

The Gwendolyn Hotel

McMinnville, OR

Request for
Certificate of Approval – Demolition
Certificate of Approval – New Construction
Downtown Design Review and Waiver

Prepared for:
HD McMinnville LLC
1619 NE Killingsworth St, Suite A
Portland, OR 97211

August 2, 2022

Prepared by:
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Project No. 019914.000

Requests

Certificate of Approval for Demolition, Certificate of Approval for New Construction, and Downtown Design Review approvals are requested for redevelopment of the sites addressed as 609, 611, and 619 NE 3rd Street.

Site Information

Subject Property: 609, 611, and 619 NE 3rd Street
Site Area: 0.41 ac
Comprehensive Plan Designation: Commercial
Zoning Designation: General Commercial C-3, Downtown Design District, Neighborhood Activity Center Overlay District

Applicant/Property Owner

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Property Owner: 609 NE 3rd Street (R4421BC 04500)
611 NE 3rd Street (portion of R4421BC 04300)

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619 NE 3rd Street (R4421BC 04201)

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1. Requests

Certificate of Approval for Demolition, Certificate of Approval for New Construction, and Downtown Design Review and Waiver approvals are requested for redevelopment of the properties addressed as 609, 611, and 619 NE 3rd Street (“site”).

- **Certificate of Approval for Demolition** is requested because the site is located within the Downtown McMinnville Historic District (Historic District) and is currently developed with buildings. Demolition of buildings within the Historic District requires a Certificate of Approval.
- **Certificate of Approval for New Construction** is required because new construction is proposed on the site. Construction of new buildings within the Historic District requires a Certificate of Approval.
- **Downtown Design Review** is required because new construction is proposed within the Downtown Design District. A waiver to 17.59.050.B.1 is requested to allow the building to appear taller than 2 stories at the corner.

The proposed demolition and new construction are subject to review and approval by the Historic Landmarks Committee (HLC). The applicable approval criteria of the Oregon Administrative Rules (OAR), McMinnville Comprehensive Plan, and McMinnville Zoning Code have been addressed below.

2. Project Description

A. Overview

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 currently under renovation at the southeast corner of NE 3rd Street and NE Ford Street and is scheduled to open in July 2022. 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.

The site is zoned General Commercial C-3 and is located within the McMinnville Downtown Historic District and the Downtown Design District. In addition, the site is within the City Center Housing Overlay District, Neighborhood Activity Center Overlay District, Reduced Off-Street Parking Requirements Area, and Reduced Landscaping Requirements Area.

B. Background

The site is located within the McMinnville Downtown Historic District, which was listed on the National Register of Historic Places on September 14, 1987. The buildings proposed for demolition are also listed on the McMinnville Historic Resources Inventory (HRI). None of the buildings are listed individually on the National Register of Historic Places.

The three buildings, built in the early 1900s, were important to the daily life of McMinnville, initially as buildings that housed essential support to the automobile, gas, batteries, transmissions, repairs, and later sales locations for several makes and models. The buildings at 609 and 619 NE 3rd Street were especially designed for bringing cars and trucks inside with clear span, 60-ft. long trusses to support the roof and eliminate the need for interior columns. In later years, up to the present time, the buildings were easily adapted to office space. The ground floors of the buildings have accommodated a variety of offices since the 1970s or 1980s to today.

C. Proposed Improvement Program

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 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.

3. OAR Chapter 660 Division 23: Procedures and Requirements for Complying with Goal 5

A. OAR 660-203-0200 Historic Resources

Response: The City of McMinnville is in the process of updating its Historic Preservation regulations to implement the provisions of this chapter. In the interim, sections 8, 9, and 10 of this chapter must be addressed directly.

- (1) For purposes of this rule, the following definitions apply:
- (a) *“Demolition” means any act that destroys, removes, or relocates, in whole or part, a significant historic resource such that its historic, cultural, or architectural character and significance is lost. This definition applies directly to local land use decisions regarding a National Register Resource. This definition applies directly to other local land use decisions regarding a historic resource unless the local comprehensive plan or land use regulations contain a different definition.*
 - (b) *“Designation” is a decision by a local government to include a significant resource on the resource list.*
 - (c) *“Historic context statement” is an element of a comprehensive plan that describes the important broad patterns of historical development in a community and its region during a specified time period. It also identifies historic resources that are representative of the important broad patterns of historical development.*
 - (d) *“Historic preservation plan” is an element of a comprehensive plan that contains the local government’s goals and policies for historic resource preservation and the processes for creating and amending the program to achieve the goal.*
 - (e) *“Historic resources” are those buildings, structures, objects, sites, or districts that potentially have a significant relationship to events or conditions of the human past.*
 - (f) *“Locally significant historic resource” means a building, structure, object, site, or district deemed by a local government to be a significant resource according to the requirements of this division and criteria in the comprehensive plan.*
 - (g) *“National Register Resource” means buildings, structures, objects, sites, or districts listed in the National Register of Historic Places pursuant to the National Historic Preservation Act of 1966 (PL 89-665; 16 U.S.C. 470).*
 - (h) *“Owner”:*
 - (A) *Means the owner of fee title to the property as shown in the deed records of the county where the property is located; or*
 - (B) *Means the purchaser under a land sale contract, if there is a recorded land sale contract in force for the property; or*
 - (C) *Means, if the property is owned by the trustee of a revocable trust, the settlor of a revocable trust, except that when the trust becomes irrevocable only the trustee is the owner; and*
 - (D) *Does not include individuals, partnerships, corporations or public agencies holding easements or less than fee interests (including leaseholds) of any nature; or*
 - (E) *Means, for a locally significant historic resource with multiple owners, including a district, a simple majority of owners as defined in (A)-(D).*
 - (F) *Means, for National Register Resources, the same as defined in 36 CFR 60.3(k).*
 - (i) *“Protect” means to require local government review of applications for demolition, relocation, or major exterior alteration of a historic resource, or to delay approval of, or deny, permits for these actions in order to provide opportunities for continued preservation.*
 - (j) *“Significant historic resource” means a locally significant historic resource or a National Register Resource.*

Response: The applicant requests approval for the demolition of three existing buildings within the McMinnville Downtown Historic District. All of these buildings are considered historic

resources. The building at 609 NE 3rd Street is listed in the local Historic Resource Inventory (HRI) as a Primary Significant Contributing structure.

[...]

(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;*

Response: The City can find that these criteria do not apply directly to the proposed development. The structures are located within a National Historic District, and as such meet the definition of National Register Resources per (1)(g) above. The buildings are identified as primary and contributing structures within the historic district, but were not identified individually as National Register properties. The buildings have not been designated as “Distinctive” resources in the local HRI and have been substantially altered since their construction.

If the City determines that this provision applies, the City can find that the criteria are met as noted below.

Condition

All three of the buildings are constructed of unreinforced brick. As noted in the structural report included as Appendix C, the building at 609 NE 3rd Street is in the best condition of the three. Even so, there are structural concerns that should be evaluated if the building continues to be used for its current activities.

The buildings at 611 and 619 NE 3rd Street have more significant challenges, including interior water damage, a shared wall between the two, and deterioration of the exterior wall.

Historic Integrity

Per the National Register of Historic Places nomination, buildings were classified locally as Primary Resources based on the date of construction in or before 1912, rather than historic integrity. Secondary Significant Contributing structures were identified based on construction between 1913 and 1937. These classifications do not appear to address architectural integrity or building condition.

609 NE 3rd Street

This building was constructed prior to 1904, and was therefore classified as a Primary Significant Contributing structure. As noted in the HRI statement and shown in Figure 1, the building was initially constructed of brick and included ground floor storefronts and second level offices. However, it has undergone significant renovations since its construction,

including alterations in 1933 and the 1950s. It is unclear when the second story was removed from use as offices.

The 1980 HRI statement indicated that the building was in use at the tire shop at the time of its preparation, and “the entire southwest portion of the ground floor is cut-away to accommodate automobiles and gasoline pumps.” The HRI also indicated that the condition of the building was “good” (as opposed to excellent, fair, or poor).

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

Figure 1 609 NE 3rd Street ca. 1904



Source: Yamhill County Historical Society

A 1919 photo published in the News Register appears to show an enclosed storefront. See Figure 2.

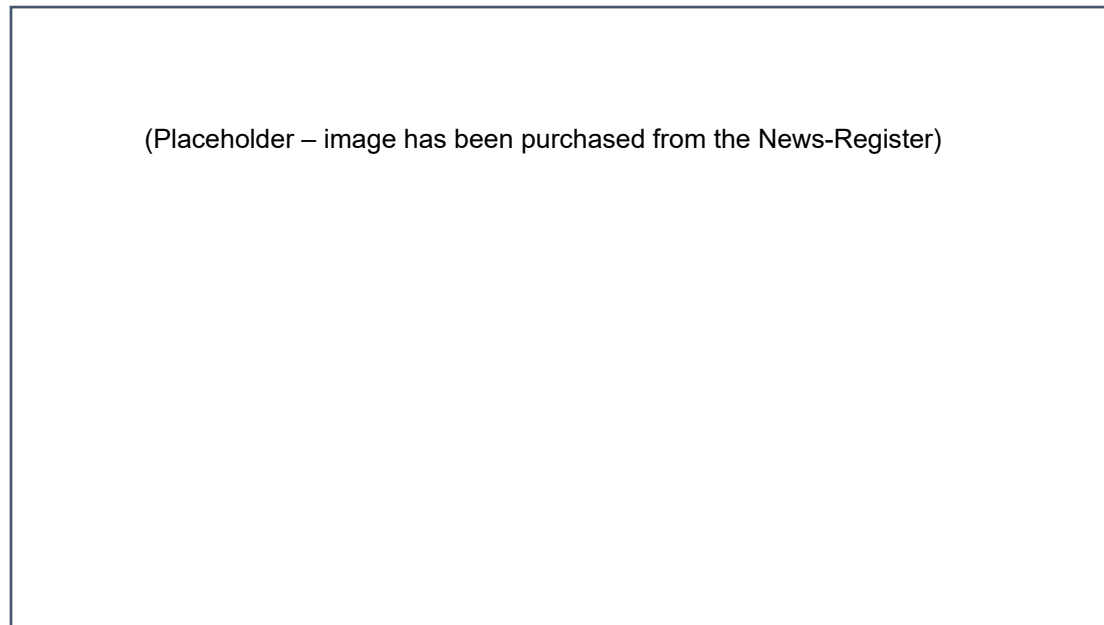
Figure 2 609 NE 3rd Street ca. 1919



Source: Yamhill County News-Register; picture of Third Street in McMinnville around 1919 from the collection of Michael Hafner.

