

City of McMinnville
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EXHIBIT 3 - STAFF REPORT

DATE: September 26, 2019

TO: Historic Landmark Committee Members

FROM: Chuck Darnell, Senior Planner

SUBJECT: DDR 4-19 (Downtown Design Review for New Construction including

Waiver Requests) - 118 NE 3rd Street

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

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

OBJECTIVE/S: Define the unique character through a community process that articulates our core principles

Report in Brief:

This is a quasi-judicial review of a Downtown Design Review land-use application for a new building to be constructed on the property at 118 NE 3rd Street (Tax Lots 8600, 8700 and 9200, Section 20AD, T. 4 S., R. 4 W., W.M). All new construction in the Downtown Design Overlay District need to be reviewed and receive approval for how their design complies with McMinnville's downtown design review standards. Per the McMinnville Municipal Code, the McMinnville Historic Landmarks Committee serves as the decision-making body for the design review. The applicant, Kelley Wilson of SUM Design Studio, on behalf of property owner First Federal Savings & Loan, is requesting the approval of the exterior design of the proposed new building, including approval of waivers from the following 5 (five) codified downtown design standards:

- 1) Reduction in the amount of glazing (i.e. windows and other glass or openings) on the ground floor facades from the required 70 percent to 40 percent on the Third Street façade and 25 percent on the Baker Street facade;
- 2) Allowance of a new parking lot to be located on Third Street (parking lots are prohibited on Third Street);
- 3) Allowance of an entrance to the new parking lot proposed to be located on Third Street (vehicular access to parking lots from Third Street is prohibited);
- 4) Reduction of the landscaping buffer strip between a new parking lot adjacent to Second Street and the sidewalk from the required width of 5 feet down to 3 feet; and
- 5) Allowance of a steel awning material.

The Downtown Design Review request is subject to the review process described in Section 17.59.030(C)(2) and Section 17.59.030(C)(3) of the McMinnville Municipal Code (MMC). The Historic

Landmarks Committee will make a final decision on the application, subject to appeal as described in Section 17.65.080 of the MMC.

Background:

The subject property is located at 118 NE 3rd Street and encompasses a full city block. The property identified as Tax Lots 8600, 8700 and 9200, Section 20AD, T. 4 S., R. 4 W., W.M. See Vicinity Map (Figure 1) below for the approximate location of the site.

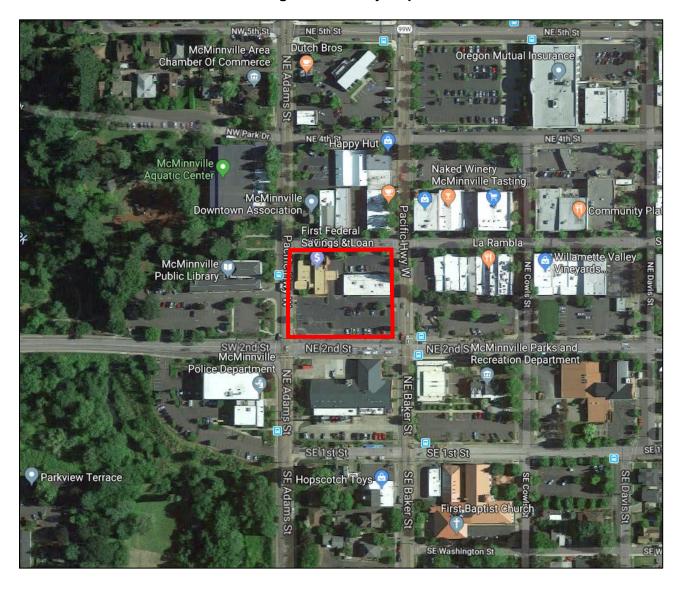


Figure 1. Vicinity Map

This city block serves as the entry point/gateway and bookend to McMinnville's award winning downtown Third Street, and is located in the Downtown Design Overlay District. The location of the subject site and its proximity to the McMinnville Downtown Historic District are provided in Figure 2 below:

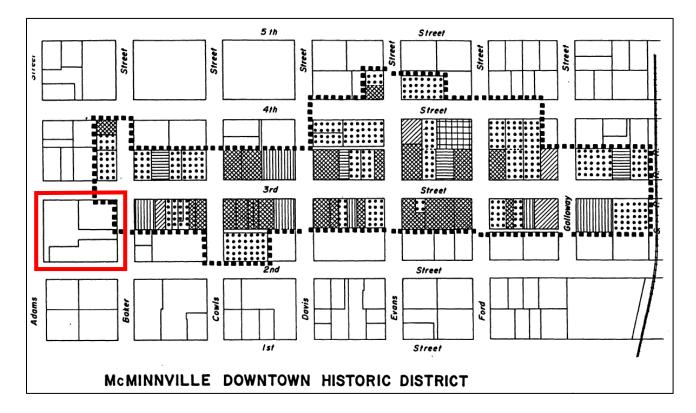


Figure 2. Downtown Historic District

The applicant provided an overview of their proposal and project in the application narrative, which is as follows:

"First Federal Savings and Loan is an important financial partner in the local McMinnville economy. They value being a part of the community and would like to expand their presence by constructing a new building that will accommodate their customer service branch as well as provide an integrated and efficient location for all executive personnel and related functions.

First Federal intends to replace the two buildings currently located on the block between NE Adams & NE Baker Streets and Second & Third Streets. The existing main building located at the north-west corner of the site, built in 1974, is very much undersized for their current and future needs but provides an important location for retail branch for banking customers. The second and smaller building located at the north-east corner of the site currently houses their loan department. First Federal also has some functions across Third Street which will be accommodated in the new building.

The new building will provide space for all current functions on and around the site as well as additional space for growth.

After an extensive site and operational analysis, it was determined the placement of the new building must allow the existing branch building to remain in place and operational during the construction of any new building. Demolishing the existing building before a new building is complete, forcing a relocation of the branch services to a temporary location, with a duration of over a year, would result in a permanent loss of customers, a significant inconvenience to the remaining and loyal customers and a long term negative economic consequence for First Federal Savings and Loan.

With this in mind, it was determined the new building would be best located near the corner of NE Baker Street and Third. This location would allow adequate space for the existing building to remain

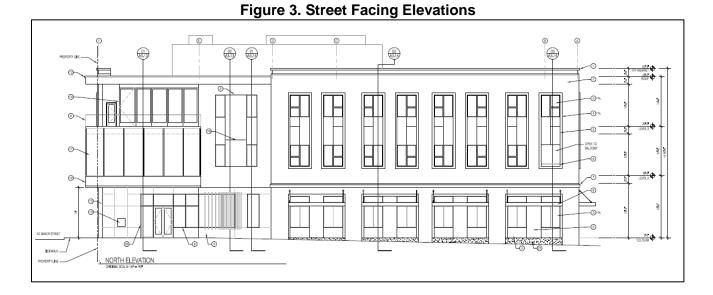
in place. This would also allow the building to front Third Street and Baker Street. First Federal very much wanted to maintain its "front door" on Third Street and provide a strong urban presence and help McMinnville's Downtown District remain vibrant and cohesive.

To accommodate First Federal's needs the building will be approximately 32,000 square feet and three stories tall. The ground floor will house the more public areas such as the branch and the loan department. The upper two floors will house a call center, executive offices, a board room and other administrative functions. There will be two primary customer entrances: one at the corner of NE Third and NE Baker and one from the parking area on the south side of the building.

The parking lot, which will accommodate approximately 62 cars will also have two drive through lanes for automobile transactions. The entire parking lot will receive new asphalt paving. New landscape will also be installed that will meet the zoning code and in some areas exceed the zoning minimums."

Discussion:

As described above, the applicant intends to redevelop the property with a new three story building that will accommodate the First Federal bank branch, loan services, and office and administrative functions. The applicant has provided plans, elevations, and renderings identifying the improvements that would occur on the site. See Street Facing Elevations and Building Rendering (Figure 3 and Figure 4) below.



