition of the paper. Mr. Bladine is quoted as saying, "We know we will enjoy the improvements. We hope the community sees it as a welcome addition to the downtown historic district." Once again, the historic district is used to illustrate the importance of the location of his property. (The article in full can be found at the end of this letter.)

Several years ago, in a brochure created to help lease the O'Dell building, the historic nature of the neighborhood and the recent renovation of the building were used as selling points for the property. These two, once-important selling points are now being discounted by the developers in order to justify demolishing the properties. Yet not that long ago, the historic nature of the property and its location were considered significant. (The marketing brochure is at the end of this letter.)

Why then is the integrity of this historic district being put in jeopardy by the proposed demolition of buildings that even the current owner sees as an integral part of this historic district? The hotel that would replace these historically significant buildings is massively larger than any building in the historic district, and its design has virtually *nothing* in common with any other building in McMinnville. The architects claim that they have created a building that will fit right into the historic district. Perhaps the Gwendolyn *might* work in the French Quarter of New Orleans, what with wrought iron grilles, Juliette balconies and all, but it certainly has nothing to do with McMinnville's historic district.

Several highly qualified architects have submitted detailed discussions about the mass and appropriateness of the design of the Gwendolyn Hotel. I will not get into those details, but I urge you to look over the documents from these professionals who have no dog in this fight but simply care deeply about McMinnville. The Gwendolyn representative at the hearing on the 3rd of March didn't even remember that the name of the street is Third Street, **not** Main Street. So much for commitment to the town.

Turning a Profit

Several historic buildings much larger than the buildings in question have sold recently, for no more, or even *less* money than the asking price for the buildings that could be demolished. The buyers of one large building that houses the Mack Theater have committed to a massively expensive restoration project to preserve the integrity of the building and the Historic District while supplying McMinnville with at least 50 more hotel rooms. It will take a very long time for these *local* developers to get a return on their investment. The developers of the Gwendolyn Hotel claim its massive size is required for the project to pencil out. Helping out-of-town developers to turn a profit as quickly as possible is *not* the responsibility of the city and should have absolutely no bearing on the decision at hand.

I urge you to not drink the tourism-as-future Kool Aid that the developers are putting forward. McMinnville cannot survive on tourism alone. Read the Mac-Town 2032 Economic Development Strategic Plan, and you will see that what the Gwendolyn developers are pushing is not what the leaders of the community see as the future for McMinnville.

I urge you to support the Historic Landmark Committee's decision to deny permits for demolishing historically significant buildings to be replaced by a hotel that will not make McMinnville a better place to live and work.

Ilsa Perse
5765 NE Mineral Springs Rd
Carlton, OR

News-Register tears down old pressroom

By YVETTE SAARINEN

Of the News-Register Sep 18, 2004

Fourth Street was intermittently blocked off between Ford and Galloway streets this week for demolition of the News-Register's old pressroom in downtown McMinnville, continuing a multi-phase improvement project on the company's downtown complex.

The demolition, together with development of new parking facilities, continues a project that started several years ago with renovation of the historic O'Dell Building. Following the historically authentic renovation, the O'Dell Building became the centerpiece of the News-Register's downtown complex.

The work under way now involves the O'Dell Building, which houses much of the newspaper's staff and that of the affiliated Internet service provider OnlineMac; the News-Register Building, which houses the rest of the News-Register staff; and the Bennette Building to the east.

All three buildings front Third Street in the 600 block of McMinnville's downtown historic district. A local company, Haworth Inc., is handling demolition of the 6,000-square-foot pressroom building, which stood immediately north of the O'Dell building, on the corner of Ford and Fourth streets.

"It's been almost 30 years since we moved into this facility, and we've made lots of improvements," said News-Register Publisher Jeb Bladine. "None of them, however, were as visible to the public as the changes we will be making in the next few months.

"We know we will enjoy the improvements. We hope the community sees it as a welcome addition to the downtown historic district."