A 1940 photo in the News-Register¹ shows that the ground floor storefronts has been removed between 1919 and 1940 time to accommodate cars and gas pumps, but the brick exterior remained intact. This may have been the 1933 alteration noted in the National Register nomination.

Figure 3 609 NE 3rd Street in 1940



Source: Yamhill County News-Register

¹ Available online at <https://newsregister.zenfolio.com/p389643105>. Retrieved July 29, 2022.

The HRI includes a 1983 photo of the building. At the time of categorization as a Primary Contributing Structure in the HRI, the building had almost nothing of its original façade remaining. The stucco may have been applied in the 1950s; the ground floor is in the same configuration as the 1940 photo.

Figure 4 609 NE 3rd Street in 1983



Source: *City of McMinnville Historic Resources Survey, 1983*. Available at https://www.mcminnvilleoregon.gov/sites/default/files/archives/Historic_Resources/B_Book/b865_inventory.pdf.

In 2000, the current owner renovated the ground floor, enclosing the storefront but retaining the stucco finish. The building remains substantially changed since its original construction as shown in Figure 5 below.

Figure 5 609 NE 3rd Street in 2017



Source: <https://www.loopnet.com/Listing/609-NE-3rd-St-McMinnville-OR/9910462/>

Given the significant alterations since the time of its construction and the time of its addition to the HRI, the Committee can find that the building no longer retains historic integrity.

611 NE 3rd Street

According to the HRI, the building at 611 NE 3rd Street (referred to as 619 East Third Street in the HRI and the National Register nomination) was constructed between 1912 and 1928, and was therefore classified as a Secondary Significant Contributing structure. The Oregon Historic Sites Database notes the date of construction as 1920. As noted in the HRI statement and shown in Figure 4, the building was initially constructed of buff and red brick. The lower-level storefronts were renovated in 1976 and replaced the brick storefront with stucco and pillars.

The 1980 HRI statement indicated that the building had been extensively altered, and noted that the first story had been faced with stucco. The HRI also indicated that the condition of the building was “good”.

Though its construction date is noted as 1920, a ca. 1919 printed in the Yamhill County News-Register shows the original brick building with storefronts on the ground floor. See Figure 6.

Figure 6 611 NE 3rd Street ca. 1919



Source: Yamhill County News-Register; picture of Third Street in McMinnville around 1919 from the collection of Michael Hafner.

The HRI includes a 1983 photo of the building. At the time of categorization as a Secondary Contributing Structure in the HRI, the storefront portion of the building had been significantly altered and covered with stucco and tile. See Figure 7.

Figure 7 611 NE 3rd Street in 1983



Source: City of McMinnville Historic Resources Survey, 1983.

Today, the building looks much as it did in 1983, though the pillars have been painted and an awning has been added to the entrance. See Figure 8.

Figure 8 611 NE 3rd Street in 2022



Source: Google Maps

Given the significant alterations since the time of its construction, the Committee can find that the building no longer retains historic integrity.

619 NE 3rd Street

According to the HRI, the building at 619 NE 3rd Street (referred to as 641 East Third Street in the HRI and the National Register nomination) was constructed between 1912 and 1928, and was therefore classified as a Secondary Significant Contributing structure. The Oregon Historic Sites Database notes the date of construction as 1923 with a secondary construction date of 1975.

The HRI statement indicated that the building was constructed to house hardware and farm implements, but also notes that it has always accommodated garages. The HRI image shows a large garage entrance on the left side of the building and an enclosed storefront on the east side of the building. See Figure 9.

Figure 9 619 NE 3rd Street in 1983



Source: City of McMinnville Historic Resources Survey, 1983.

Since 1983, the left side garage entrance has been enclosed to create another storefront. An awning has been added to the entrance, and the façade has been painted. According to the 1987 National Register nomination, the transom windows have been painted. See Figure 10.

Figure 10 619 NE 3rd Street in 2014



Source: By Visitor7 - Own work, CC BY-SA 3.0,
<https://commons.wikimedia.org/w/index.php?curid=32040698>

Given the significant alterations since the time of its construction, the Committee can find that the building no longer retains historic integrity.

Age

As noted above, the building at 609 NE 3rd Street was constructed in 1904 and is 118 years old. The building at 611 NE 3rd Street was constructed in 1920 and is 102 years old. The building at 619 NE 3rd Street was constructed in 1923 and is 99 years old.

As noted in the structural report included as Appendix C, all three buildings are showing signs of their age.

Historic Significance

As described in the McMinnville Historic Preservation Plan (Ord. 5068), the HRI defined the historic resource classes in the following way:

- *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 and of 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.*

- *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.*

As noted in the 1987 National Register nomination, buildings on the McMinnville HRI were classified based on the building date, building style, type and number of alterations, building setback, and roof shape. At the time, there were 52 contributing (Primary and Secondary) and 14 non-contributing buildings in the district.

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 1937.² 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 or [sic] Secondary Significant.*
4. *Compatible Non-Historic and Non-Contributing: Structures are classified as Compatible Non-Contributing if they were built after 1937 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).*

The HRI statements of historical significance do not provide any detail about why the buildings were classified as Primary or Secondary resources, aside from the date of construction, so it is difficult to determine what features of the buildings warranted their classification. Arguably, as described below, each of these buildings could have met the criteria for designation as Historic Non-Contributing buildings, as they met the age threshold but had been substantially altered prior to their HRI designations.

² 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.

As noted above, the siding of the building at 609 NE 3rd Street has been completely changed from brick to stucco; storefront walls and windows have been removed and reconstructed; and the entrance has been relocated to the corner. Only the massing and roof remain intact. The building has been further altered since its designation and while attractive, appears to be a completely different building than the original structure.

Likewise, the building at 611 NE 3rd Street had been substantially altered at the ground level. The ground floor siding had been changed from brick to stucco; windows had been removed and replaced; and the primary entrance had been enclosed. Only the massing and roof remained intact. The ground level and upper level present a jarring contrast in style and material.

Finally, the building at 619 NE 3rd Street has been substantially altered since its HRI designation. The applicant was unable to locate earlier photos of the building, perhaps because this end of 3rd Street consists of more modest and utilitarian structures than the more detailed Italianate buildings north of Ford Street. The 1940 News-Register photo appears to show an open garage entrance on the left side of the building and a storefront with transom windows on the east side of the building, with the entrance in the center. At some point after 1983, the garage bay was enclosed and converted to storefront/office area and faux transom windows were installed. While the renovation has resulted in an attractive and functional building, it has fully altered the façade.

Value to the Community

The value the buildings current provide to the community include providing a consistent edge along historic 3rd Street corridor, jobs for office-based employees, and a reminder of the community's past. The buildings provide minimal street-level activation due to their uses as offices, and deferred maintenance of the buildings has resulted in interior and exterior damage as noted in the structural report included as Appendix C.

The proposed development provides the same value to the community, and additional values. The building retains the 0 ft. setback along 3rd and Ford streets to provide a continuous street wall in accordance with historic downtown development patterns. The ground floor will be activated by retail and restaurant uses, and outdoor seating is anticipated to create a lively atmosphere during the warmer months. The new building will be energy-efficient and modern while nodding to the historic structures surrounding it. It will also provide employment for approximately 60 people, more than three times as many people currently employed on the site.

Economic Consequences

The economic consequences of retaining the structures include cost, activity, and employment. The current use of all three buildings is office, which is a low activity use on McMinnville's main commercial street.

Theoretically one or more of the buildings could be renovated to house a more active use that made a greater contribution to the streetscape. However, most alternative uses would require seismic upgrades to meet current building code at a significant out-of-pocket cost. It is reasonable to assume that if the current property owners had the means or desire to make those upgrades, they would have done so.

The office uses occupying these buildings are low-intensity and do not attract foot traffic. Typically, people visit offices to work or by appointment to meet with those working within. Though office employees will eat at nearby restaurants and coffee shops, many downtowns prefer to have office uses located on upper floors to allow more active uses at the street level.

The economic consequences of removing the structures are largely positive. Approximately 20 people are employed in the existing buildings. The Gwendolyn Hotel is expected to employ approximately 60 people, in addition to employees of the ground floor restaurant and retail uses. These employees will also eat at nearby restaurants and shop at nearby stores, while the street level will be activated.

In addition, the new hotel will pay the City's lodging tax and the value of the development will be much greater than the existing development, which will result in increased property tax revenue to support urban renewal area activities. There will be new lodging options in downtown McMinnville that are expected to draw visitors from the Portland metro region and beyond. These visitors will contribute to the economic vitality of downtown McMinnville and nearby areas.

Design or Construction Rarity

Each of the buildings is fairly utilitarian in design and are not identified as examples of rare design or construction in the HRI or the National Register nomination. They are modest, functional structures that have been significantly altered over the years.

According to the McMinnville Historic Preservation Plan (Ord. 5068), as of May 2018 there were 558 properties listed on the HRI at the top three levels (Distinctive, Significant, and Contributing). Sixty-nine (or 12 percent) were classified as Distinctive; 200³ (or 36 percent) were listed as Significant and 289 (or 52 percent) were listed as Contributory. Therefore, as none of the buildings proposed for demolition are listed as Distinctive, they are not rare structures within the City.

