



City of McMinnville
Community Development
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Exhibit 2 – STAFF REPORT

DATE: March 16, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Gwendolyn Hotel Public Hearing Continuation, Appeal of Historic Landmarks Committee Denial for HL 6-22, HL 7-22, HL 8-22, DDR 2-22

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

Report in Brief:

This is a continuation of the public hearing from March 2, 2023, to consider the appeal of the Historic Landmarks Committee’s denial of four land-use applications associated with the Gwendolyn Hotel project.

On January 26, 2023, the Historic Landmarks Committee voted 3- 2 to deny the applicant’s requests for Certificates of Approval for the demolition of a historic resource at 609, 611 and 619 NE Third Street (Dockets HL 6-22, HL 7-22, and HL 8-22), and voted 4-1 to deny the applicant’s Gwendolyn Hotel new construction project as compliant with the City’s Downtown Design Standards and Guidelines (Docket DDR 2-22). (Please see attached Decision Documents for HL 6-22, HL 7-22, HL 8-22, and DDR 2-22).

The applicant, HD McMinnville LLC appealed the Historic Landmarks Committee’s decisions on all four land-use applications to the Planning Commission on February 10, 2023. (Please see the attached applicant’s appeal submittal).

After reviewing the public record associated with all four land-use applications, the Planning Commission needs to decide if they agree with the Historic Landmarks Committee’s findings and decisions, or if they agree with the appellant’s argument that the applicable criteria has been satisfied and the applications need to be approved.

The entire public record collected prior to the public hearing is located on the project website at: [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon.](#)

All four land-use applications support the Gwendolyn Hotel project, a new hotel proposed to be constructed at 609, 611 and 619 NE Third Street. To accommodate the new construction of the hotel, the applicant is requesting to demolish three historic resources that are part of the McMinnville National Register of Historic Places Downtown Historic District. The Gwendolyn Hotel is a five-story hotel with ground floor commercial, a programmed roof deck with a pool and dining, and an underground parking structure with 67 parking stalls.

The Historic Landmarks Committee is the city-appointed decision-making body for land-use applications relative to alterations and demolitions of local historic resources, and land-use applications for new construction in the downtown design overlay district. The criteria used to review alterations and demolitions of local historic resources is found in both state laws (OAR 660-023-0200) and McMinnville's Municipal Code (Chapter 17.65, *Historic Preservation*). And the criteria for the review of new construction projects in the downtown design overlay district is found in the McMinnville Municipal Code (Chapter 17.59, *Downtown Design Standards and Guidelines*).

The criteria for the approval or denial of a request to demolish a historic resource in both the state law and the McMinnville Municipal Code is reliant upon the balancing of many different factors. Those members of the Historic Landmarks Committee who voted to deny the demolition applications found that the evidence associated with the different factors to consider did not support the demolition of the historic resources.

The criteria for the approval or denial of a new construction project's compliance with the City of McMinnville's Downtown Design Standards and Guidelines is intended to be clear and objective standards. However, there are several provisions of the code that are not as clear and objective, and the arguments at the Historic Landmarks Committee centered around how to interpret the criteria and whether or not they were standards that needed to be met or guidelines that should be met.

The Historic Landmarks Committee opened a public hearing on September 29, 2022, and continued it to December 8, 2022, and then to January 5, 2023, at which time they closed the public hearing, deliberated and directed staff to write findings denying all four land-use applications, which they voted to approve on January 26, 2023.

The applicant first submitted their applications on August 9, 2022. At the Historic Landmarks Committee meeting on September 29, 2022, it was decided that more information was needed for the Historic Landmarks Committee to balance all of the factors of demolition. The applicant provided a supplemental submittal on November 4, 2002, and additional materials at the request of city staff on December 15 and December 19, 2022. That material plus the public testimony provided both in writing and orally at the public hearings on September 29, 2022 and January 5, 2023, and the staff reports constitute the public record and evidence for the Historic Landmarks Committee's decision-making.

