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EXHIBIT 1 - MINUTES

November 28, 2018
Historic Landmarks Committee
Regular Meeting

3:00 pm
Community Development Center
McMinnville, Oregon

Members Present: Chair Joan Drabkin, Mary Beth Branch, Mark Cooley, John Mead and Heather Sharfeddin

Members Absent: None

Staff Present: Chuck Darnell – Senior Planner

Others Present: Pat Angland, Beth Dell, Dave Haugeberg, Brian Maselli, Harold Washington, Christine Washington, Craig Wilson, Eric Wolff, and Jen Wolff

1. Call to Order

Chair Drabkin called the meeting to order at 3:00 p.m.

2. Citizen Comments

There were no citizen comments on non-agenda items.

3. Approval of Minutes

- A. May 15, 2018 Meeting Minutes
- B. June 27, 2018 Meeting Minutes

Committee Member Branch moved to approve the May 15 and June 27, 2018 meeting minutes. The motion was seconded by Committee Member Mead and passed 5-0.

4. Action Items

- A. HL 9-18 – Certificate of Approval for Demolition - 180 NE 7th Street

Senior Planner Darnell presented the staff report. The property was located on the corner of Baker and 7th. It was listed on the historic resources inventory as a contributory resource. The house first appeared on the 1928 Sanborn Map. He reviewed the applicable criteria for demolition. He stated that the applicant was arguing that there was no current economic use of the property as it existed today. It was clarified in the applicant's most recent supplemental narrative that the cost estimates that were provided for the renovation of the existing structure were to bring the property back to

commercial standards. That applicant's argument was that level of investment was beyond reasonable. Staff noted that the property was zoned C-3 and other uses were allowed that might not require the same level of investment. The structure was a lower level resource on the inventory. A lot of changes had occurred to the architectural features and there was deterioration of the structure. The applicant proposed to make funds available for the moving of the structure as an incentive to preserve it. Those funds were what they would have spent on a demolition. That would also test whether the preservation of the structure was feasible and whether there was value and significance that warranted the preservation of the structure.

Senior Planner Darnell stated that the applicant provided photographs showing the poor physical condition and staff agreed that the renovation would be a complete interior remodel and a lot of exterior improvements. However, there were still some of the significant architectural elements on the structure that could be renovated, and photos of those features were shown and described. The applicant had argued that the resource was a safety hazard because it could not be occupied as it currently existed. There had been issues with people breaking into the property. Staff felt that other review criteria would need to be satisfied other than the safety hazard, because that hazard could be eliminated if improvements were made to the structure.

Senior Planner Darnell stated that the applicant had revised their application to argue that they were proposing an improvement project that included this property if the demolition was approved. It would be a redevelopment project for 16,000 square feet of office use which would generate \$25,000 in taxes. The design of the project would have to be changed to not include this property if the demolition application was not approved. The HLC would have to decide if the public benefit of retaining the resource outweighed the hardship to the owner. Staff had provided information that the structure contributed to the historic character of the other structures on 7th Street and the resource at 142 NE 7th which was constructed in almost the exact same form. It could be found there was some benefit to the contribution to the historic continuity in the area.

Senior Planner Darnell stated that public testimony had been received since the packet went out. One was in favor of the application and one was in opposition. He then reviewed the research on the history of the structure that had also been provided. He had spoken with the adjacent property owner, and the owner did not have a strong opinion either way. If the HLC wanted to approve the application, staff had drafted some conditions of approval. Staff had provided draft findings for approval and also draft findings for denial that the HLC could use for whatever decision they made, based on the applicable review criteria that they thought were most relevant to this case.

Dave Haugeberg, representing the applicant, stated the application had satisfied seven out of the eight requirements. If the application was denied, they would have to redesign their project. The applicant had not allowed the house to fall into its current condition as they bought the property in January 2018. The applicant had already invested in this project and it would be costly to redesign it and redo the loan. There were interested tenants and if they had to start over they might lose those tenants. There were a lot of benefits to this project, and one was to stop the safety issues of people breaking into the house. The Comprehensive Plan encouraged preservation of historic resources, however it also recognized that there were times that was outweighed by the benefits. He thought the project would enhance the City's attraction for visitors and tourists and would strengthen the economy of the City. He thought the historic resource was a hazard to the safety of the public due to the mold and deterioration. There could not be tenants in the house in its current state without expending a huge amount of money. The question came down to whether or not they should save this third tier resource that would cost several times its worth to renovate. He did not think it was

reasonable to require that. The applicant was willing to provide \$10,000 to someone who would relocate the house. He discussed how he had looked into advertising the opportunity to move the house and gave suggestions for what more could be done over and above putting notices in the paper.