Consistency and Consideration of other Policy Objectives in the Comprehensive Plan

Other relevant policy objectives of the McMinnville Comprehensive Plan include cultural, historical, and educational resources; economic development policies; and energy policies. Each of these policies is addressed in more detail in Section 5 of this narrative.

The relevant cultural and historical resource policies of Comprehensive Plan Chapter II include:

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 relevant economic development policies of Comprehensive Plan Chapter IV include:

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.

³ One of these structures, at 618 NE 3rd Street, was removed from the inventory and has been demolished.

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.*

Goal IV 3: *To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood-serving and other commercial lands, and discouraging strip development.*

Goal IV 4: *To promote the downtown as a cultural, administrative, service, and retail center of McMinnville.*

The relevant energy policies of Comprehensive Plan Chapter VIII include:

Goal VIII 2: *To conserve all forms of energy through utilization of Land use planning tools.*

178.00 The City of McMinnville shall encourage a compact urban development pattern to provide for conservation of all forms of energy.

179.00 The City of McMinnville shall amend pertinent ordinances to allow for design techniques which increase the efficient utilization of land and energy. Areas to examine shall include, but not be limited to:

- 1. The zoning ordinance requirements, including density, lot areas, and setbacks to increase utilizable space in lots, while maintaining health and safety standards.*
- 2. The geographic placement of various uses (commercial, industrial, residential) on the Comprehensive Plan Map to encourage energy-efficient locations.*

[..]

180.50 The City of McMinnville supports local sustainability and endorses the utilization of proven and innovative energy efficient design and construction technologies to reduce building heat-gain, lower energy consumption, and lessen pollutant output. (Ord. 4903, December 9, 2008)

Collectively, these policies call for balancing the protection of important historic and cultural resources with the efficient use of limited land within existing commercial centers, including downtown, and further establishing downtown as the cultural, employment, and retail center of McMinnville.

The subject site is currently occupied by three heavily altered low-rise buildings that are underutilized in terms of floor area, employment, and services. New construction on this site would advance all the City's Comprehensive Plan goals while avoiding negative impacts to "Distinctive" buildings elsewhere in the downtown.

[..]

- (c) Must amend its land use regulations to protect National Register Resources in conformity with subsections (a) and (b). Until such regulations are adopted, subsections (a) and (b) shall apply directly to National Register Resources.*

Response: The City of McMinnville is in the process of amending its zoning code to comply with these provisions. Until those amendments are effective (anticipated in Summer/Fall 2022) the provisions of this section are applicable.

[...]

(11) OAR 660-023-0200(1)(a) and (1)(h) are effective upon filing of the rule with the Secretary of State.

Response: OAR 660-023-00200(1)(a) and (1)(h) are definitions, and are effective as of February 23, 2018, the date of filing of the rule with the Secretary of State.

(12) OAR 660-023-0200(8) is effective upon filing of the rule with the Secretary of State and applies directly to local government permit decisions until the local government has amended its land use regulations as required by OAR 660-023-0200(8)(c).

Response: OAR 660-023-00200(8) addresses significant historic resources, and is effective as of February 23, 2018, the date of filing of the rule with the Secretary of State. As noted above, the City of McMinnville has not yet amended its land use regulations as required by (8)(c).

(13) OAR 660-023-0200(9) is effective upon filing of the rule with the Secretary of State and applies directly to local government decisions until the local government has amended its land use regulations to conform with the rule.

Response: OAR 660-023-00200(9) addresses the procedures for removing a historic resource from a resource list, and is effective as of February 23, 2018, the date of filing of the rule with the Secretary of State. The applicant is not proposing to remove a resource from the resource list, but is proposing to demolish it, and (9) is not applicable.

(14) OAR 660-023-0200(10) is effective upon filing of the rule with the Secretary of State and applies directly to local government permit decisions.

Response: OAR 660-023-00200(10) addresses a 120-day demolition period, and is effective as of February 23, 2018, the date of filing of the rule with the Secretary of State. As noted above, the City of McMinnville has not yet amended its land use regulations as required by (8)(c). However, the McMinnville development code includes provisions for demolition delay.

[...]

4. McMinnville Zoning Ordinance

Response: The applicable provisions of the McMinnville Zoning Ordinance are identified in Table 1 below and further addressed in the responses to the relevant code sections.

Table 1 Applicable Development Standards

Chapter	Standard	Required	Proposed	Finding
17.33	Yard Requirements	Side: 20 ft. when adjacent to a residential zone Rear: 20 ft. when adjacent to a residential zone Other: 0 ft.	0 ft.	The site is not adjacent to a residential zone, and no setbacks/yard requirements are applicable.

Chapter	Standard	Required	Proposed	Finding
17.33	Building Height	Min: None Max: 80 ft.	75 ft. 4 in.	This standard is met.
17.57	Minimum Landscaping	7% of gross site area; 0% required within Reduced Landscape Area	0%	This standard is met.
17.60	Off-Street Parking and Loading	None required within Reduced Parking Requirements Area	68 parking spaces	This standard is not applicable.

A. Chapter 17.06 Definitions

[...]

17.06.060 Historic Preservation Related Definitions

Alteration - The addition to, removal of, removal from, or physical modification and/or repair of any exterior part or portion of an historic resource that results in a change in design, materials or appearance. Painting, reroofing, and general repairs are not alterations when the new materials and/or colors match those already in use.

Certificate of Approval - A decision issued by the Planning Director or Historic Landmarks Committee, as applicable, to approve the alteration, demolition, or moving of a historic resource or landmark.

Demolition - To raze, destroy, dismantle, deface or in any other manner cause partial or total ruin to an historic resource.

Exterior - Any portion of the outside of an historic resource.

Historic District - A geographical definable area of local, state, or national historical significance, the boundaries of which have specifically been adopted by the City Council.

Historic Landmark - Any historic resource which is classified as "Distinctive" or "Significant" on the McMinnville Historic Resources Inventory. Historic landmarks are also locally significant historic resources as defined by OAR 660-023-0200(1)(j).

Historic Resources - Any site, structure, building, district, or object that is included on the Historic Resources Inventory.

Historic Resources inventory - The initial inventory includes the resources which were evaluated and ranked by the McMinnville Historic Landmarks Committee. The inventory incorporates the surveys and inventories conducted in 1976, 1980, and 1983/84 and resources which may be included by action of the Historic Landmarks Committee under the

provision of Section 17.65.030 of this chapter. The resources included in the inventory are classified as follows:

- A. *Distinctive: Resources outstanding for architectural or historic reasons and potentially worthy of nomination to the National Register of Historic Places;*
- B. *Significant: Resources of recognized importance to the City due to historical association or architectural integrity, uniqueness, or quality;*
- C. *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*
- D. *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.*

Owner - As defined by OAR 660-023-0200(1)(h). (Ord. 5034 §2, 2017).

Response: This application is for demolition of three buildings within the Historic District. The building at 609 NE 3rd Street is classified as a Significant resource, and is a Historic Landmark per the definitions above. The building at 611 NE 3rd Street is listed in the HRI as 619 NE 3rd Street and the building at 619 NE 3rd Street is listed in the HRI as 641 NE 3rd Street. Both are classified as Contributory/Secondary.

B. Chapter 17.33 C-3 General Commercial

[...]

17.33.010 Permitted Uses

- 1. *All uses and conditional uses permitted in the C-1 and C-2 zones, except those listed in Section 17.33.020;*

[...]

- 21. *Cocktail lounge;*

[...]

- 59. *Retail or wholesale stores or businesses not involving manufacturing, processing, or compounding of products other than that which is clearly incidental to the business conducted on the premises and provided that not more than fifty percent of the floor area of the building is used in the manufacturing, processing, or compounding of products, and such operations or products are not objectionable due to noise, odor, dust, smoke, vibration, or other similar causes;*

Response: The proposed mixed-use building includes Lodging (hotels and motels), Restaurant, Parking Structure or Lot, and Retail uses. Lodging uses are permitted in the C-2 zone and the remaining uses are listed as permitted in the C-3 zone.

17.33.020 Conditional Uses

Response: No Conditional Uses are proposed.

[...]

17.33.030 Yard requirements

Except as provided in Section 17.54.050, and "A" and "B" below, there shall be no required yards in a C-3 zone:

- A. *Side yard shall not be less than twenty feet when adjacent to a residential zone;*
- B. *Rear yard shall not be less than twenty feet when adjacent to a residential zone. (Ord. 4912 §3, 2009; Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).*

Response: The site is adjacent to properties zoned C-3, and these setback requirements are not applicable.

17.33.040 Building height

In a C-3 zone, buildings shall not exceed a height of eighty feet. (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

Response: The proposed building height is 75 ft. 4 in., less than the maximum height of 80 ft. This standard is met.

17.33.050 Use limitations

In a C-3 zone, outside storage abutting or facing a residential zone shall be enclosed by a sight obscuring fence. The fence shall obstruct the storage from view on the sides of the property abutting or facing a residential zone. The fence shall be of such material and design as will not detract from adjacent residences, shall be free of advertising, and shall be constructed according to plans submitted by the owner or authorized agent and approved by the Planning Director. Outside storage in a required yard shall not exceed ten feet in height. (Ord. 4477 §3, 1990).

Response: No outside storage is proposed. These standards are not applicable.

C. Chapter 17.54 General Regulations

[...]

17.54.040 Exceptions to Building Height

[...]

B. *Chimneys, Domes, Towers, Flagpoles and Similar Structures. Projections such as chimneys, spires, steeples, domes, elevator shaft housings, antennas, flagpoles, and other similar objects not used for human occupancy are not subject to the building height limitations of this title. (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).*

Response: The height of the elevator shaft overrun roof is 79 ft. 0 in. and is the highest projection of the building.