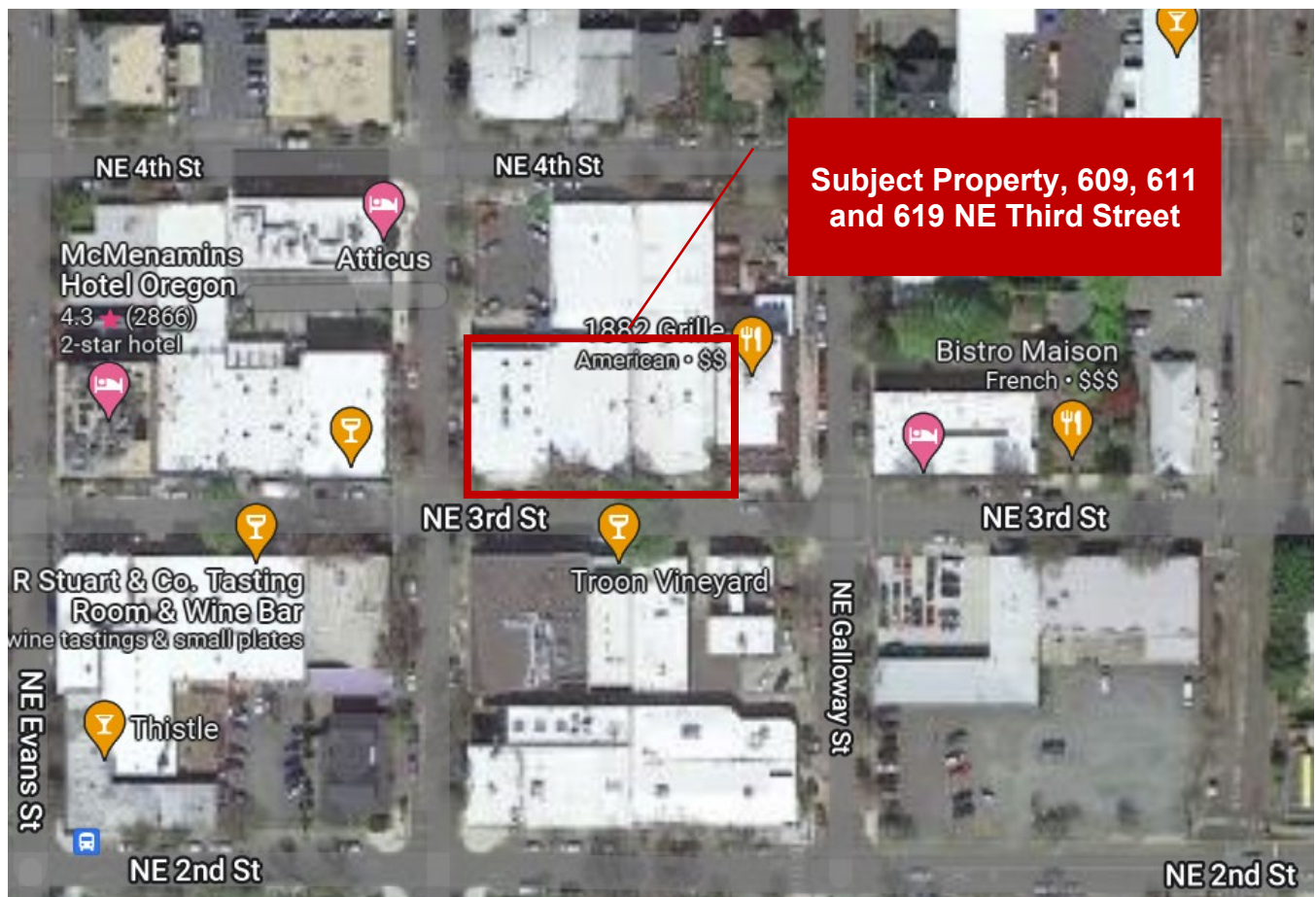
The Historic Landmarks Committee's decisions can be appealed to the Planning Commission.

Background:

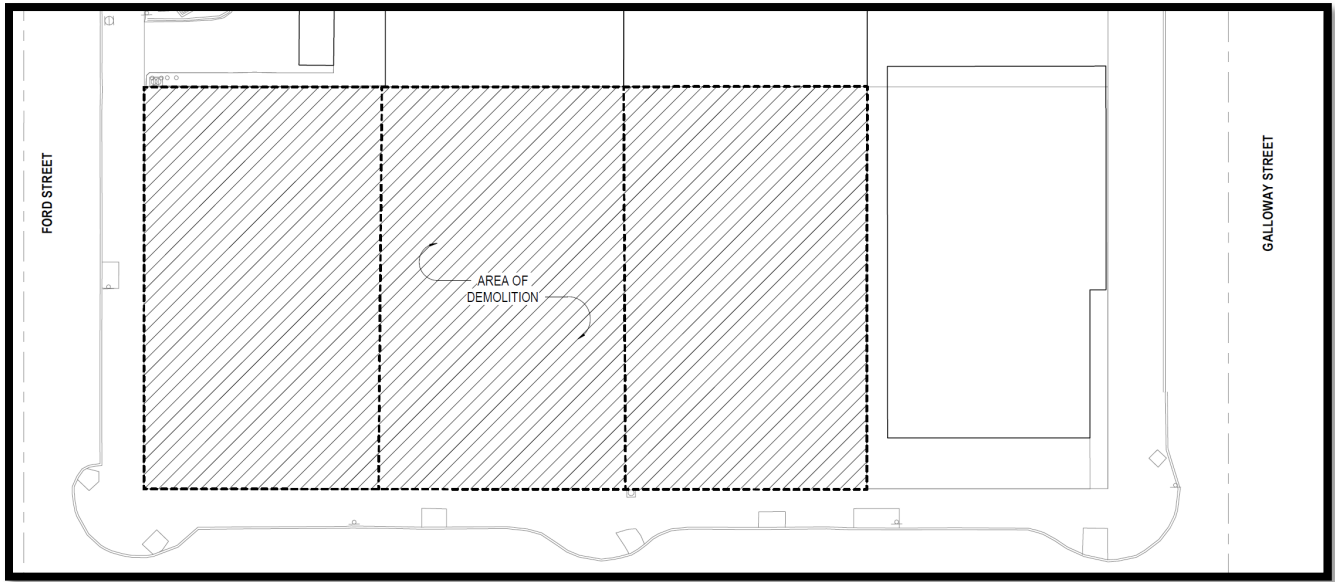
The subject property is located at 609, 611 and 619 NE Third Street. The property is identified as Tax Lots 4500, 4300, and 4201, Section 21BC, T. 4 S., R. 4 W., W.M. It is on the east end of Third Street, northern frontage between Ford Street and Galloway Street.