The News-Register first leased space in the complex in 1976. The lease included the 12,000 square-foot building at 611 N.E. Third St., now known as the News-Register Building, along with the 12,000 square-foot parking lot across Ford Street and the 6,000-square-foot pressroom building.

The corner O'Dell Building was still operating as a service station back then. It later was added to the lease and eventually purchased outright.

In 1979, the newspaper installed a new Daily King press, featuring seven printing units and a folder, in the pressroom building. The press was used to support a commercial printing business, operating under the name of corporate parent Oregon Lithoprint Inc., as well as print the newspaper.

The commercial printing business grew slowly through the following decade, but received a huge boost when the company won its first Oregon Voters' Pamphlet contract in 1988. It was a stretch to produce the publication on one press, Bladine noted.

In the early '80s, the company took over the O'Dell building to the west, using it initially just as a fueling station and warehouse. Then the company acquired the Bennette Building to the east, leasing out the Third Street half and retaining the back half for warehousing.

By 1990, the year of the company's second Voters Pamphlet contract, a sister press had been installed - a used 1979 Daily King with six printing units and a double-parallel folder. Both presses were used on the state project.

By 1994, splicer units had been installed, allowing rolls of paper to be run together without stopping the presses. That enabled the company to produce a two-volume Voters' Pamphlet.

Two years later, the printing operation moved into a new 36,000-square-foot plant on Miller Street in the McMinnville Industrial Park. It's centerpiece was a 12-unit Goss Community press.

The seven-unit Daily King was sold a couple of years ago. The six-unit Daily King is now out at the Miller Street plant, where it is being refurbished for possible sale.

In the 1980s, McMinnville's downtown historic district won official listing on the federal register. In the process, the buildings making up the downtown News-Register complex were registered as historically significant structures.

"That process allowed us, and others, to get certain tax benefits for the buildings, and in return they came under certain restrictions," Bladine said.

Even then, Bladine said, the company knew the old pressroom building could not be economically renovated because of engineering problems. At one time, the company considered converting it into a covered parking structure, but it discovered that some code restrictions for parking structures were even more stringent than those for office structures.

Last year, the company got approval to demolish it. In preparation, all of the back tax benefits were repaid.

After demolition, a paved, lighted and landscaped 13-space parking lot will be developed on the property, and the newly exposed west wall of the News-Register Building will be renovated to include store-front windows. Then the employee parking lot across Ford Street will be paved, lighted and landscaped to match. Both lots will feature period lampposts.

The front half of the Bennette Building was sold in the 1990s. In the back half, the newspaper has created more organized and efficient storage space for various operations of the newspaper and related businesses.

Improvements will continue in the back half of the News-Register Building over the course of the coming month, Bladine said. The work will provide expanded space for the News-Register's computer services department, create a new and larger server room for OnlineMac, and provide additional work and storage space for related operations.

Future plans envision further development of the back halves of the News-Register and Bennette buildings, Bladine said. That could include a suite of offices with new restroom facilities in the News-Register Building, and utility improvements in the Bennette Building so that it can be prepared for future renovations.

Both the Bennette and News-Register buildings were re-roofed last year in preparation, and skylights were installed to brighten the Bennette Building's interior. Altogether, the roofing, demolition, parking lot and facade work is expected to cost about \$350,000, Bladine said.

Marketing Brochure for O'Dell Building

609 E Third St, McMinnville

\$2 per sq. ft. per month Full Service Lease



Mike Morris, Broker
Direct: 503-241-8847
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Mike Morris, CCIM
Direct: 503-241-8847
Mike@MillerConsultingGroup.com

Licensed in the State of Oregon

- Full Service Lease of \$2 per square foot per month
- 6000 square foot Historic District office space is dividable
- Building completely redone several years ago
- Heart of Downtown McMinnville

Square footage approximate, tenant to verify
Shown by appointment, do not disturb tenant
Contact Listing Agent for Complete Package



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Premier Location in the Historic Downtown McMinnville. Building is located at the corner of Third St and Ford, one block from the new Atticus Hotel. Building was completely redone several years ago with all new systems. Lots of exposed brick, open beams and natural light. Additional space may be available as a separate agreement.