17.54.050 Yards

- A. *Measurement. The measurement of a yard shall be made perpendicular from the property line to the nearest portion of the building.*
- B. *Requirement exceptions. The following exceptions to the front-yard requirements for a dwelling are authorized for a lot in any zone:*
 - 1. *If there are dwellings on both abutting lots with front yards of depths less than the required depth for the zone, the depth of the front yard for the intervening lot need not exceed the average depth of the front yards of the abutting lots.*
 - 2. *If there is a dwelling on one abutting lot with a front yard of less depth than the required depth for the zone, the front yard for the lot need not exceed a depth halfway between the depth of the abutting lot and the required front-yard depth.*
 - 3. *Whether attached to a residence or as a separate structure, a covered storage facility (garage) for a vehicle on which the main opening is toward a street shall be located not less than 20 (twenty) feet from the property line bordering the street.*
- C. *Projections into yards. Architectural features such as cornices, canopies, sunshades, windows, chimneys, and flues shall not project more than 18(eighteen) inches into a required yard. Eaves may extend a distance not to exceed 30 (thirty) inches into a required yard. Stairs may encroach up to five (5) feet into a required front yard provided that the stairs are not covered or enclosed, except for an eave not exceeding the 30 (thirty) inch encroachment as noted above.*

Response: There are no front yard requirements for properties in the C-3 zone that do not abut residential properties.

[...]

E. *In a commercial or industrial zone, if an alley is adjacent to a required side or rear yard, the distance for a required yard may be measured from the center of the alley.*

Response: No alleys are existing or proposed adjacent to the site. This standard is not applicable.

F. *Yards required along arterial streets. Except in zones where greater setbacks are required, a minimum five (5) foot yard shall be provided where a lot or parcel abuts an arterial street, as those streets are defined in the City's Transportation Master Plan. The required five (5) foot yard shall be maintained as a clear vision area as defined in Section 17.54.080 except that the following uses may be allowed when alternatives are unavailable:*

1. *The exceptions described in Section 17.54.080.*
2. *Signs and signposts provided that the body of the sign is below three (3) feet in height or above eight (8) feet in height when measured from the top of the curb, or where no curb exists, eight and one-half (8.5) feet from the edge of the pavement or top of asphalt measured at the property line.*

Response: Ford and 3rd Streets are classified as a Local Streets in this location. No additional setbacks are required.

G. *A building may be constructed with a cantilever which extends up to two (2) feet over the setback at a height greater than eight feet when measured from the top of the curb, or where no curb exists, from eight and one-half (8.5) feet above the edge of the pavement, or top of asphalt measured at the property line.*

Response: There are no minimum setbacks, and the building will be set at the property line. No cantilevers are proposed.

[...]

17.54.080 Clear Vision Area

A. *Clear vision area requirement. A clear vision area shall be maintained on the corners of all properties at the intersection of two streets, a street and an alley, or a street and a railroad. Clear vision area requirements shall also apply to the first 10 (ten) feet of commercial and industrial access driveways when the driveway intersects with a street or alley. A clear vision area shall contain no planting, fence, wall, structure or temporary or permanent obstruction exceeding three (3) feet in height, measured from the top of the curb or, where no curb exists, from three and one-half (3.5) feet above the edge of the pavement, or top of asphalt measured at the property line, except that the following may be allowed in a clear vision area.*

1. *Trees exceeding this height may be located in the clear vision area provided all branches and foliage are removed to a height of eight feet above the grade;*
2. *Telephone, power, and cable television pole, electrical junction boxes.*
3. *Government issued traffic safety signs.*
4. *Telephone switch boxes provided that they are less than 10 inches wide at the widest dimension. (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).*

Response: The site is located at an intersection in a commercial zone, and contains a commercial driveway. The provisions of this chapter are applicable. As shown in Sheet A6.04/3, the clear vision area requirements of this section are met.

B. *Clear Vision Area Measurement. The following measurements used in conjunction with the formula established in Section 17.06.080 shall be used to establish clear vision areas:*

[...]

2. *In all other zones the minimum length of the triangle legs shall be 15 (fifteen) feet at street intersections and 10 (ten) feet where a street and an alley or street and access drive intersect, except that when the angle of intersection between two streets, is less than 30 (thirty) degrees, the length of the triangle legs shall be 25 (twenty-five) feet;*
3. *In commercial and industrial zones, buildings and signs may be constructed with cantilevers which extend out over the clear vision area at a height greater than eight feet when measured from the top of the curb, or where no curb exists, from eight and one-half feet above the edge of the pavement, or top of asphalt measured at the property line;*

Response: The site is located at an intersection in a commercial zone, and contains a commercial driveway. The provisions of this chapter are applicable. As shown in Sheet A6.04/3, the clear vision area measurement requirements of this section are met.

17.54.090 Fences

Fence limitations shall be as follows:

A. *A fence placed along an interior side or rear property line shall not exceed the height of seven (7) feet. The construction of a fence greater than six (6) feet in height requires a building permit.*

[...]

C. *On a corner lot, a fence located in a required exterior side yard shall not exceed the height of three (3) feet measured from grade; except when adequate vision clearance exists, the Planning Director may permit a fence up to six (6) feet in height.*

[...]

Response: No fences are proposed.

[...]

17.54.110 Use of Required Open Space

No lot area, yard, other open space, or off-street parking or loading area which is required by this title for one use shall be used as a required lot area, yard, or other open space or off-street parking or loading area for another use except as provided in Section 17.60.120 of this Ordinance.

Response: No open space is required for the proposed development. This standard is not applicable.

[...]

D. Chapter 17.57 Landscaping

[...]

17.57.030 Zones where required.

Landscaping shall be required in the following zones except as otherwise noted:

[...]

D. *C-3 (General Commercial zone);*

Response: The site is in the C-3 zone and landscaping is required. However, the site is also within the Reduced Landscape area of the city, which reduces the required landscaping to 0 percent.

[...]

17.57.050 Plans—Submittal and review—Approval—Time limit for completion.

- A. *At the time the applicant applies for a building permit, they shall submit, for the Landscape Review Committee, two copies of a landscaping and plot plan. If the plot plan and landscaping plan are separate documents, two copies of each shall be submitted. These may be submitted to the Building Department to be forwarded to the Planning Department.*
1. *No building permit shall be issued until the landscaping plan has been approved.*
 2. *The landscaping plan may be used as the plot plan required for a building permit, provided all information required for a building permit is provided;*

Response: A landscaping plan is included as Sheet L1.00 for reference. The applicant understands that the Landscape Review Committee will review the landscaping plan prior to Building Permit issuance.

[...]

17.57.060 Plans—Information to be included.

The following information shall be included in the plans submitted under Section 17.57.050:

- A. *Existing locations of trees over six inches in diameter, their variety (common or botanical name) and indication of whether they are to remain or to be removed from the site. In the event a large number of trees are to be retained and if no construction or construction access is required through or within the drip line of the trees, the general area with the number of trees involved may be given in lieu of listing and locating each tree;*
- B. *The location in which new plantings will be made and the variety (common or botanical name), and size of all new trees, shrubs, groundcover and lawns;*
- C. *The percentage of the gross area to be landscaped;*
- D. *Any equipment proposed for recreation uses;*
- E. *All existing and proposed site features including walkways, graveled areas, patios, courts, fences, decks, foundations, potted trees, raised planters, or other open spaces so that the review committee may be fully knowledgeable of the project when discussing the application;*
- F. *The location of watering facilities or irrigation systems, or construction notes on the landscape plan detailing the type of watering facilities or irrigation systems that will be installed;*
- G. *All of the information on the plot plan for the building permit. (Ord. 5027 §2, 2017; Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).*

Response: See Sheet EX1.00 for an Existing Conditions plan. See Sheet L1.00 for a conceptual landscape plan. A more detailed landscape plan will be submitted with the building permit.

17.57.070 Area determination—Planning factors.

- A. *Landscaping shall be accomplished within the following ranges:*
- [...]
2. *Commercial, at least seven percent of the gross area. This may be reduced to not less than five percent upon approval of the review committee. (The gross area to be landscaped may only be reduced by the review committee if there is a showing by the applicant that the intent and purpose of this chapter and subsection B of this section are met.)*

Response: The development site is commercially zoned, and at least seven (7) percent of the gross site area must be landscaped. However, the site is also within the Reduced Landscape area of the city, which reduces the required landscaping to 0 percent. No ground-level landscaping is proposed.

[...]

4. *A parking lot or parking structure built in any zone providing parking spaces as required by the zoning ordinance shall be landscaped in accordance with the commercial requirements set forth above in subsection 2 of this section.*

Response: No parking lot or parking structure are proposed. These provisions are not applicable.

5. *Any addition to or expansion of an existing structure or parking lot which results in additional lot coverage shall be landscaped as follows: [...]*

Response: The proposed development is a new building rather than an addition to or expansion of an existing structure. These standards are not applicable.

- B. *The following factors shall be considered by the applicant when planning the landscaping in order to accomplish the purpose set out in Section 17.57.010. The Landscape Review Committee shall have the authority to deny an application for failure to comply with any or all of these conditions: [...]*

Response: These criteria will be addressed at the time of Landscape Review Committee review.

[...]

E. Chapter 17.59 Downtown Design Standards and Guidelines

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.*

Response: The site is located at the northeast corner of NE 3rd and Ford streets. The provisions of this chapter are applicable.

- 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.*

Response: The proposed development is new building construction, and the provisions of this ordinance are applicable.

[...]

- 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).

Response: Acknowledged.

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.*

Response: This application has been submitted and reviewed per the procedures listed 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.*

Response: A site plan is included as Sheet A1.01; building and construction drawings are included as Sheets A2.01-A2.02; and building elevations are included as Sheets A3.01-A3.02 and A 6.01-A6.03.

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.*

Response: An existing conditions plan is included as Sheet 1; details of proposed construction are included in the architectural plans; exterior building elevations are included in Sheets A1.01-A7.04; and adjacent structure elevations are shown on Sheet A3.01-A3.02.