The site is at the northeast corner of NE 3rd Street and NE Ford Street and consists of three buildings: two tax lots addressed as 609 NE 3rd Street and 619 NE 3rd Street, and the southern portion of the tax lot addressed as 611 NE 3rd Street. All three tax lots are currently developed with buildings.

The property to the east of the development site, the Kaos Building at 645 NE 3rd Street, is developed with restaurant and other commercial uses. The sites south of NE 3rd Street are developed with a variety of commercial uses. The Tributary Hotel is on the southeast corner of NE 3rd Street and NE Ford Street. The site to the northwest is in use as a surface parking lot; the site north of 611 NE 3rd Street is the location of The Bindery event space. Please see vicinity map below.



Demolition Site



Structures to be Demolished:

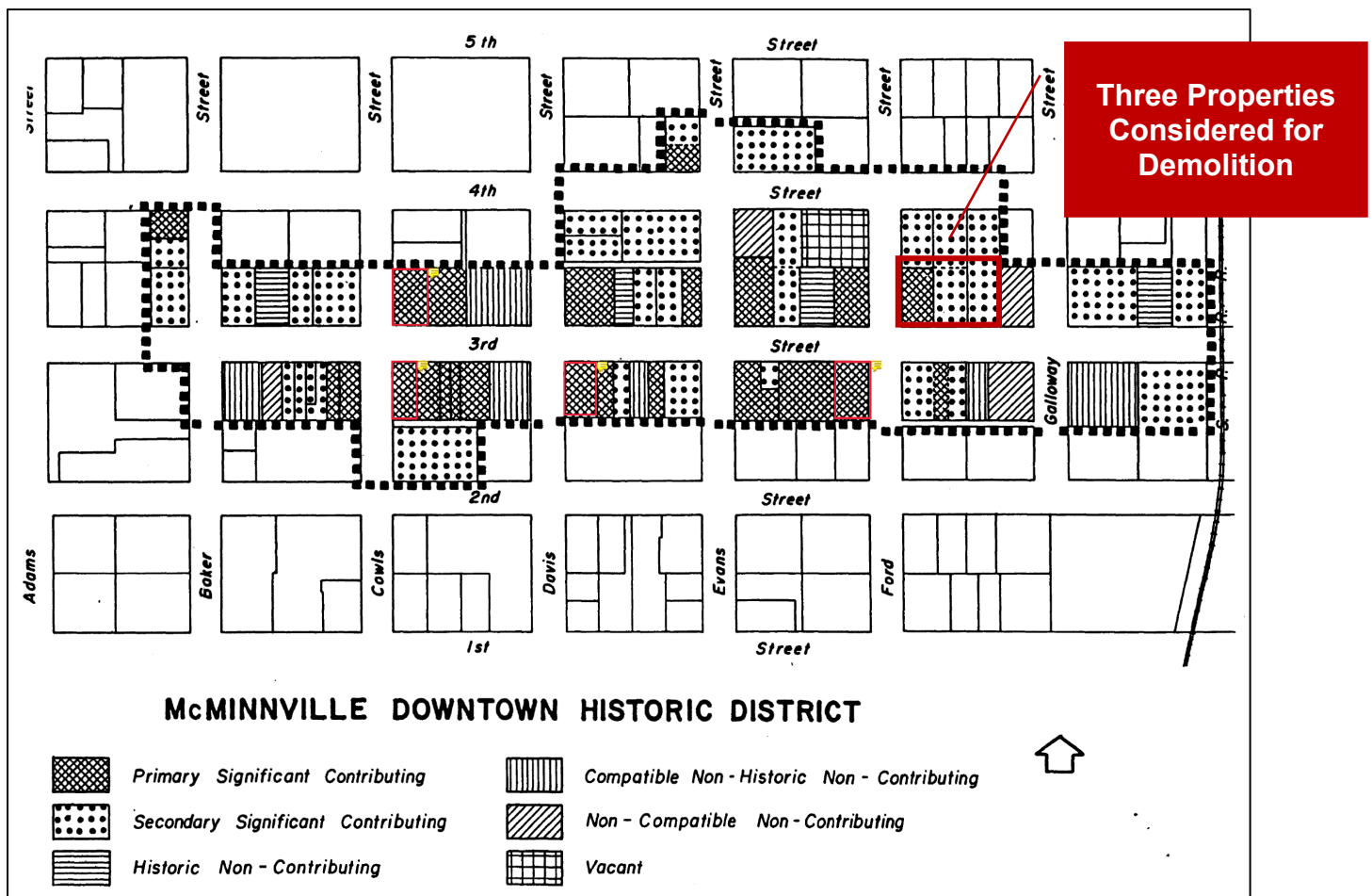


- 609 NE Third Street is considered a “Primary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a B (Significant) resource on the McMinnville Historic Resources Inventory (B865).
- 611 NE Third Street is considered a “Secondary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a B (Significant) resource on the McMinnville Historic Resources Inventory (B872).
- 619 NE Third Street is considered a “Secondary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a D (Environmental) resource on the McMinnville Historic Resources Inventory (D876).