Committee Member Branch asked about the current status of the project.

Harold Washington, applicant, said it had been submitted for permits. He did not have drawings to show what it would look like.

Committee Member Branch said they did not have to find that all of the criteria were met. One criterion that spoke to approving this application was if the historic resource was a deterrent to an improvement program of substantial benefit to the City. Information about the new project was pertinent to see if that criterion was true.

Mr. Washington said it would be 16,000 square feet of multi-tenant space. The projected budget was \$4 million. There was an asphalt parking lot and existing building that were in a deteriorated state, and with this proposal the property would be greatly improved. He did not know yet how many tenants they might have. They wanted to fill a need that was currently not being met.

Chair Drabkin asked if they knew what the outside of the building would look like and if it would fit in with the City and its historical context.

Mr. Haugeberg said the whole project had been stopped when they found out they had to get this approval. They had to stop spending money on design, and had to spend money on lawyers.

Mr. Washington said the building would not look like the house, but they planned to have it fit in with the City. He explained the design for the building. They had redone the Mac Building and he asked Committee Member Mead about what he thought about those improvements.

Committee Member Mead said the condition of the Mac Building was much improved, but he was not a fan of the architecture. He was a fan of a different project that the applicant did, the Mac Rack. Committee Member Mead said that was not necessarily relevant, but that the Committee was asking to see the applicant's vision for this property to strengthen the finding that preserving the resource could be a deterrent to a project that would contribute value to the community.

Mr. Washington said there would always be opinions, but at the end of the day these projects enhanced the area and what was available in the community. By including this property with the project, it would add five parking spaces and would reduce the ingress and egress of traffic onto Baker.

Committee Member Cooley asked about the expense of the redesign if they could not use this property.

Mr. Washington said they needed those five parking spaces to meet the requirements. If they took out those spaces, they would have to redesign the whole building.

Senior Planner Darnell clarified the City required a certain number of parking spaces per square foot of use. For professional office, it was one parking space per 300 square feet. This project required 54 parking spaces, however they were in an area where they could reduce that by 50% so they were required to have 27 spaces. They could also reduce the amount of vehicle parking if they provided bike parking, so the applicant was proposing 26 spaces.

Mr. Haugeberg said it was not only parking, but also the access that was important as well as the location for the garbage receptacles. It was an integrated plan and they would have to start over without this property.

Committee Cooley clarified from the outset, the project concept had been using this property for the additional parking and removal of the historic resource.

Mr. Washington said that was the purpose of purchasing the property. He did not know at the beginning that he had to get approval to remove the resource.

Margaret Wallis owned property kitty-corner to this property. She was concerned about preserving the character. Moving the structure did not preserve the character of that corner. All of the homes in this area had the same character, and she was concerned about what the character of the new building would be. The Mac Building looked clean and up and coming, but it was a big box that did not reflect the character of the historic buildings that surrounded it. There needed to be some attempt at drawing in the 10/12 roof and gables that said 1926. There were a lot of nearby properties that were being restored and preserved. She thought something contemporary and did not reflect the neighborhood should not be approved. She asked if there were architectural requirements for historic areas.

Senior Planner Darnell answered there were design requirements for some areas of the City, but this was outside of that. The properties that were identified on the historic register as tiers 1 and 2 also had to follow certain requirements, but that did not apply to this property either. Demolition requests had to follow the requirements, which was why this application was being discussed.

There was discussion regarding landscape requirements which would be reviewed by the Landscape Review Committee.

Pat Angland lived near the property. The people who lived in this area valued the architectural details of the homes and they were of value to her as well. That was why she had moved there.

Brian Maselli lived next door. Nothing could be worse than the way it was now as they were always calling the police because the house was being broken into. It was currently zoned C-3 and he did not think someone could buy it and turn it into a house.

Senior Planner clarified it could be used as multi-family.

Mr. Maselli did not think it had a lot of utility as a commercial building as it was right now. He liked the architectural similarity on the street, but he was tired of living next to this issue and was in favor of any change. He did have concerns about how the new project with a parking lot would affect his livability. He was on board with the house being gone because of its current condition.

There was discussion regarding the condition of the house.