3. *A narrative describing the architectural features that will be constructed and how they fit into the context of the Downtown Historic District.*

Response: This document is the narrative. A discussion of the proposed building as it relates to the context of the Downtown Historic District is addressed throughout this document.

4. *Photographs of the subject site and adjacent property.*

Response: Photographs of the subject site and adjacent property are included in Sheets 2 and A0.01.

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.*

Response: While not required by the zoning regulations, the Planning Director has indicated that a traffic impact analysis (TIA) is required. The TIA is included as Appendix B. No other information was identified as required for the submittal.

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.*

Response: The proposed application is for new construction and a waiver, both of which are subject to review and approval by the Historic Landmarks Committee at a public hearing.

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).

Response: A waiver is requested to the provisions of 17.59.050.B.1 to allow the building to appear as three stories rather than two stories at the corner.

[...]

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;*

Response: The City's historic preservation policies of the Comprehensive Plan are addressed in Section 5 of this narrative.

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*

Response: The building at 609 NE 3rd Street is designated as a historic landmark and the buildings at 611 and 619 NE 3rd Street are located within a National Historic District. The requirements of Chapter 17.65 are addressed in Section 4.H of this narrative.

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;*

Response: The difficulty of complying with the requirement of 17.59.050.B.1 is both financial and aesthetic. Reducing the appearance of the building from the 3 stories proposed to the 2 stories required by this standard significantly reduces the size of the 2nd floor of hotel rooms, and as such, significantly reduces both available lodging and revenue.

Secondly, the proposed 3-story expression is highly contextual. The existing buildings to the west and southeast are 3 stories in height. Though these buildings were constructed before the Downtown Design Standards were adopted, they are historic structures and establish the scale at this corner. This approach follows established precedent; there are numerous instances of both historic and new buildings exceeding a 2-story height at the corner in the vicinity of the subject 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*

Response: The purpose of the Downtown Design Standards and Guidelines is, in part, to "foster an organized, coordinated, and cohesive historic district." As demonstrated in Sheets A0.01 and A3.01, the buildings to the south and west are 3 stories in height and establish a context for the proposed appearance at the corner of NE 3rd and Ford streets. Continuing the established corner height of 3 stories further accentuates this key corner and provides a visual marker for visitors.

- 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).*

Response: The requested waiver is the minimum necessary to alleviate the difficulty of meeting the requirement of 17.59.050.B.1. Granting this waiver allows the proposed building to reflect the 3-story height of the Tribute Hotel to the southeast and the I.O.O.F. building to the west. The effect will be to create a "gateway" of sorts to the area.

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.*

Response: As shown in the Level 01 – Floor Plan on Sheet A2.01, the proposed development maintains a 0 ft. setback from the sidewalk to the west and south, except for a 6 ft. recess in front of the main entrance that provides a vestibule to the hotel lobby. The building at grade is set back 2 ft. from the northern property line to avoid compromising the foundations of the adjacent structures to the north.

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.*

Response: According to the Oregon Historic Sites Database and map,⁴ adjacent and nearby historic buildings on the same block include the Bennette Building, a two-story stucco building at 628-634 NE 4th Street that houses The Bindery event space (Secondary Historic Contributing resource) and the 4th & Galloway building at 628 NE 4th Street (Secondary Historic Contributing Resource). The KAOS building at 645 NE 3rd Street was constructed in 2015 and is not a contributing building. The remaining buildings on the block are the subject of this application.

As described in the historic district National Register Nomination, the Secondary Significant classification of the HRI was applied to structures built between 1913 and 1937, during the secondary period of construction and development in downtown McMinnville. These buildings are generally minimally ornamented one- to two-story buildings constructed of stucco or brick. Several of the buildings on this block, including the three buildings proposed for demolition, were originally used as auto garages.

The proposed Gwendolyn Hotel provides an elevation that conveys a 3-story aesthetic and experience. The proposed design at street level along both facades includes substantial amounts of windows and doors, which draw the pedestrian attention to the activity within the building. The proposed awnings further focus the pedestrian visual experience to the ground level and the associated indoor retail activities within the building. In addition, the design includes predominantly protruding belt course cornices separating the 2nd and 3rd floors on the Ford Street elevation and separating the 3rd and 4th floors on the 3rd along the corner portions of the building, significantly occluding upper levels of the building above the 3rd floor. These cornices, combined with awnings and street trees, will significantly diminish the appearance and visibility of upper floors from the pedestrian level. See Sheets A3.01-A3.02 and A7.01-A7.04

Both street facades provide substantial horizontal and vertical design variation, with the 3rd Street façade consisting of massing that conveys both 2- and 3-story façade experiences for the pedestrian. There are also 4th, 5th, and 6th floors; however these floors step back 10 ft. from the first 3 floors along 3rd Street and 8 ft. 6 in. along portions of Ford Street, and are not visible from the adjacent sidewalk as shown in Sheet A6.04. The overall color and material palette was also strategically designed to focus visual interest at the first 3 floors with bold color

⁴ Available online at <https://heritagedata.prd.state.or.us/historic/>. Accessed on June 17, 2022.

contrasts and a variety of texturally rich materials and recede the upper floors with more muted colors and a subdued material palette.

The horizontal variation is divided into roughly 60-ft. sections, per historic building patterns in the downtown and within the subject block. See Sheets A6.01-A6.02. These horizontal variations are then varied further with vertical variations of alternating façade story. The use of varied material along the entire elevation also focuses the experience to three stories along 3rd Street.

Finally, the proposed corner elevations along NE 3rd Street and NE Ford Street are similar to the 2- to 3-story elevations directly to the south across NE 3rd Street, as well as the 3-story elevation to the west across NE Ford Street. This similar height and massing of the proposed elevations with those directly across the street provides the compatibility and similarity envisioned in this building design standard. See Sheet A7.01

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.*

Response: The building is approximately 180 ft. in length on the southern elevation and 98 ft. in length on the western elevation, and both elevations are subject to this provision. As shown on Sheet A3.01, the façade is visually subdivided into narrower sections of approximately 82 ft., 36 ft., and 60 ft. along the southern elevation by recessing the building along all levels.

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;*

Response: The storefronts that face both the NE Ford Street frontage and the NE 3rd Street frontage occur at the southwest corner restaurant space, the hotel lobby, and the retail spaces along the east end of the 3rd Street frontage. A belt course separates the upper stories from the first floor, and the 4th to 6th stories from the 3rd story.

- b. *A bulkhead at the street level;*

Response: All storefronts have a 2 ft. composite panel 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;*

Response: As shown on Sheet A3.01, 70.1 percent of the storefront below the transom line and 41.7 percent of the storefront between the first and second stories consists of glazing.

- d. *A recessed entry and transom with transparent door; and*

Response: Each storefront is accessed by a recessed entry with a transparent door and a transom above. See Sheet A3.01.

e. *Decorative cornice or cap at the roofline.*

Response: A decorative cornice cap is proposed along the entire roofline. See Sheets A3.01 and A3.02.

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.*

Response: As shown in Sheet A0.01, the rooflines of adjacent buildings are flat. The proposed rooflines are also flat and are adorned with contextually appropriate cornice details and profiles.

5. *The primary entrance to a building shall open on to the public right-of-way and should be recessed.*

Response: All entrances into the restaurant and retail spaces have recessed entries that open to the public right-of-way. The primary entrance of the hotel opens to the NE 3rd Street right-of-way.

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.*

Response: All windows are recessed in the exterior stucco and brick walls. Most of the upper windows have a vertical proportion of 8 ft. tall x 6 ft. wide.

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.*

Response: The proposed building will be new construction and will not include alteration or addition of building elements. This standard is not applicable.

8. *Buildings shall provide a foundation or base, typically from ground floor to the lower windowsills.*

Response: The exterior brick walls facing 3rd Street and Ford Street have a 3 ft. 6 in. pre-cast concrete base that extends to the lower windowsills of the ground floor windows.

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.*

Response: As shown on Sheet A6.05, the proposed building materials include face brick, pre-cast concrete base course, glass fiber reinforced cement cornices, painted composite paneling, and smooth textured stucco.

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.*

Response: None of these prohibited materials are proposed.

- 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).*

Response: The proposed color palette is subtle and consists of neutral and earth tone colors including white, grey, red, and tan. See Sheet A6.05 for details.

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.*

Response: No surface parking lots are proposed. Parking will be provided below grade.

- B. *All parking lots shall be designed consistent with the requirements of Section 17.60.080 of the McMinnville Zoning Ordinance.*

Response: No surface parking lots are proposed. Parking will be provided below grade.

- 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).*

Response: No surface parking lots are proposed. Parking will be provided below grade.

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.*

Response: As shown on Sheets A6.01 to A6.03, awnings are provided over the storefronts at the ground level. They are located above the transom windows and are a generous depth to shelter pedestrians from rain or sun.

- B. *Awnings shall be placed between pilasters.*

Response: The ground-level awnings are placed between pilasters as shown in Sheet A3.01.

- 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.*

Response: The KAOS building to the east has red fabric awnings above the transom windows. The proposed awnings are placed at the same height as shown on Sheet A3.01.

D. *Awnings should be constructed of soft canvas, fabric, or matte finished vinyl. The use of wood, metal or plastic awnings is prohibited.*

Response: The awnings will be constructed of soft canvas or fabric.

E. *Awnings may be indirectly illuminated; internal illumination of awnings is prohibited.*

Response: No internal illumination of the awnings is proposed.

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).*

Response: The proposed awnings are made of red fabric as a nod to the KAOS building to the east. No prohibited colors are proposed.

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).*

Response: Signage will be submitted for review and approval under a separate permit. However, signage is anticipated to be a flush-mounted sign above the entry, with traditional blade signage for individual retailers.

F. Chapter 17.60 Off-Street Parking and Loading

[...]

17.60.050 Spaces—Location.

- A. *Except as provided below, required off-street parking spaces for dwellings shall be located on the same lot with the dwelling. For the following residential uses, off-street parking shall be located not farther than five hundred feet from the building or use they are required to serve, measured in a straight line from the building.*

[...]