Per the McMinnville Municipal Code, the four different categories for a McMinnville Historic Resource are:

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

Below is a map of the McMinnville National Register of Historic Places Downtown Historic District.



When the McMinnville Historic District nomination was prepared, assignment of primary and secondary contributing versus non-contributing was done based on the following: The National Register nomination describes the categories as such:

1. *Primary Significant Contributing: Structures are classified as Primary Significant if they were built on or before 1912, or reflect the building styles, traditions, or patterns of structures typically constructed before this date. These buildings represent the primary period of construction and development in downtown McMinnville from initial settlement in 1881 to 1912, when city improvements and use of the Oregon Electric and Southern Pacific Railroad service prompted new construction in the downtown area.*
2. *Secondary Significant Contributing: Structures are classified as Secondary Significant if they were built in or between 1913 and 1937. These buildings represent the secondary period of construction and development from the increase of city improvements and auto traffic.*
3. *Historic Non-Contributing: Structures are classified as Historic Non-Contributing if they were built either during 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 of [sic] Secondary Significant.*
4. *Compatible Non-Historic and Non-Contributing: Structures are classified as Compatible Non-Contributing if they were built after 1937 (When the nomination was being prepared in 1987, buildings constructed in 1937 were then 50 years old and met the threshold for National Register eligibility). but are compatible architecturally (i.e. scale, materials, use) with the significant structures and the historic character of the district.*
5. *Non-Compatible Non-Contributing: Structures are classified as Non-Compatible Non-Contributing if they were built after 1937 and are incompatible architecturally (i.e. scale, materials, and use) with the significant structures and the historic character of the District.*
6. *Vacant: Properties are classified as Vacant if there are no buildings sited on them (i.e., vacant lots, alleys, parking lots).*

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant would like to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking for the project.

Within the last year, the properties at 609, 611, and 619 NE 3rd Street were listed for sale by the Bladine family and Wild Haven LLC. After analyzing the opportunity and studying both the history and potential of downtown McMinnville, the applicant saw an opportunity to greatly enhance both the economic and experiential vitality of 3rd Street.

McMinnville is in an early stage of responding to its goal of being the Willamette Valley's leader in hospitality and place-based tourism. The most recent renovation

and redevelopment on the south side of 3rd Street, with new lodging, dining, and wine tasting, has been encouraging. However, the same opportunity for renovation for hospitality, commercial, and retail uses is not available to the subject buildings. As noted in the structural analysis included as Appendix C, changing the occupancy of these buildings from office to commercial, retail, or hospitality is likely to trigger significant seismic upgrades.

The applicant has indicated that this cost to fully renovate the buildings would be approximately \$12,025,000 inclusive of land cost, soft costs, and hard costs. Tenant improvements would cost an additional \$35 per sq. ft, for a total project cost of \$12,806,200. The achievable rents would be \$25 per sq. ft., with approximately 22,320 sq. ft. of rentable area, or \$558,000 effective gross income per year. Operating expenses are assumed at 38 percent of gross income, along with mortgage loan interest. The net operating income (NOI) including debt service would be (\$111,861) a year, or a loss of \$111,861 each year.

In this scenario, it would take the project approximately 40 years to recoup the initial rehabilitation cost and start making a profit. This would be unable to receive funding from a bank or investor and therefore is highly unlikely, if not impossible.

The proposal is to replace the three underutilized buildings at 609, 611, and 619 NE 3rd Street with a 90-95 room boutique hotel. The ground floor will include the hotel lobby, a signature restaurant at the corner of 3rd and Ford streets, with seasonal sidewalk dining, and small retail shop(s). The entire rooftop will be a mix of public uses, anchored by a small restaurant/bar opening onto a large terrace of seating and raised-bed landscaping. Though parking is not required in this location, a below-grade parking garage accommodating 68 parking stalls (this was changed to 67 parking stalls with the modified design after the September 29 public hearing) is proposed. The garage ramp will be at the north end of the property, mid-block on Ford Street, to avoid interrupting the 3rd Street pedestrian experience.

(Application Narrative, page 3)

The proposed project is a five-story building with ground floor commercial and retail space, four floors of hotel rooms (90-95 rooms), a roof-top deck and an underground parking structure (67 parking stalls).