Mr. Haugeberg said this was a critical part of the project. It would be an attractive, quality development.

Mr. Washington discussed the other surrounding commercial buildings, most of which did not have a historic look.

Committee Member Branch said there were arguments that new construction should not be made to look historic as it took away from the authenticity of the historic buildings. There would be some character on this streetscape that would be removed if this structure was demolished, but there was a need for future development, growth, and positive change. The new style of building did not have

to replicate what was being removed. She wanted to make sure the design of the building was a priority regardless of a particular style.

Mr. Washington confirmed it was a priority.

Committee Member Sharfeddin asked if they could incorporate the exterior of the house into the project as tenant space.

Mr. Washington said they could not do that feasibly due to the cost. Renovating the building also did not allow them to do the project as planned.

Craig Wilson, Springs Living, said he had his headquarters in downtown McMinnville. He spoke about the difficulty he had of keeping his operations in McMinnville as it was difficult to find significant rental space. He was in favor of the new project as it would meet a serious need in the community to attract and keep businesses.

Committee Member Mead said the Committee had to think about the precedent they set with their decisions. While they wanted to promote development in the community, they also wanted to preserve the historic resources that made McMinnville special. He was concerned about setting a precedent for offering \$10,000 to move the house and if no one wanted to move it that proved the resource was not worthy of preservation. It was an expensive and difficult process to move a historic home and the \$10,000 would only be a small portion of that cost. One of the more unique pieces was that it would be connected to the project next door and the project was a substantial benefit to the community. He thought the project would be executed as envisioned.

Committee Member Sharfeddin thought even though it was a tier 3 resource that it still had importance. She would like to see an exploration to incorporate the house into the new project to preserve the character of the neighborhood. She understood it might be cost prohibitive, but thought that was the best option.

Committee Member Branch reviewed the criteria that she thought was defensible. She thought the current condition of the house provided no economic value, even though there was still some historic value to the house. It was a hindrance to the new project that would be a substantial benefit to the City. It would also be a financial hardship to the owner to restore the home. These were long standing developers in the community and she had confidence that they would move forward with the project.

Committee Member Cooley thought the issue of a vacant building attracting criminal activity was not one of their criteria. If they were moving a building that they agreed was a hazard, was that a problem?

Chair Drabkin said if the building was repaired it would not be a hazard.

Senior Planner Darnell said if the house would be moved, they would assume that it would be renovated and brought up to code and it would not be a hazard.

Committee Member Cooley agreed with the criteria discussed by Committee Member Branch and also had a concern about setting a precedent for offering money to move these structure.

Chair Drabkin said if they did not allow the demolition, they would retain the architectural and historic feeling of the street. This block was a bridge between the east and west neighborhoods. One of the reasons to come to McMinnville was for its historic aspects. A parking lot was not aesthetically pleasing and not necessarily safe and did not add anything to the tax base of the community. It might deteriorate the value of the homes next door. There was a strong public interest in resource

preservation. The house could be turned into multi-family housing. She suggested leasing parking from the bank nearby whose parking lot was never full instead of demolishing a resource. She thought restoration of the house would be valuable. Moving the house was questionable to her and she had no drawings to know what the applicant planned to do.

The Committee discussed the criteria, conditions of approval, and findings.

There was consensus that the application met Criteria 2, 4, 6, and 7.

For the future, the Committee would like a better way to evaluate the economic hardship for demolition applications. They thought the requirements should be amended to add an analysis of the economic value.

Committee Member Branch moved to approve HL 9-18 with one addition to the conditions that were recommended by staff, which was to add extra advertising for relocating the structure as suggested by the applicant. The motion was seconded by Committee Member Cooley and passed 4-0-1 with Chair Drabkin abstaining.

5. Discussion Items

None

6. Old/New Business

A. HL 5-18 – Certificate of Approval for Alteration

Senior Planner Darnell stated that the applicant had requested a continuation of this application to the next HLC meeting.

7. Committee/Commissioner Comments

There was discussion regarding an appeal of the HLC's decision to deny HL 10-18, Certificate of Approval for Alteration for 219 SE Lincoln Street. The appeal would go before the Planning Commission on December 20, 2018.

8. Staff Comments

A. December Meeting Date Confirmation

Senior Planner Darnell confirmed the next regular HLC meeting would be held on December 28 at 10 a.m. He explained the applications that would be reviewed at that meeting.

9. Adjournment

Chair Drabkin adjourned the meeting at 5:21 p.m.