Information contained herein has been obtained from the owner of the property or other sources that are deemed to be reliable. There is no reason to doubt the accuracy, but it is not guaranteed.

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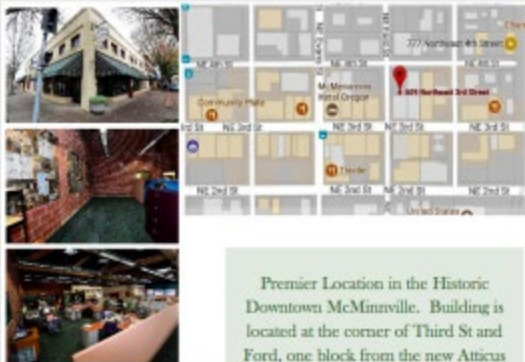


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March 14, 2022

Dear Planning Commission Members,

I am respectfully opposing the demolition of three historic properties in the McMinnville Historic District. It occurs to me that the many citizens of McMinnville and other opponents of this project, are at a disadvantage in comparison to the resources and staff at the disposal of the applicant. Please consider our testimonies even though we cannot fund studies or communicate as attorney's do. Our testimonies are based on our own experiences of living in, working in, and caring about McMinnville.

It seems the primary point both opponents and proponents are trying to make is based on the building ages. Opponents want them preserved because they are old. The applicants argue for demolition because they are old. All agree they are old. However, McMinnville's decision to preserve the historic district was made long ago and these buildings are part of the historic district and should be preserved.

Our historic district in reality is a very small portion of the city. It is extremely important to preserve what little we have when there is plenty of opportunity to develop elsewhere in the city. Including areas slated specifically for re-development, like the Alpine district. Or if a hotel were built further east on 3rd St, it could bring fresh vitality to that end of the street. Ultimately extending 3rd St and triggering new development of underutilized non-historic properties along that stretch.

McMinnville's dedication to preservation is clear in the many times the city is referred to as "Historic Downtown McMinnville" on the City's own website. It's why we have the Historic Landmark Committee, programs, ordinances, and other structures in place to preserve the historic nature of McMinnville. This structure and dedication was created to prevent this type of situation from happening in the historic district and to other historic buildings in the city. If none of it is relevant in this case, then what hope do we have of preserving the rest of the historic district and other historic buildings. The difference between should and shall becomes irrelevant when we know the intent of the structure in place, and why it is in place.

Many dedicated and respected members of this community worked to bring vitality back to 3rd St. after it was more or less abandoned in the latter part of the prior century. The foundation of downtown includes some very long standing and local building owners and tenants. They have chosen McMinnville because they want to live and/or be here and not because they are looking for the largest or fastest return on investment. This philosophy may seem flawed to those who are more money driven, but it is what has made McMinnville's 3rd Street the attraction it is today.

As an owner of a historic building on 3rd St., and being involved in the restoration of multiple historic buildings in McMinnville, including on 3rd St, I feel I have a realistic perspective of what being a property owner in the historic district represents. Owners in the historic district are aware of the rules and restrictions that effect their buildings, and they choose to own them knowing those restrictions are in place, and sometimes because the restrictions are in place.

Owners of historic properties also have access to programs, grants, and incentives to maintain their properties in a manner consistent with the goals of the historic district. Some of these benefits have been accessed by the owners of two of the buildings in question. These owners are no doubt aware of the mandates placed on their buildings and why they are in place. They have taken advantage of some of the benefits, they have invested monies in partial restoration, and yet now they argue that the buildings are not viable. This argument is contradictory to their past actions.