New Construction, Gwendolyn Hotel – Third Street Elevation:



View of Gwendolyn Hotel from Ford Street and Third Street



Mid-Block Street Perspective Along Third Street



The application consists of:

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

Original Submittal, August 9, 2022:

- *Project Narrative*
- *Project Structural Analysis (609, 611 and 619 NE Third Street)*
- *Project Site Plan and Concept Drawings*
- *Project Traffic Impact Analysis*
- *Memorandum of Compliance with Criteria*
- *Neighborhood Meeting Materials*

Supplemental Submittal, November 4, 2022

- *609 NE Third Street Response for Additional Information Memorandum, by OTAK, dated November 4, 2022*
- *611 NE Third Street Response for Additional Information Memorandum, by OTAK, dated November 4, 2022*

- *619 NE Third Street Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- Attachment 2: *Historic Resources Assessment for 609, 611, and 619 NE Third Street* by *Architectural Resource Group*, dated November 2022.
- Attachment 3: *Contaminated Media Management Plan for 609, 611 and 619 NE Third Street*, by EVREN Northwest, dated October 13, 2022
- Attachment 4: *McMinnville Lease Rates* by Pacific Crest Real Estate Advisors, dated November 2, 2022
- Attachment 5:
609 NE Third Street Yamhill County Property Summary, dated October 31, 2022
611 NE Third Street Yamhill County Property Summary, dated October 31, 2022
619 NE Third Street Yamhill County Property Summary, dated October 31, 2022
- Attachment 6: *Contractor Assessment, Existing Buildings*, by Hugh Construction, dated October 11, 2022
- Attachment 7: *Overview of Historic Preservation Incentives for 609, 611 and 619 NE Third Street*, by OTAK, dated October 31, 2022.
- Attachment 8: *Economic Value of Structures in Downtown McMinnville, Oregon*, by Johnson Economics, dated November 2, 2022

Supplemental Submittal, November 7, 2022

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

Supplemental Submittal, December 15 and 19, 2022

- *Supplemental Findings for HL 6-22, HL 7-22, and HL 8-22*
 - Exhibit 1, *Historic Resources Assessment, Architectural Resource Group*, November 2022
 - Exhibit 2, *Existing Building Structural Summary, HHPR*, November 6, 2022
 - Exhibit 3, *Documentation of Existing Building Structures, HHPR*, July 29, 2022
 - Exhibit 4, *Contaminated Media Management Plan (Draft)*
 - Exhibit 5, *Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics*, November 2, 2022

- Exhibit 6, *Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings*, Hugh Construction, November 2022
- Exhibit 7, *McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins*, November 2, 2022
- Exhibit 8, *Memorandum Regarding Historic Preservation Incentives, Otak*, October 31, 2022.
- Exhibit 9, *2022 Tax Statements*
- Exhibit 10, *The Gwendolyn Financial Pro-Forma*, December 15, 2022
- Otak Letter, December 19, 2022, Responding to Public Comments

Docket DDR 2-22:

Original Submittal, August 9, 2022:

- *Project Narrative*
- *Project Site Plan and Concept Drawings*
- *Project Traffic Impact Analysis*
- *Memorandum of Compliance with Criteria*
- *Neighborhood Meeting Materials*

Supplemental Submittal, November 4, 2022

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

All documents associated with these dockets can be found on the project web page at:

[Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#)

Discussion:

The City must consider several different regulations when deliberating on whether to approve, approve with conditions or deny the applications.

For the Certificate of Demolition Approvals, the regulations are:

Oregon Administrative Rule, 660-023-0200, which states the following for considering the demolition of properties that are on the National Register of Historic Places

Oregon Administrative Rule 660-203-0200 (Section 8(a)) states that:

- (8) *National Register Resources are significant historic resources. For these resources, local governments are not required to follow the process described in OAR 660-023-0030 through 660-023-0050 or sections (4) through (6). Instead, a local government:*
 - (a) *Must protect National Register Resources, regardless of whether the resources are designated in the local plan or land use regulations, by review of demolition or relocation that includes, at minimum, a public hearing process that results in approval, approval with conditions, or denial and considers the following factors: condition, historic integrity, age, historic significance, value to the community, economic consequences, design or construction rarity, and consistency with and consideration of other policy objectives in the acknowledged comprehensive plan. Local jurisdictions may exclude accessory structures and non-contributing resources within a National Register nomination;*

This states that the City must factor into their decision a consideration of a series of factors but it does not state how the City must interpret these factors or balance them in order to render a decision.

McMinnville Municipal Code, Section 17.65.040 and 17.65.050, Historic Preservation, which considers the following guiding principles:

17.65.050 Demolition, Moving, or New Construction. The property owner shall submit an application for a Certificate of Approval for the demolition or moving of a historic resource, or any resource that is listed on the National Register for Historic Places, or for new construction on historical sites on which no structure exists. Applications shall be submitted to the Planning Department for initial review for completeness as stated in Section 17.72.040 of the McMinnville Zoning Ordinance. The Historic Landmarks Committee shall meet within thirty (30) days of the date the application was deemed complete by the Planning Department to review the request. A failure to review within thirty (30) days shall be considered as an approval of the application.