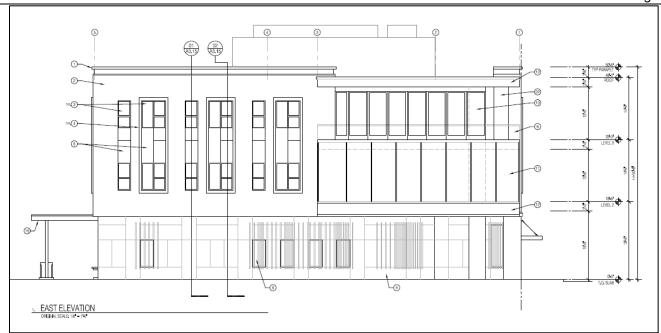


Figure 4. Building Rendering



Decisions and/or recommendations for approval of the land use application is dependent upon whether or not the application meets state regulations, the McMinnville Comprehensive Plan and the McMinnville Municipal Code. The application can either meet these criteria as proposed, or a condition of approval can be provided that either outlines what needs to occur to meet the criteria or when something needs to occur to meet the criteria.

The specific review criteria for Downtown Design Review for New Construction in Section 17.59.040 of the MMC require the proposal to be consistent with the applicable Downtown Design Standards and Guidelines in Chapter 17.59 of the MMC, as well as the following review 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);

In addition, any request for a waiver from a Downtown Design Standard is subject to the specific review criteria in Section 17.59.040(A)(3) of the MMC as follows:

- 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.

Current Request

The approval of this application (DDR 4-19) is contingent upon five waivers from the city's Downtown Design Standards, which is one of the larger departures from the standards of Chapter 17.59 that has been proposed in the history of the downtown design overlay district. Therefore, staff is providing a summary and analysis of each waiver request, along with some of the other applicable Downtown Design Standards, and suggests that the Historic Landmarks Committee consider each individual waiver or standard and determine whether the findings and drawings provided for the waivers and the building design components meet the applicable Downtown Design Standards, and achieves the intent of the Downtown Design Overlay District.

The applicant has provided a written narrative and findings to support their requests. In order to assist the Historic Landmarks Committee in making a decision, staff has attached a draft decision document that incorporates the narrative and findings provided by the applicant. The draft decision document includes potential findings of fact and conculsionary findings for approval of the land use application and the waiver requests. These draft findings are largely based on the applicant's narrative and arguments for their building design and waiver request. If the Committee agrees with the applicant's narrative and arguments for their request, the attached draft decision document could be adopted, or adopted with any amendments considered necessary by the Committee, to approve the application.

The draft decision document does contain some additional staff-suggested findings and explanations of aspects of the building design. The draft decision document also include some suggested conditions of approval to memorialize proposals provided in the applicant's narrative, to clarify or amend minor aspects of the proposed building and site design, and to ensure that the proposed design associated with the waiver requests best meets the intent and purpose of the Downtown Design Standards chapter of the MMC (as required by the waiver review criteria in Section 17.59.040(A)(3)(b)). These suggested conditions will be explained in more detail below.

The Historic Landmarks Committee will have an opportunity to discuss each of the waiver requests, as well as the overall proposed building and site design, in detail during the public meeting. The Committee will also have an opportunity to receive testimony from the applicant and the public. If the Committee, after receiving testimony and deliberating, finds that any of the waiver requests or design standards are not being achieved, the Committee may provide findings on the record for how the proposal does not meet any applicable review criteria or standard. The Committee may also provide findings on the record and a description of a condition of approval for how any particular review criteria or standard could be achieved.

The draft decision document includes the specific findings of fact for each of the applicable review criteria, but a summary of each Downtown Design Standard and how the proposed project is meeting the standard is provided below. Also provided below is an analysis of the requested waivers and some of the other building and site design aspects that staff has suggested be clarified or refined with conditions of approval to better meet the applicable Downtown Design Standards.

Summary of Applicable Downtown Design Standards

Standard	Code Reference	Proposed Project
Zero Setback	17.59.050(A)(1)	Meets Standard with Condition of Approval
Massing & Configuration	17.59.050(B)(1)	Meets Standard
Façade Articulation	17.59.050(B)(2)	Meets Standard
Belt Course	17.59.050(B)(3)(a)	Meets Standard with Condition of Approval
Bulkhead	17.59.050(B)(3)(b)	Meets Standard
Minimum Amount of Glazing	17.59.050(B)(3)(c)	Waiver Requested
Recessed Entry	17.59.050(B)(3)(d)	Meets Standard
Decorative Cornice	17.59.050(B)(3)(e)	Meets Standard
Roofline Orientation	17.59.050(B)(4)	Meets Standard
Entrance Open to ROW	17.59.050(B)(5)	Meets Standard
Recessed Windows	17.59.050(B)(6)	Meets Standard with Condition of Approval
Building Foundation	17.59.050(B)(8)	Meets Standard with <i>Potential</i> Condition of Approval
Exterior Building Materials	17.59.050(C)(1) & (2)	Meets Standard
Exterior Building Colors	17.59.050(C)(3)	Meets Standard with Condition of Approval
Parking Lot on 3 rd Street	17.59.060(A)	Waiver Requested
Parking Lot Access to 3 rd Street	17.59.060(A)	Waiver Requested
Parking Lot Design	17.59.060(B)	Meets Standard
Parking Lot Landscaping	17.59.060(C)	Waiver Requested
Awning Design & Locations	17.59.070(A)-(C) & (E)-(F)	Meets Standard
Awning Material	17.59.070(D)	Waiver Requested
Sign Design & Locations	17.59.080(A)-(E)	Meets Standard