2. *Off-street parking for residential uses in the City Center Housing Overlay Zone designated in Chapter 17.66*

Response: No residential uses are proposed. These provisions are not applicable.

- B. *All other required parking spaces shall be located not farther than two hundred feet from the building or use they are required to serve, measured in a straight line from the building.*

Response: There are no required parking spaces, and this standard is not applicable. The proposed parking spaces are located on site.

[...]

17.60.060 Spaces—Number required.

Except for the southerly 100 feet of Block 10 and the northerly 100 feet of Block 11, Rowland's Addition and the area bounded by Second Street, Adams Street, Fourth Street, and Galloway Street, at the time of erection of a new structure or at the time of enlargement or change of use of an existing structure, off-street parking spaces shall be provided as follows unless greater requirements are otherwise established. Where square feet are specified, the area measured shall be the gross floor area primary to the functioning of the particular use of the property but shall exclude space devoted to off-street parking or unloading.

Response: The development site is located within the area described above, and no off-street parking spaces are required. However, 68 off-street parking spaces are provided in the lower level of the building for use by customers and guests. According to the Client's hospitality expert, the ideal number of parking spaces to serve the proposed development is 68.

[...]

17.60.080 Design requirements.

[...]

- C. *Safe access shall be provided as follows:*

[...]

3. *Driveways to off-street parking areas shall be designed and constructed to facilitate the flow of traffic and to provide for maximum safety of pedestrians and vehicular traffic on the site.*
4. *Clear vision areas shall be provided at driveway exits for all uses except single-family and two-family residential and shall have minimum dimensions of ten feet measured along the street right-of-way and the edge of the driveway. In commercial and industrial zones, buildings and signs may be constructed with cantilevers which extend out over the clear vision area at a height greater than eight feet when measured from the top of the curb, or where no curb exists, from the established centerline grade. Except for existing permanent buildings and structures (other than signs), nonconformities shall be made to comply with the provisions of this section within seven years from the date of its adoption.*

Response: As shown in Sheet A1.01, the proposed driveway exit meets the requirements of this section.

5. *Driveway cuts shall be a minimum of twenty feet from a street intersection.*

Response: The driveway cut is approximately 75 ft. from the intersection of NE 3rd and Ford streets and 100 ft. from the intersection of NE 4th and Ford streets.

D. *Parking areas shall be made compatible with surrounding uses as follows:
[...].*

Response: No parking areas are proposed.

- E. *Space size minimum shall be as follows:*
1. *Handicap parking spaces shall be a minimum of twelve feet wide and 19 feet in length.*
 2. *Compact and subcompact parking spaces shall be a minimum of eight feet by sixteen feet.*
 3. *Standard parking spaces shall be a minimum of eight feet six inches by nineteen feet.*

Response: As shown on Sheet A2.01, the standard stalls are 9 ft. by 19 ft. and the compact stalls are 8 ft. by 16 ft.

- F. *The type of space shall be set as follows:*
1. *Handicap spaces shall be required and designated as per current federal, state, and local regulations.*
 2. *Standard spaces shall comprise not less than sixty-five percent of all newly constructed lot spaces.*

Response: There are 69 parking spaces, and six of those spaces are compact spaces. Therefore, more than 65 percent of the spaces are standard spaces. Handicap spaces will be designated on the building permit plans per applicable regulations.

G. *Except as varied for good cause by the Building Official or Planning Director, maneuvering room shall be required and parking stalls measured according to the following table:*

Excerpt from Parking Maneuvering Room Table

<i>Parking Angle Degrees</i>	<i>Width of Spaces</i>	<i>One Way Aisle Width</i>	<i>Two Way Aisle Width</i>
90°	8'0"	28'0"	28'0"
	8'6"	27'0"	27'0"
	9'0"	26'0"	26'0"
	9'6"	25'0"	25'0"

(Ord. 4283 §4, 1984; Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

Standard space- Minimum requirements:

Width 8.5'

Length 19'

Compact space- Minimum requirements:

Width 8'

Lengths 16'

Handicapped space- Minimum requirements:

Width 12'

Length 19'

Response: The drive aisle is 26 ft. in width; compact spaces are 8 ft. by 16 ft. and standard spaces are 9 ft. by 19 ft. Handicap spaces will meet the minimum requirements at the time of building permit.

[...]

17.60.100 Reduced requirements for certain area.

A. *In the area bounded by Adams Street, Ford Street, Fourth Street, and Seventh Street, required off-street parking spaces for commercial establishments may be one-half of the number stated for the particular use in Section 17.60.060 (see special parking requirements map below).*

Response: The subject site is within the “No Required Parking” area of the Reduced Parking Requirements Map.

[...]

G. Chapter 17.65 Historic Preservation

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;*

Response: The applicant proposes to make a substantial investment in downtown McMinnville through the development of a new luxury lodging option. See Table 2 for current assessed value and market value of the buildings. Note that Assessed Value is lower than Real Market Value due to Measures 5 and 50, which limit the increase in assessed value to 3 percent per year. As a result, there is a difference of almost \$500,000 between the assessed value and the real market value of these buildings. See Table 2.

Table 2 2021 Assessed and Market Value of Buildings

Site	2021 Assessed Value	2021 Real Market Value
609 NE 3 rd Street	\$515,480	\$664,643
611 NE 3 rd Street	\$742,760	\$1,010,601
611 NE 3 rd Street BPP	\$41,333	\$41,333
619 NE 3 rd Street	\$482,993	\$556,964
Total	\$1,782,566	\$2,273,541

Source: Yamhill County Assessor

The assessed value “resets” at the time of redevelopment. The applicant estimates that the new development will have a real market value of approximately \$60,000,000, which would result in a significant increase in taxes paid to the City and funding for urban renewal area projects. In addition, the hotel would increase the lodging taxes collected by the City.

The proposed development will increase the value of the subject properties; it is reasonable to assume that nearby properties will also see an increase in value.

B. *Promote the education of local citizens on the benefits associated with an active historic preservation program;*

Response: The proposed development will attempt to incorporate significant components of the existing building at 609 NE 3rd Street. The applicant team intends to promote the history of the site and its importance to the development of McMinnville. The specific approach is to be determined and will be defined in coordination with community members and groups.

C. *Foster civic pride in the beauty and noble accomplishments of the past;*

Response: The existing buildings are utilitarian and were originally developed as functional structures. The applicant intends to incorporate components of the original buildings into the new building as appropriate and as determined through coordination with community members and groups. Examples of information that could be incorporated into the new development include plaques or other historic markers with information about the builders of the structures.

D. Protect and enhance the City's attractions for tourists and visitors; and

Response: As noted elsewhere in this narrative, The Gwendolyn is intended to advance the City's economic development goals by expanding the lodging options in downtown McMinnville. A signature restaurant is planned for the ground floor, which may be an additional draw for visitors who are not spending the night. The proposed building will establish a gateway effect at NE 3rd and Ford streets and complement the three-story buildings on each corner.

E. Strengthen the economy of the City.

Response: The proposed development is intended to enhance the City's attractions for tourists and visitors by providing space for new specialty retail and commercial services, creating a destination for visitors to nearby wineries, and providing employment opportunities for up to 60 employees. The proposed hotel will provide a luxury boutique lodging option along with a meeting/conference room that will serve guests and community members.

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

Response: The provisions of the Comprehensive Plan apply to development within the historic district and are addressed elsewhere in this narrative.

[...]

17.65.040 Certificate of Approval Process.

A property owner shall obtain a Certificate of Approval from the Historic Landmarks Committee, subject to the procedures listed in Section 17.65.050 and Section 17.65.060 of this chapter, prior to any of the following activities:

- A. The alteration, demolition, or moving of any historic landmark, or any resource that is listed on the National Register for Historic Places;
 - 1. Accessory structures and non-contributing resources within a National Register for Historic Places nomination are excluded from the Certificate of Approval process.**
- B. New construction on historical sites on which no structure exists;*
- C. The demolition or moving of any historic resource.*

Response: The proposal includes the demolition of a historic landmark (609 NE 3rd Street) and two contributing buildings within the McMinnville Downtown Historic District, and replacement of all three structures with a new building. As such, the provisions of this section are applicable.

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;*

Response: The purpose of this ordinance is addressed in the responses to subsection 17.65.010 above. The relevant Comprehensive Plan policies are addressed in Section 5 of this narrative. The applicant has demonstrated that the proposed development meets this criterion.

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;*

Response: There are three potential approaches to using or repurposing the site:

- Do nothing: continue to operate the buildings as currently operated
- Renovation/Change of use: upgrade the buildings to accommodate a change of use to commercial or retail uses
- Redevelop: Replace the existing buildings with a new development.

Each approach is described in more detail below.

Do Nothing

The current amount of income from the tenants is unknown, but it is assumed that the owners' land costs are lower than the eventual purchase price, as they have owned the properties for many years.

If a buyer were to purchase the properties and retain the current tenants at the current rents, it is likely that the new owner would face challenges keeping up with the maintenance needs of these buildings. As noted in the structural report included as Appendix C, there are areas of damage that have not been repaired to date, presumably due to cost and availability of financial resources.

Renovation/Change of Use

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.

Redevelopment

The applicant proposes redevelopment of the site with a mixed-use commercial building. This cost is estimated at approximately \$60,000,000 including land cost, soft costs, hard costs, finance fees, broker fees, pre-opening costs, marketing, etc. Lease rates are estimated at \$25

per sq. ft. triple-net/NNN, the same as in the renovation/change of use scenario, but most of the income would be generated by the hotel uses on upper floors.

3. *The value and significance of the historic resource;*

Response: An evaluation of the significance of the buildings is provided in Section 3 of this narrative. This section provides additional information.