- A. *The Historic Landmarks Committee may approve, approve with conditions, or deny the application.*
- B. *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;*
 - 2. *The economic use of the historic resource and the reasonableness of the proposed action and their relationship to the historic resource preservation or renovation;*
 - 3. *The value and significance of the historic resource;*
 - 4. *The physical condition of the historic resource;*
 - 5. *Whether the historic resource constitutes a hazard to the safety of the public or its occupants;*
 - 6. *Whether the historic resource is a deterrent to an improvement program of substantial benefit to the City which overrides the public interest in its preservation;*
 - 7. *Whether retention of the historic resource would cause financial hardship to the owner not outweighed by the public interest in the resource's preservation; and*
 - 8. *Whether retention of the historic resource would be in the best interests of a majority of the citizens of the City, as determined by the Historic Landmarks Committee, and, if not, whether*

the historic resource may be preserved by an alternative means such as through photography, item removal, written description, measured drawings, sound retention or other means of limited or special preservation.

- C. *If the structure for which a demolition permit request has been filed has been damaged in excess of seventy percent (70%) of its assessed value due to fire, flood, wind, or other natural disaster, the Planning Director may approve the application without processing the request through the Historic Landmarks Committee.*
- D. *The Historic Landmarks Committee shall hold a public hearing to consider applications for the demolition or moving of any resource listed on National Register consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.*
- E. *Any approval may be conditioned by the Planning Director or the Historic Landmarks Committee to secure interior and/or exterior documentation of the resource prior to the proposed action. Required documentation shall consist of no less than twenty (20) black and white photographs with negatives or twenty (20) color slide photographs. The Historic Landmarks Committee may require documentation in another format or medium that is more suitable for the historic resource in question and the technology available at the time. Any approval may also be conditioned to preserve site landscaping such as individual plants or trees or to preserve selected architectural features such as doors, windows, brackets, mouldings or other details.*
- F. *If any proposed new construction is located in the downtown core as defined by Section 17.59.020 (A) of the McMinnville Zoning Ordinance, the new construction shall also comply with the requirements of Chapter 17.59 (Downtown Design Standards and Guidelines).*

And just like the demolition criteria within the Oregon Administrative Rules, the City has discretion to interpret what is required in order to satisfy these standards, so long as that interpretation is plausible given the express code text, its context, purpose and policy.

In summary, factors to consider when balancing a decision of approval or denial of the demolition of a historic resource on the National Register of Historic Places are outlined below in the table:



State OAR 660 -023-0200	McMinnville Municipal Code, 17.65.050
Condition	Comprehensive Plan Policies
Historic Integrity	Economic Use of the Historic Resource
Age	Value and Significance of the Historic Resource
Historic Significance	Physical Condition of the Historic Resource
Value to the Community	Whether the Historic Resource is a Public Hazard
Economic Consequences	Whether the Historic Resource is a Deterrent to an Improvement Program Whose Benefit Substantially Overrides the Public Interest in Preservation
Design or Construction Rarity	Whether the Retention of the Historic Resource would Cause Financial Hardship to the Owner not Outweighed by the Public Interest in Preservation
Comprehensive Plan Policies	Whether Retention of the Historic Resource would be in the Best Interest of the Majority of the Citizens of the City and the Resource Could be Documented and Preserved in Another Way

For the compliance of new construction within the Downtown Design Overlay District, the criteria and regulations are found in Chapter 17.65 of the McMinnville Municipal Code, "Downtown Design Guidelines and Standards", as provided below.

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; 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 proposed activity is subject to the review procedures contained in this chapter.*
- E. *This ordinance shall apply only to those portions of a building or sign that are proposed for construction or modification and shall not extend to other elements of the building or sign that may be out of compliance with the requirements of this ordinance (i.e., a permit to replace a single window shall not require that all other windows on the building that may be out of compliance with this ordinance to be replaced, unless such action is initiated by the property owner). However, if a building should be destroyed due to fire, accident, or an act of God, the new or replacement structure shall be rebuilt to conform to the requirements of this ordinance. (Ord. 5034 §2, 2017; Ord. 4797 §1, 2003).*

17.59.030 Review Process.

- A. *An application for any activity subject to the provisions of this ordinance shall be submitted to the Planning Department and shall be subject to the procedures listed in (B) through (E) below.*
- B. *Applications shall be submitted to the Planning Department for initial review for completeness as stated in Section 17.72.040. The application shall include the following information:*
 - 1. *The applicant shall submit two (2) copies of the following information:*
 - a. *A site plan (for new construction or for structural modifications).*
 - b. *Building and construction drawings.*
 - c. *Building elevations of all visible sides.*
 - 2. *The site plan shall include the following information:*
 - a. *Existing conditions on the site including topography, streetscape, curbcuts, and building condition.*
 - b. *Details of proposed construction or modification to the existing structure.*
 - c. *Exterior building elevations for the proposed structure, and also for the adjacent structures.*
 - 3. *A narrative describing the architectural features that will be constructed and how they fit into the context of the Downtown Historic District.*
 - 4. *Photographs of the subject site and adjacent property.*