Analysis of Waiver Requests and Applicable Downtown Design Standards

Overall, much of the project design does meet the applicable Downtown Design Standards. The building is constructed up to the property line with a zero setback along the majority of the building facades, with some small variations for projections into the right-of-way and to allow a wider pedestrian sidewalk area near the main building entrance. The massing and configuration of the building is similar to other buildings in the downtown area, as it is a three-story building with a flat roofline and façade articulation throughout the longer expanses of building façade. Other façade design features are incorporated in the building design, including a belt course, a decorative cornice, and recessed windows. The main entrance to the building is recessed, and is oriented and opens towards the prominent public right-of-way at the corner of Third Street and Baker Street. The exterior building materials are also consistent with what is required in the Downtown Design area, and includes primarily brick with stone panels and glass making up most of the remainder of the façades. The building colors, awnings, and signage proposed are also generally consistent with the Downtown Design Standards, with just some minor clarifications and amendments necessary to achieve the standards, which will be described in more detail below.

Glazing Waiver

The applicant is requesting a waiver from the minimum amount of glazing required on the ground floor facades of the building. The primary argument for this waiver is based on the proposed use of the building as a bank and loan office, which does not warrant the type of typical storefront design that a retail commercial use would. The applicant has also argued that the use as a bank and loan office on the ground floor requires a certain level of privacy and security to successfully carry out the functions and services of the bank and loan offices. The applicant provided an analysis of other non-commercial uses in the downtown area that have a similar or lesser amount of glazing than they are requesting, and have argued that their overall building design still provides a repetitive window pattern and façade articulation that provide interest at the pedestrian scale.

The application materials reference a recent project, the Atticus Hotel, that received a waiver from the minimum glazing standard for a similar reason as is being requested by the applicant. In that case, the waiver was granted based on the fact that the site was not located on 3rd Street, and that the design of the building incorporated a fenestration pattern and glazing percentage that was similar to surrounding buildings including the Odd Fellows Lodge and the Old U.S. Post Office. The final building that was constructed with this reduced glazing is provided below:





The application materials include photos of the buildings adjacent to the subject site to show that their proposed design, which also includes a repetitive fenestration pattern along the NE Third Street façade, is not inconsistent with surrounding historic buildings. Photos of those adjacent buildings on the north side of NE 3rd Street are provided below:



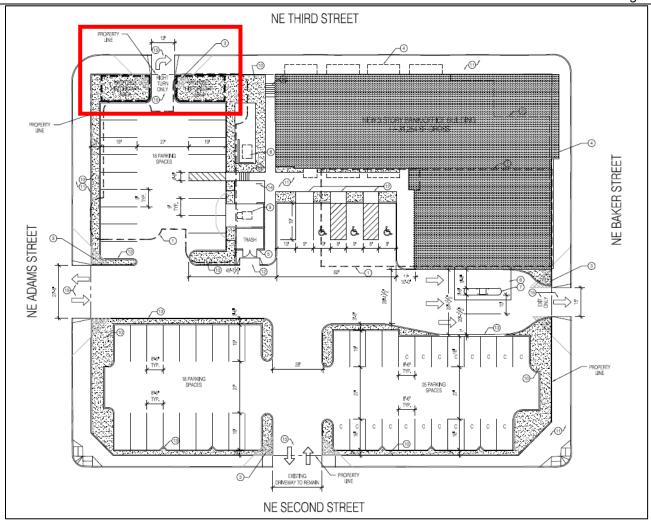




Surface Parking Lot and Access Waivers

The applicant is requesting two waivers associated with the surface parking lot on the northwest portion of the site, one being that the Downtown Design Standards prohibit parking lots from locating on 3rd Street and the other prohibiting access to surface parking lots from 3rd Street. The applicant has argued that they have a difficulty in providing of a use for this portion of the site, given their plans for redevelopment and need to keep the existing building operational during construction. Their proposed design to achieve the intent of the Downtown Design Standards chapter is to provide a "Historic/Art Area" between the parking lot and the public right-of-way and sidewalk, to thereby create a type of use between the parking lot and the pedestrian realm. The applicant has described this "Historic/Art Area" as potentially including decorative walls, statues, art, and/or historic district gateway/monument signage.

In terms of access from the parking lot, the applicant has provided arguments for the need for the additional access point due to the unique circumstance of their entire block being surrounded by high classifications of roadways that are often slowed by traffic at the major intersections near the subject site. To address the design of the parking lot access, the applicant is proposing this access point to be only a one-way right-only egress from the surface parking lot onto 3rd Street. This reduces the number of vehicles that would use the right-only egress, and allows for the egress drive aisle to be only 12 feet in width to minimize the crossing distance for pedestrians. The "Historic/Art Area" and the right-only egress from the surface parking lot are identified on the site plan below:



If the Historic Landmarks Committee finds that the surface parking lot can be located as proposed and argued for by the applicant, staff has included some suggested conditions of approval related to the "Historic/Art Area" and the right-turn only egress drive aisle. One suggested condition memorializes the collaborative "Historic/Art Area" design process proposed by the applicant, and also memorializes the proposed size and potential features to be included in this area. The second suggested condition of approval provides some additional design parameters for the right-turn only egress drive aisle to minimize conflicts with pedestrians, including that the signage and marking plan be submitted to the Planning Department for review, that the signage not distract from the improvements within the "Historic/Art Area", and that the surface of the driving area within the "Historic/Art Area" be differentiated from the sidewalk through the use of pavers to better define the pedestrian sidewalk space. There is a recent precedent for a similar level of improvement between the public right-of-way and a surface parking lot in the Downtown Design area. While this example is not a parking lot on 3rd Street, it does provide a precedent for the establishment of a use between a parking lot and the sidewalk and the design features included provide for delineation of the space and screening of the parking lot from view.

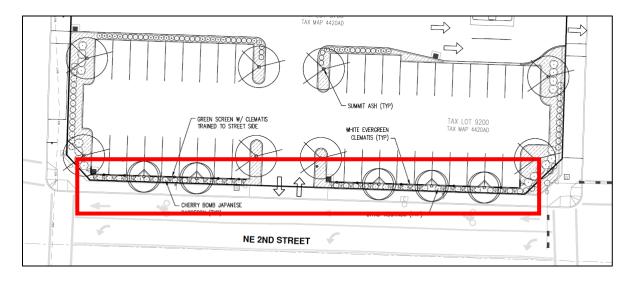
Examples of this recent precedent in design are provided below:



Parking Lot Landscaping Buffer Waiver

The applicant is requesting a waiver to reduce the required landscape planting buffer from 5 feet in width to 3 feet in width along the subject site's southern frontage onto NE 2nd Street. The reduction is requested to allow for the parking configuration proposed, which is designed to meet the parking space and parking drive aisle dimensions in the MMC. The applicant is proposing an enhanced design for the 3 foot landscape planter area. One issue with the 2nd Street right-of-way frontage is that there is not adequate space for street tree planting within the sidewalk area, because the street trees would impede on the required accessible path along the sidewalk. To address this and still provide the intended design and aesthetic of street trees, the applicant is proposing diamond-shaped bump-outs of the landscape planting buffer into the parking lot to accommodate trees in the buffer space between the sidewalk and the surface parking lot. This will allow for an aesthetic improvement to the sidewalk space along the property's 2nd Street frontage, and allow for a similar tree canopy as would be achieved if trees were planted in the right-of-way. The applicant is also proposing a decorative trellis fence with plantings to function as a green fence and provide for screening and buffering between the sidewalk and the surface parking lot, as is required by the Downtown Design Standard.