The McMinnville Downtown Historic District was evaluated in 1983/1984 and was listed on the National Register of Historic Places in 1987. The Historic District nomination included a description of each property including its date of construction, initial use, changes (alterations) over time, and mention of multiple owners up to the time of nomination. Each building was deemed to be distinctive, significant, contributing, or noncontributing to the historic significance of the District. The individual building descriptions describe the significance of the historic resource and the role of each building in the larger context of specific timeframes.

As described in the McMinnville HRI and the Historic District nomination, the greatest period of downtown development occurred from approximately 1884-1905. The buildings from this period are still easy to identify to this day. Their size, style (often Italianate), quality of materials, and intricate detailing set them apart from buildings that came later. The second period of downtown development occurred between 1904-1928. Many buildings constructed during this time were functional, pragmatic buildings that were intended to serve the automobile. Many of the buildings in the eastern part of downtown, including the three buildings proposed for demolition, were initially constructed as automobile garages or service shops.

The proposal requests demolition of 3 buildings within the McMinnville Downtown Historic District. The building at 609 NE 3rd Street is listed as a Primary Significant Contributing resource on the City's HRI, and is defined by that designation as a Historic Landmark. The applicant is requesting the demolition of these 3 buildings for a replacement building that will implement and advance the future vision for Downtown McMinnville.

Building Descriptions

609 NE 3rd Street

The building at 609 NE 3rd Street (609 East Third Street at the time of the HRI) is commonly known as O'Dell's and is identified by its Special Assessment Program number, B865 (a Primary Contributing Resource), in the City's HRI. The HRI does not identify the architectural style, but the 1987 National Historic District nomination describes the architecture as Commercial. The year of construction is noted as 1904 with alterations in 1933 and 1955. After the HRI and Historic District listing, the building was further renovated.

According to the HRI, its original use was as a garage and the architect is unknown. This original use explains the large series of 8-ft. deep wooden trusses spanning east/west for the 60 ft. width of the building. A small 35-inch width mezzanine was constructed at the south end of the 100-ft. long structure at some point. As noted in the structural report included as Appendix C, this mezzanine is structurally compromised and is not in use today. Today, the building houses ground floor only offices. The HRI notes:

"This is a stucco-covered square brick building of two stories facing south and situated on a corner. The entire southwest portion of the ground floor is cut-away to accommodate automobiles and gasoline pumps. The roof is flat and only a simple ledge articulates the cornice line. Fixed inset windows of three vertical lights and

set-in panels course the second story. Windows on the ground level are large, fixed triple lights with multi-lighted transoms.

The building was erected by prominent lawyer Frank W. Fenton whose name still appears on the door upstairs [as of 1984]. A photograph from 1904 shows the building's exposed brickwork and double row of dentils above the windows. The present cutaway portion was an enclosed storefront.

Tony Christianson and Russell Turner had a battery shop in the building prior to the 1920's [sic]; during the 1920's Dick Wilson and Charles Newman ran a Plymouth agency in the building. Odell's who had been in business across the street since 1924, moved to this location in 1933."

The Historic District nomination provides a more detailed description and additional information about the historic occupants:

"This rectangular two-story stuccoed corner building has a flat roof with a raised stucco cornice line. The second floor consists of three bays on Third Street. The two eastern bays contain paired wood sash windows each with three vertical lights. The bay at the western end contains a series of three wooden windows with three vertical lights. Each bay is recessed approximately four inches and each window is recessed another four inches and has a projecting stuccoed sill. The second-floor windows on the west façade are identical in type to those on the Third Street façade but occur in a different configuration. This façade has four bays and the window series from north to south is three, two, one, one. A stuccoed belt course divides the stories. Two piers on the Third Street façade remain intact (one has been removed). The east end of the Third Street ground floor façade contains an intact storefront one bay wide with an original wood frame plate glass window with a six light transom and stuccoed sill and bulkhead. The west end of the Third Street façade has been cut away across two bays and the entrance recessed two bays towards the north. An entrance was installed which faces west and has a wood sash glass and transomed entrance and storefront window. A wood storefront was also installed facing south which has several openings. The south end of the west façade is also cut away and the bay is divided by the addition of a new pier. The three remaining bays on this façade are divided by piers which extend from the cornice through to the ground. Next to the cut away bay (north) is an original wooden storefront window with a four-light transom and stucco bulkheads and sills. The next bay to the north contains a five-light transom and plate glass window divided into three vertical lights. The far north bay contains a wooden garage door.

This building was constructed for Frank W. Fenton, a prominent McMinnville attorney, whose photograph still appears upstairs. A photograph dating from 1904 shows the building has exposed brickwork and a double row of dentils above the windows. The present-day cutaway portion was an enclosed storefront. Prior to the 1920's [sic], Tony Christianson and Russell Turner had a battery shop in the building. Dick Wilson and Charles Newman ran a Plymouth agency in the building in the 1920's [sic]. Odell's Garage moved to this location in 1933."

At the time of the HRI, according to the accompanying photo, the building was still occupied by O'Dell's. According to historicmac.com, the News-Register moved into the adjacent property in 1976 and the O'Dell Building in 1981, and remodeled the O'Dell Building in 2001 through the SHPO Special Assessment Program. This remodel appears to have enclosed the

previous cut-away at the southwest corner of the building and added fabric awnings above the transom windows. The upper level of the building appears to be relatively unchanged.

611 NE 3rd Street

The building at 611 NE 3rd Street (619 East Third Street at the time of the HRI) is located on Lot 6 of Block 7 of Rowland's Addition and appears to be misaddressed as the description of the building is of 619 NE 3rd Street. It is identified by its Special Assessment Program number, B872(a Secondary Contributing Resource), in the City's HRI. The HRI notes that the building was constructed between 1912 and 1928, and the Historic District nomination notes that moderate alterations occurred in 1976. The building was originally an automotive garage, and it is currently occupied by the News-Register offices. Per the HRI:

"This is a square brick two story structure situated middle block between Ford and Galloway facing south on Third Street. The façade is five bayed, the second story windows being one over one double hung sash, paired, each pair articulated by rows of stretchers. A prominent bracketed and modillioned cornice line stretches the length of the façade above these windows. A parapet wall with a central gable rises three feet above the cornice line. The façade is faced with common bond buff brick above the first floor. Extensively altered, the first story of the façade is faced with scored stucco and has been cutaway to expose two pillars. A stairwell opens onto the street at the extreme east end. The building has been joined to another at its rear which faces Fourth Street on the north. In 1928, the building housed a garage."

619 NE 3rd Street

The building at 619 NE 3rd Street (641 East Third Street at the time of the HRI) was previously known as the AAMCO Building and is now known as the Bennette Building. It is identified as Secondary Resource #436 in the HRI. Its original use was as a garage and the architect is unknown. The HRI estimates its date of construction at between 1912 and 1928; the Historic District nomination identifies the date of construction as ca. 1923 and notes that moderate alterations occurred in 1975 and that the Bennette family had an auto agency in this building from 1936 to 1977. There is no information in either description about when the building was converted from garage to office uses.

According to the HRI:

"This building is a one-story brick structure facing south on Third Street and extending north the entire depth of the block with a similar elevation on Fourth. A flat roof is concealed by parapet walls on either end and the facades each have seven stepped forward piers and corbelled cornice lines. The south façade has a large window and three doors. Two of them are large enough to accommodate automobiles. Three low gabled projection [sic] creating a partial second story, protrude from the roof toward the rear. The building has always accommodated garages."

4. The physical condition of the historic resource;

Response: As described in the structural evaluation included as Appendix C, existing buildings are in adequate physical condition for their existing uses as offices. However, a change of occupancy of these buildings from office to commercial and/or lodging uses would likely require costly seismic updates to each of these buildings.

5. *Whether the historic resource constitutes a hazard to the safety of the public or its occupants;*

Response: Each of the buildings is currently occupied and is assumed to not constitute 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;*

Response: The current structures are 1- and 2-stories in height and are occupied by office uses. The Gwendolyn Hotel development addresses many of the City's identified economic development needs. The applicant proposes a development program that includes numerous benefits to the City:

- 90-95 luxury hotel rooms designed to accommodate visitors to nearby wineries and tasting rooms
- A ground-floor restaurant
- Ground-floor commercial/retail spaces
- 68 vehicular parking spaces
- A ground-floor meeting room for use by guests and local groups
- A reservable rooftop bar and patio
- A luxury soaking pool on the level 6 roof terrace

On March 12, 2019, the Common Council of the City of McMinnville voted unanimously to adopt the MAC-Town 2032 Economic Development Strategic Plan. The plan established eight important goals. Goal 6 is "Be a leader in hospitality and place-based tourism," and includes a number of goals which are addressed below.

Goal 6.1: Make Downtown the best it can be.

- *Evaluate current zoning, historical districts and designations, and existing land use patterns, including underutilized parcels, to ensure that key downtown parcels offer the highest and best use for their location.*

As noted in Section 5 below, the MAC-Town 2032 plan further implements the Comprehensive Plan policies related to the economy. Following adoption of this plan, City staff presented zoning amendments to remove minimum parking requirements from downtown properties to allow new development to maximize the use of downtown parcels. Though not explicitly stated in the plan, allowing redevelopment of the subject site would also allow a key downtown parcel to offer the highest and best use for its location. The permitted height is 80 ft. and a broad range of commercial and residential uses are allowed, which indicates that the subject site was anticipated to be used more intensively in the future.

Goal 6.2: Become the preferred destination for wine related tourism.

- *Connect hoteliers and other hospitality professionals in Oregon and elsewhere to local opportunities for high quality additions to McMinnville's current hospitality offerings.*

The applicant intends to develop a luxury hotel on this site, which expands McMinnville's current hospitality offerings and addresses this goal.

Goal 6.4: Market and promote McMinnville.

- *Work with visit McMinnville and local hoteliers to identify gaps in available conference space and to establish a plan to expand McMinnville's offerings for small and large conferences.*

Though the hotel is not intended to be a conference hotel, it will provide a meeting room on the ground floor for hotel guests and members of the community. This addresses a gap in the existing offerings in downtown McMinnville.