5. *Other information deemed necessary by the Planning Director, or his/her designee, to allow review of the applicant's proposal. The Planning Director, or his/her designee, may also waive the submittal of certain information based upon the character and complexity (or simplicity) of the proposal.*
- C. *Review Process*
1. *Applications shall be submitted to the Planning Department for initial review for completeness as stated in Section 17.72.040. The Planning Director shall review the application and determine whether the proposed activity is in compliance with the requirements of this ordinance.*
 2. *The Planning Director may review applications for minor alterations subject to the review criteria stated in Section 17.59.040. The Historic Landmarks Committee shall review applications for major alterations and new construction, subject to the review criteria stated in Section 17.59.040. It shall be the Planning Director's decision as to whether an alteration is minor or major.*
 3. *Notification shall be provided for the review of applications for major alterations and new construction, subject to the provisions of Section 17.72.110.*
 - a. *The Historic Landmarks Committee shall meet within 30 (thirty) days of the date the application was deemed complete by the Planning Department. The applicant shall be notified of the time and place of the review and is encouraged to be present, although their presence shall not be necessary for action on the plans. A failure by the Planning Director or Historic Landmarks Committee, as applicable, to review within 30 (thirty) days shall be considered an approval of the application.*
 - b. *If the Planning Director or Historic Landmarks Committee, as applicable, finds the proposed activity to be in compliance with the provisions of this ordinance, they shall approve the application.*
 - c. *If the Planning Director or Historic Landmarks Committee, as applicable, finds the proposed activity in noncompliance with the provisions of this ordinance, they may deny the application, or approve it with conditions as may be necessary to bring the activity into compliance with this ordinance.*
- D. *Waiver Process*
- A guideline or standard contained in this ordinance may be waived as part of the design review process when it can be demonstrated that the proposed design satisfies or exceeds the downtown design goals and objectives of this ordinance. If a waiver is requested, the applicant must explain in their application how the proposed design satisfies or exceeds these goals and objectives. A request for a waiver to the standards of this ordinance shall be reviewed by the McMinnville Historic Landmarks Committee, as described in Section 17.59.030(C)(2).*
- E. *Appeal*
- An appeal of a decision by the Planning Director or Historic Landmarks Committee, including an appeal of conditions placed on the permit by the committee, may be made to the Planning Commission as outlined in Section 17.72.170. (Ord. 5034 §2, 2017; Ord. 4920, §4, 2010; Ord. 4797 §1, 2003).*

17.59.040 Review Criteria

- A. *In addition to the guidelines and standards contained in this ordinance, the review body shall base their decision to approve, approve with conditions, or deny the application, on the following criteria:*
1. *The City's historic preservation policies set forth in the Comprehensive Plan;*
 2. *If a structure is designated as a historic landmark on the City's Historic Resources Inventory or is listed on the National Register for Historic Places, the City's historic preservation regulations in Chapter 17.65, and in particular, the standards and guidelines contained in Section 17.65.060(2); and*
 3. *If applicable (waiver request), that all of the following circumstances are found to exist:*
 - a. *There is a demonstrable difficulty in meeting the specific requirements of this Chapter due to a unique or unusual aspect of the site, an existing structure, or proposed use of the site;*
 - b. *There is demonstrable evidence that the alternative design accomplishes the purpose of this Chapter in a manner that is equal or superior to a project designed consistent with the standards contained herein; and*

- C. The waiver requested is the minimum necessary to alleviate the difficulty of meeting the requirements of this Chapter. (Ord. 5034 §2, 2017; Ord. 4797 §1, 2003).

17.59.050 Building and Site Design.

A. *Building Setback.*

1. Except as allowed by this ordinance, buildings shall maintain a zero setback from the sidewalk or property line.
2. Exceptions to the setback requirements may be granted to allow plazas, courtyards, dining space, or rear access for public pedestrian walkways.

B. *Building Design.*

1. Buildings should have massing and configuration similar to adjacent or nearby historic buildings on the same block. Buildings situated at street corners or intersections should be, or appear to be, two-story in height.
2. Where buildings will exceed the historical sixty feet in width, the façade should be visually subdivided into proportional bays, similar in scale to other adjacent historic buildings, and as appropriate to reflect the underlying historic property lines. This can be done by varying roof heights, or applying vertical divisions, materials and detailing to the front façade.
3. Storefronts (that portion of the building that faces a public street) should include the basic features of a historic storefront, to include:
 - a. A belt course separating the upper stories from the first floor;
 - b. A bulkhead at the street level;
 - c. A minimum of seventy (70) percent glazing below the transom line of at least eight feet above the sidewalk, and forty (40) percent glazing below the horizontal trim band between the first and second stories. For the purposes of this section, glazing shall include both glass and openings for doorways, staircases and gates;
 - d. A recessed entry and transom with transparent door; and
 - e. Decorative cornice or cap at the roofline.
4. Orientation of rooflines of new construction shall be similar to those of adjacent buildings. Gable roof shapes, or other residential roof forms, are discouraged unless visually screened from the right-of-way by a false front or parapet.
5. The primary entrance to a building shall open on to the public right-of-way and should be recessed.
6. Windows shall be recessed and not flush or project from the surface of the outer wall. In addition, upper floor window orientation primarily shall be vertical.
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.
8. Buildings shall provide a foundation or base, typically from ground floor to the lower windowsills.