The argument that the buildings are not economically viable as-is, or that they are not worth the cost of restoration does not ring true when confronted with the reality of what has recently happened, or is planed to happen soon within the historic district. The two largest examples are the restoration of the Taylor-Dale Hardware building, and the planned restoration of the Mack Theater and adjoining properties. Restoration of both properties include seismic upgrades.

The Taylor-Dale building underwent extensive work. Work the owners felt was worth the effort and expense. The ground floor is currently still vacant by choice of the property owner and not because nobody wants to occupy it. A representative of the owner states they are looking for the right tenant who will fulfill a need in the community. Hopefully that will happen soon.

New owners of the Mack and adjoining properties are planning a full historic restoration of the buildings while making the changes necessary to meet code. These buildings are arguably in far worse condition than the three being considered for demolition. Yet the owners have found a way to move forward which includes financial viability and reasonable return on investment. To learn more about the project go to: <https://macktheater.com/>

These two examples represent owners who understand the importance of the historic district plays in continuing to draw economic vitality and tourism to the area. The historic district and authentic nature of downtown is a big part of what has made McMinnville a destination. Numerous award designations have been given to McMinnville's downtown. Eroding the historic district by demolishing buildings does not make sense when its authenticity is one of the primary reasons people want to be here or visit here.

Numerous minor restorations take place on 3rd St whenever a space changes tenants. These efforts are economically viable. Spaces are in high demand and often rent before a sign goes in the window. There is demand and the buildings in question should not be hard to rent if the price to rent is realistic. Not all spaces demand top of market rates, but that does not mean they aren't financially viable or worth investing in.

There are other examples of buildings that have undergone extensive renovation in the past, including seismic upgrades. These include Hotel Oregon, The building with the ballroom, and more recently, the Bindery. I would like to point out that seismic is not required to occupy the

buildings in question. It is only required if a significant change of use is planned. There are many success stories that show restoration of historic buildings is economically viable.

The applicants argument relies heavily on facts as they present them. The majority of these facts are more accurately points and opinions that support their application and not facts at all. I would like to address some of those points.

In a letter from the applicants attorney dated 2/27/23 the attorney outlines several reasons why, in their opinion, the Historic Landmarks Committee decision was incorrect and not supported by evidence. They also say they want to ground the communication in “facts they have offered to support this application”.

Condition of the buildings and their residual historic value.

- Applicant states: Each building has undergone three detailed analysis and a historic resources assessment. Each building was rated as fair-to-poor.
 - What was the rating system? Fair-to-poor as compared to what? Did a neutral third party do this assessment or was the work contracted by the applicant?
- Applicant States: The buildings possess limited residual historic integrity. Criteria of OAR 660-023-0200(8) and MZO 17.65.050(3) Changes summarized as follows with opposing points:
 - Resurfacing with stucco: If this was a viable reason to dispute a buildings historic significance and allow demolition, almost all of the buildings on 3rd Street could be considered for demolition.
 - Reconfiguration of the ground floors or interiors of the buildings: Interior changes are not governed by the HLC or most historic criteria and so this point is irrelevant.
 - Window and entrance replacement or reconfiguration: Over the years changes were made to these buildings to better suit their various uses over the years. This is not unusual. It's highly unlikely that they will ever be used as garages again. This is not the goal. What is of importance is their historical significance and their “fit” within the historic district. They continue to retain their historic massing, some features, and enhance the charm of downtown. This is another example of a criteria that if used, would include most of the buildings downtown. Various facade changes in the future could take them back to something more like their original form. There are grants available specifically for facade improvement. But they are fine as they are. They retain more historic significance than a new building of any kind. The owner is not required to restore them to original, the goal is they not be changed to take them further from original and that if changes are made, they honor the original.
 - Likely addition: This is only one small area of the building and now part of the buildings history. Though not as old as the original structure, it adds history to the structure.