The proposed design with the street tree planting and the location of the decorative fence can be seen below:



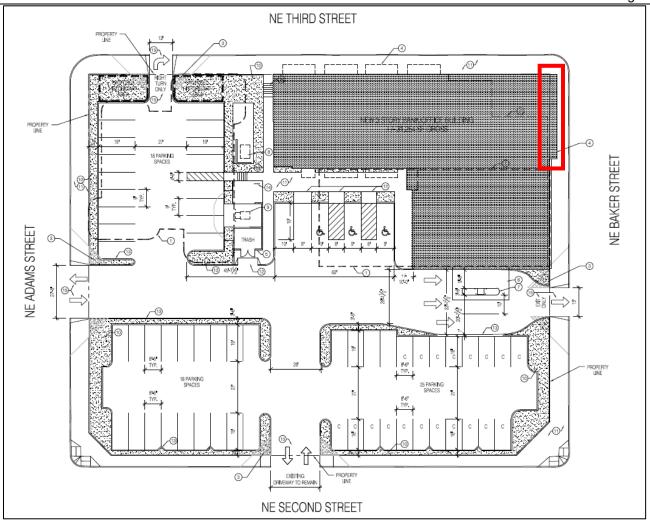
Awning Material Waiver

The applicant is requesting a waiver from the list of allowable awning materials to allow for steel awnings along the western portion of the Third Street building façade. The awnings are proposed to be flat and proposed to be located between the windows on the ground floor façade and a transom window above the awning. This form and location is compatible with the overall building's architecture, and because the building is the only building on the subject block, there are no other awnings to match in terms of size, form, or location above the sidewalk. The applicant is arguing that the materials allowed in the Downtown Design Standards are not conducive or functional with a flat awning form that is proposed for this building. The applicant has also identified a number of other examples within the downtown area of flat, steel awnings, including the building at 211 NE 3rd Street (Naked Winery tasting room) and the recently approved steel awning at the Taylor Dale building (608 NE 3rd Street).

Zero Setback Design Standard

The proposed building design includes a projection of the second and third story into the public right-of-way on the Baker Street (east) façade. The City did request that the applicant send the proposed plans to the Oregon Department of Transportation (ODOT) for review, because Baker Street is part of the Highway 99W system and is under the jurisdiction of ODOT. ODOT did clarify to the applicant that in this section of Highway 99W within the city limits, ODOT only has jurisdiction over uses of the right-of-way between the curbs and that right-of-way use outside of the curbline is subject to City procedures. The McMinnville Engineering Department has reviewed the proposed building design, and because the projection is at a height that provides adequate clearance above the sidewalk, the Engineering Department would allow for the projection into the right-of-way. A condition of approval is suggested to be included to require that the property owner enter into an agreement with the City to allow for the upper story portions of the building to encroach into the right-of-way, if the projection is found to be acceptable to the Historic Landmarks Committee.

This projection is identified on the site plan and the renderings below:





Attachment A: Decision, Conditions, Findings of Fact and Conclusionary Findings for the Approval of DDR 4-19 Attachment B: DDR 4-19 Application Materials

Belt Course and Recessed Window Standards

The application narrative explains that the building design includes a precast concrete belt course along a majority of the building façade, and also explains that a brick soldier course will be used at the same height in the building where the concrete belt course is not provided. However, the plans and renderings do not identify the brick soldier course. Similarly, the application narrative explains that the windows will all be recessed. The plans and renderings easily identify the recessed windows in most locations, however, some of the ground floor windows are not easily identified as being recessed on the floor plan sheets. Therefore, staff is recommending two conditions of approval to require that details be provided with the construction plans submitted for building permit review that identify the recessed windows and the brick soldier course.

Building Foundation

The application narrative describes the foundation or base of the building similarly to the proposed bulkhead, which is provided primarily in areas that have windows along the ground floor façade. However, a true foundation or base is not specifically identified in the elevations and renderings. A more typical type of foundation that has been included on more recent new construction within the Downtown Design area is a continuous concrete foundation immediately above the sidewalk and below the beginning of the primary exterior building material. Examples of this continuous concrete foundation are provided below:







The Historic Landmarks Committee should determine whether the larger foundation proposed by the applicant is acceptable, or whether a smaller foundation similar to the type identified above should be incorporated into the building design. If it is determined that it should be included, staff would suggest that the Historic Landmarks Committee develop a condition of approval to require the smaller concrete foundation to be included in the construction plans submitted for building permit review.