C. *Building Materials.*

1. Exterior building materials shall consist of building materials found on registered historic buildings in the downtown area including block, brick, painted wood, smooth stucco, or natural stone.
2. The following materials are prohibited for use on visible surfaces (not applicable to residential structure):
 - a. Wood, vinyl, or aluminum siding;
 - b. Wood, asphalt, or fiberglass shingles;
 - c. Structural ribbed metal panels;
 - d. Corrugated metal panels;
 - e. Plywood sheathing, to include wood paneling such as T-111;
 - f. Plastic sheathing; and
 - g. Reflective or moderate to high grade tinted glass.
3. Exterior building colors shall be of low reflective, subtle, neutral or earth tone color. The use of high intensity colors such as black, neon, metallic or florescent colors for the façade of the building are prohibited except as may be approved for building trim. (Ord. 4797 §1, 2003).

17.59.060 Surface Parking Lots.

- A. *Surface parking lots shall be prohibited from locating on Third Street. In addition, vehicular access to parking lots from Third Street is prohibited.*
- B. *All parking lots shall be designed consistent with the requirements of Section 17.60.080 of the McMinnville Zoning Ordinance.*
- C. *A hedge or wall, thirty (30) inches in height, or dense landscaping within a buffer strip a minimum of five feet in width shall be placed along the street-side edge of all surface parking lots. Landscaping within the buffer strip shall include street trees selected as appropriate to the situation and spaced according to its type, shrubs spaced a minimum of three feet on center, and groundcover. A landscaping plan for this buffer shall be subject to review and approval by the McMinnville Landscape Review Committee. (Ord. 4797 §1, 2003).*

17.59.070 Awnings.

- A. *Awnings or similar pedestrian shelters shall be proportionate to the building and shall not obscure the building's architectural details. If transom windows exist, awning placement shall be above or over the transom windows where feasible.*
- B. *Awnings shall be placed between pilasters.*
- C. *Where feasible, awnings shall be placed at the same height as those on adjacent buildings in order to maintain a consistent horizontal rhythm along the street front.*
- D. *Awnings should be constructed of soft canvas, fabric, or matte finished vinyl. The use of wood, metal or plastic awnings is prohibited.*
- E. *Awnings may be indirectly illuminated; internal illumination of awnings is prohibited.*
- F. *Awning colors shall be of a low reflective, subtle, neutral or earth tone color. The use of high intensity colors such as black, neon, metallic or florescent colors for the awning are prohibited. (Ord. 4797 §1, 2003).*

17.59.080 Signs.

- A. *The use of flush-mounted signs, flag-mounted signs, window signs, and icon signs are encouraged. Sign materials shall be compatible with materials used in the building.*
- B. *Where two or more businesses occupy the same building, identifying signs should be grouped together to form a single panel.*
- C. *Wall signs shall be placed in traditional locations in order to fit within architectural features, such as: above transoms; on cornice fascia boards; or, below cornices. Wall signs shall not exceed the height of the building cornice.*
- D. *For every lineal foot of building frontage, 1.5 square feet of signage may be allowed, to a maximum of 200 square feet.*
- E. *The use of the following are prohibited in the downtown area:*
 - 1. *Internally-lit signs;*
 - 2. *Flashing signs*
 - 3. *Pedestal signs and pole-mounted signs;*
 - 4. *Portable trailer signs;*
 - 5. *Cabinet-type plastic signs;*
 - 6. *Billboards of all types and sizes;*
 - 7. *Historically incompatible canopies, awnings, and signs;*
 - 8. *Signs that move by mechanical, electrical, kinetic or other means; and,*
 - 9. *Inflatable signs, including balloons and blimps. (Ord. 4797 §1, 2003).*

Per the Historic Landmarks Committee's deliberation on January 5, 2023, findings documents were prepared denying the land-use applications for Certificate of Approvals for Demolition for 609, 611 and 619 NE Third Street, and the Gwendolyn Hotel as a new construction project in the Downtown Design Overlay District and voted on by the Historic Landmarks Committee at their meeting on January 26, 2023. The Historic Landmarks Committee voted 3 – 2 to deny all three requests for the demolition of the historic resources, and voted 4 – 1 to deny compliance of the new construction with the City's Downtown Design Standards and Guidelines.

Attachments:

- Appeal Submittal by HD McMinnville LLC
- Historic Landmarks Committee Decision Documents
 - HL 6-22 (Demolition of Historic Resource at 609 NE Third Street)
 - HL 7-22 (Demolition of Historic Resource at 611 NE Third Street)
 - HL 8-22 (Demolition of Historic Resource at 619 NE Third Street)
 - DDR 2-22 (Downtown Design Review of New Construction – Gwendolyn Hotel)
- Supplemental Appeal by HD McMinnville LLC