- Loss of signage: This point is irrelevant. And if it somehow is, signs can be re-produced..
- Applicant states it is financially unfeasible to preserve these buildings.
 - A significant change in use would trigger seismic upgrades: While this is true, there are many uses for the buildings that do not trigger upgrades. Many of which could be financially feasible.
 - Cause substantial financial hardship to the owners: This paragraph is full of the words “likely” and “may”. But the “improvements they refer to are not required. And the cost they reference is a likely. The whole paragraph becomes moot when alternatives are explored.
 - Very limited future value: If this is true, then why do people own buildings in the historic district at all? Mr Higgins referenced market rate when estimating rents. Many of the buildings downtown do not achieve top of market rents and the expectation that they all will is currently unrealistic. If all building owners starting asking top of market rent we would lose many of our small locally owned businesses which are the fabric of downtown. We would likely have vacancies, sometimes for long periods. The prior Cornerstone Coffee space is an example of this. Still, rents will go up over time and are usually raised incrementally. A more relevant comparison should be the average rent on 3rd St and not top of market rate.
 - A buildings operating costs are assumed to be 45-50%: This may be true if the owner is paying every expense for the building, but they are not. Most of these costs are paid by the tenant, calculated and included as part of the lease. The operating costs paid by the building owner are generally minimal on a month to month basis unless the building is vacant. Mr. Higgins is correct in his statement that commercial lending can be difficult, but that is not unique to only the properties in question. Commercial real estate loans have different parameters than a typical home mortgage and it is more difficult. Purchase of commercial buildings usually involves large down payments, interim financing, or cash.
 - Buildings are of little or no net economic value to a new owner: This has more to do with the asking price. If the price was calculated using typical formulas for commercial real estate, they would sell. Other buildings downtown sell. Some of them quickly, and some recently that are in worse condition than these. But in these cases the price was negotiated to where a new owner could see economic value. It's true that a lender is unlikely to lend on a building that doesn't “pencil”, but how it pencils starts with the purchase price. The fuel contamination may still prove to be a challenge regardless of asking price.

The applicant also refers to McMinnville's comprehensive plan policies:

- Goal III 2: To preserve and protect sites, structures, areas, and Objects of historical, cultural, architectural, or Archaeological significance to the city of McMinnville.

- The key phrase is “to the city of McMinnville”. We decide what is included and significant to us. The applicant does not dictate this.
- Goal IV 1: To encourage the continued growth and diversification of McMinnville’s economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.
 - There is plenty of opportunity to achieve this goal without compromising the historic district.
- Goal IV 2: To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.
 - There is plenty of opportunity to achieve this goal without compromising the historic district.
- Goal IV 3
 - same answer
- Goal IV 4: To promote the downtown as a cultural, administrative, service, and retail center of McMinnville.
 - Downtown in it's broader sense is larger than the historic district. The historic district should remain intact. Areas for this goal have already been established in the Alpine district and other areas of McMinnville. If we are considering 3rd St specifically. There is room to fulfill this goal from the edge of the historic district east to at least Johnson St / Lafayette Ave. If a hotel were to locate on this stretch of 3rd St, it's presence could spur greater economic vitality and excitement. Bringing new businesses and economic benefit to an underutilized area.

One last issue I would like to address is the applicants response whenever confronted with an issue or concern. When asked about parking, workforce housing, and any other concerns the applicants response has been “we intend to”, “we hope to”, “we've looked into” or use of a similar phrase. It is unrealistic to believe the applicant will add a third level to the parking garage or build workforce housing. It may be possible but they are not guaranteeing anything when they use these phrases. They are only saying what we would like to hear. Please don't be influenced by these responses unless they are actual conditions for approval.

A similar context should be used when discussing inclusion of historic parts of the existing buildings in the new construction. What they are saying can be easily overturned later by saying the materials were not suitable or inclusion wasn't cost effective.

I appreciate your careful consideration of the issue at hand. It is a difficult task and highlights the need for the city to clean up some language and further reinforce what is required in the historic district. Please don't let the difference between should and shall influence what we all

know the intent of the historic district mandate to be.

Respectfully,

Marilyn Kosel

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McMinnville, OR 97128