Exterior Building Colors

One portion of the façade that is identified differently in the elevation drawings and the renderings is the exposed foundation beneath the windows on the western portion of the 3rd Street façade. This portion of the façade is identified in the elevation on Exhibit C9 as "Exposed Foundation Wall, Skim Coat", but shows up in the renderings as a consistent material beneath the windows to the sidewalk. The applicant has verified that the elevation drawing is correct, and that the exposed foundation wall would be visible in these areas of the façade, and finished with the cement plaster that is similar to smooth stucco. In order to maintain a cohesive finish beneath the windows and for consistency in this area that is described as the bulkhead in other areas of the application narrative, a condition of approval is suggested to be included to require that the skim coated exposed foundation wall be painted a tan color to match the stone panels that will be above. Alternatively, the condition of approval is suggested to also allow for the applicant to install the stone panel over the foundation wall from the bottom of the window all the way to the sidewalk.

This discrepancy between the elevation drawings and the renderings can be seen below:





Commission Options:

- 1) Close the public meeting and **APPROVE** the application, <u>per the decision document provided</u> which includes the findings of fact.
- 2) **CONTINUE** the public meeting to a <u>specific date and time</u>.
- 3) Close the public meeting, but **KEEP THE RECORD OPEN** for the receipt of additional written testimony until a <u>specific date and time</u>.

4) Close the public meeting and **DENY** the application, <u>providing findings of fact</u> for the denial in the motion to deny.

Recommendation:

Based on the information and plans provided, staff believes that most of the Downtown Design Standards are being achieved by the proposed building design. However, there are five waivers from the Downtown Design Standards being requested as part of the approval of the Downtown Design Review application. These five waivers are a larger departure from the standards than other requests that have been reviewed by the Historic Landmarks Committee in the past.

Due to the fact that a number of waivers are being requested, staff recommends that the Historic Landmarks Committee consider each individual waiver or standard and determine whether the findings and designs provided by the applicant satisfy the waiver review criteria. The Historic Landmarks Committee should also determine whether the overall project design still accomplishes the intent and purpose of the Downtown Design Standards chapter of the MMC (as required by the waiver review criteria in Section 17.59.040(A)(3)(b)) in a manner that is equal or superior to a project designed to be consistent with the standards.

As discussed in more detail above, staff has attached a draft decision document that incorporates the narrative and findings provided by the applicant. The draft decision document includes potential findings of fact and conculsionary findings for approval of the land use application and the waiver requests. These draft findings are largely based on the applicant's narrative and arguments for their building design and waiver request. If the Committee agrees with the applicant's narrative and arguments for their request, the attached draft decision document could be adopted, or adopted with any amendments considered necessary by the Committee, to approve the application. If the Committee, after receiving testimony and deliberating, finds that the waiver requests do not achieve the intent of the Downtown Design Overlay District, or that the design standards are not being achieved, the Committee may provide findings on the record for how the proposal does not meet the applicable review criteria or standard. The Committee may also provide findings on the record and a description of a condition of approval for how any particular review criteria or standard could be achieved.

MOTION FOR DDR 4-19:

If the Historic Landmarks Committee decides to approve the request, the following motion could be made

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE DDR 4-19, SUBJECT TO THE CONDITIONS OF APPROVAL PROVIDED IN THE DECISION DOCUMENT.

If the Historic Landmarks Committee decides to deny the request, the following motion could be made:

THAT BASED ON THE FINDINGS OF FACT AND THE CONCLUSIONARY FINDINGS FOR DENIAL AS DISCUSSED BY THE HISTORIC LANDMARKS COMMITTEE ON THE RECORD, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE DENIES DDR 4-19.

If the Historic Landmarks Committee finds that more information is required to make a decision on the application, such as providing additional conditions of approval or design changes, the following motion could be made:

THAT BASED ON THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE CONTINUES THE DOWNTOWN DESIGN REVIEW APPLICATION FOR THE NEW CONSTUCTION AT 118 NE 3RD STREET TO THE OCTOBER 26, 2019 HISTORIC LANDMARKS COMMITTEE MEETING TO ALLOW FOR [STATE REASONING FOR CONTINUATION].

CD