In addition to moving the MAC-Town 2032 goals forward, the proposed development will significantly expand the assessed value of the site, which will result in additional tax income for the community and additional funding for the urban renewal area.

The hotel and supportive commercial spaces are anticipated to employ 60 community members, and visitors to the hotel will eat in nearby restaurants and shop in nearby stores. Wine enthusiasts are expected to use the Gwendolyn Hotel as a home base for weekend wine tasting trips in the surrounding areas and for visiting local tasting rooms. Though not required, the proposed development includes below-grade vehicular parking spaces for use by hotel guests.

The corner of NE 3rd and Ford streets is a key corner of downtown McMinnville. The Gwendolyn will provide additional downtown lodging opportunities for people seeking an urban wine country experience.

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*

Response: As noted in the response to 17.65.050.B.2 above, the cost to retain and renovate the existing buildings to current building code, including seismic upgrades, is significant and unlikely to be undertaken by any purchaser of the property. Retention of the buildings as-is will be unsustainable given the asking sale price, and the cost of renovation of the properties for new or different uses will take 40 years to recoup.

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.*

Response: Given the economic and physical benefits of the proposed development, as described elsewhere in this narrative, the HLC can find that the retention of the existing buildings is not in the best interests of a majority of community residents and that redevelopment of the site advances the goals of the community related to the economy, tourism, and energy efficiency. On balance, the proposed development meets or exceeds all relevant policies and regulations.

The architectural and structural team have examined the three buildings extensively, and have listed their deficiencies. See the structural report included as Appendix C. All the alternative means of preservation listed here are possible and acceptable, if directed by the HLC.

As noted previously in this narrative, retaining the buildings in their current state is likely to result in continuing decline in their condition, and renovation of the buildings is cost-prohibitive and will result in a substantial loss for the development team. As noted in the structural report,

relocating one or more of these buildings, which technically possible, is extremely complicated and costly and has a high potential for failure due to their construction of unreinforced brick.

[...]

- 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).*

Response: The requirements of Chapter 17.59 are addressed in Section 4.F of this narrative.

[...]

H. Chapter 17.72 Applications and Review Process

[...]

17.72.020 Application Submittal Requirements. *Applications shall be filed on forms provided by the Planning Department and shall be accompanied by the following;*

- A. *A scalable site plan of the property for which action is requested. The site plan shall show existing and proposed features, such as access, lot and street lines with dimensions in feet, distances from property lines, existing and proposed buildings and significant features (slope, vegetation, adjacent development, drainage etc.)*
- B. *An explanation of intent, nature and proposed use of the development, and any pertinent background information.*
- C. *Property description and assessor map parcel numbers(s).*
- D. *A legal description of the property when necessary.*
- E. *Signed statement indicating that the property affected by the application is in the exclusive ownership or control of the applicant, or that the applicant has the consent of all partners in ownership of the affected property.*
- F. *Materials required by other sections of the McMinnville Zoning Ordinance specific to the land use application.*
- G. *Other materials deemed necessary by the Planning Director to illustrate compliance with applicable review criteria, or to explain the details of the requested land use action.*

Response: This submittal includes the required materials.

[...]

17.72.095 Neighborhood Meetings.

- A. *A neighborhood meeting shall be required for:*
 - 1. *All applications that require a public hearing as described in Section 17.72.120, except that neighborhood meetings are not required for the following applications:*
 - a. *Comprehensive plan text amendment; or*
 - b. *Zoning ordinance text amendment; or*
 - c. *Appeal of a Planning Director's decision; or*
 - d. *Application with Director's decision for which a public hearing is requested.*
 - 2. *Tentative Subdivisions (up to 10 lots)*
 - 3. *Short Term Rental*
- B. *Schedule of Meeting.*
 - 1. *The applicant is required to hold one neighborhood meeting prior to submitting a land use application for a specific site. Additional meetings may be held at the applicant's discretion.*

2. *Land use applications shall be submitted to the City within 180 calendar days of the neighborhood meeting. If an application is not submitted in this time frame, the applicant shall be required to hold a new neighborhood meeting.*
- C. *Meeting Location and Time.*
1. *Neighborhood meetings shall be held at a location within the city limits of the City of McMinnville.*
 2. *The meeting shall be held at a location that is open to the public and must be ADA accessible.*
 3. *An 8 ½ x 11" sign shall be posted at the entry of the building before the meeting. The sign will announce the meeting, state that the meeting is open to the public and that interested persons are invited to attend.*
 4. *The starting time for the meeting shall be limited to weekday evenings between the hours of 6 pm and 8 pm or Saturdays between the hours of 10 am and 4 pm. Neighborhood meetings shall not be held on national holidays. If no one arrives within 30 minutes after the scheduled starting time for the neighborhood meeting, the applicant may leave.*
- D. *Mailed Notice.*
1. *The applicant shall mail written notice of the neighborhood meeting to surrounding property owners. The notices shall be mailed to property owners within certain distances of the exterior boundary of the subject property. The notification distances shall be the same as the distances used for the property owner notices for the specific land use application that will eventually be applied for, as described in Section 17.72.110 and Section 17.72.120.*
 2. *Notice shall be mailed not fewer than 20 calendar days nor more than 30 calendar days prior to the date of the neighborhood meeting.*
 3. *An official list for the mailed notice may be obtained from the City of McMinnville for an applicable fee and within 5 business days. A mailing list may also be obtained from other sources such as a title company, provided that the list shall be based on the most recent tax assessment rolls of the Yamhill County Department of Assessment and Taxation. A mailing list is valid for use up to 45 calendar days from the date the mailing list was generated.*
 4. *The mailed notice shall:*
 - a. *State the date, time and location of the neighborhood meeting and invite people for a conversation on the proposal.*
 - b. *Briefly describe the nature of the proposal (i.e., approximate number of lots or units, housing types, approximate building dimensions and heights, and proposed land use request).*
 - c. *Include a copy of the tax map or a GIS map that clearly identifies the location of the proposed development.*
 - d. *Include a conceptual site plan.*
 5. *The City of McMinnville Planning Department shall be included as a recipient of the mailed notice of the neighborhood meeting.*
 6. *Failure of a property owner to receive mailed notice shall not invalidate the neighborhood meeting proceedings.*
- E. *Posted Notice.*
1. *The applicant shall also provide notice of the meeting by posting one 18 x 24" waterproof sign on each frontage of the subject property not fewer than 20 calendar days nor more than 30 calendar days prior to the date of the neighborhood meeting.*
 2. *The sign(s) shall be posted within 20 feet of the adjacent right-of-way and must be easily viewable and readable from the right-of-way.*
 3. *It is the applicant's responsibility to post the sign, to ensure that the sign remains posted until the meeting, and to remove it following the meeting.*

4. *If the posted sign is inadvertently removed (i.e., by weather, vandals, etc.), that shall not invalidate the neighborhood meeting proceedings.*
- F. *Meeting Agenda.*
1. *The overall format of the neighborhood meeting shall be at the discretion of the applicant.*
 2. *At a minimum, the applicant shall include the following components in the neighborhood meeting agenda:*
 - a. *An opportunity for attendees to view the conceptual site plan;*
 - b. *A description of the major elements of the proposal. Depending on the type and scale of the particular application, the applicant should be prepared to discuss proposed land uses and densities, proposed building size and height, proposed access and parking, and proposed landscaping, buffering, and/or protection of natural resources;*
 - c. *An opportunity for attendees to speak at the meeting and ask questions of the applicant. The applicant shall allow attendees to identify any issues that they believe should be addressed.*
- G. *Evidence of Compliance. In order for a land use application that requires a neighborhood meeting to be deemed complete, the following evidence shall be submitted with the land use application:*
1. *A copy of the meeting notice mailed to surrounding property owners;*
 2. *A copy of the mailing list used to send the meeting notices;*
 3. *One photograph for each waterproof sign posted on the subject site, taken from the adjacent right-of-way;*
 4. *One 8 ½ x 11" copy of the materials presented by the applicant at the neighborhood meeting; and*
 5. *Notes of the meeting, which shall include:*
 - a. *Meeting date;*
 - b. *Meeting time and location;*
 - c. *The names and addresses of those attending;*
 - d. *A summary of oral and written comments received; and*
 - e. *A summary of any revisions made to the proposal based on comments received at the meeting. (Ord. 5047, §2, 2018, Ord. 5045 §2, 2017).*

Response: A virtual neighborhood meeting was held on April 25, 2022. The appropriate procedures were followed and the materials detailed in G above are included as Appendix A.

5. City of McMinnville Comprehensive Plan Volume II Policies

Response: The Historic Landmark Committee's role in reviewing these policies is to balance competing policies as noted by the criteria in 17.65.040.B.1 and B.6. As such, not all policies must be met for the Committee to find that the proposal, on balance, meets the community's goals and best interests.

A. Chapter III Cultural, Historical, and Educational Resources

Historic Preservation

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

Response: The subject buildings are within the McMinnville Downtown Historic District, a National Register Historic District. The building at 609 NE 3rd Street is listed in the City's HRI as a Primary Resource, and 611 NE 3rd Street and 619 NE 3rd Street⁵ are listed in the City's HRI as Secondary Resources. Demolition of these buildings does not preserve and protect them. However, the proposed development implements many of the City's other goals related to economic development, compact development forms, and provision of additional services as noted below.

B. Chapter IV Economy of McMinnville

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.*

Response: The proposed development will provide short-term lodging and retail services for the downtown McMinnville community. These services will both meet an identified demand and provide employment to local residents. The current businesses on the site employ approximately 20 people; the proposed development is expected to employ approximately 60 people. These employment opportunities will include hospitality, service industry, and management positions.

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.*

[...]

Response: This Comprehensive Plan policy is supplemented by several documents including the 2013 Urban Renewal Area Plan⁶ (Area Plan), the 2013 Economic Opportunities Analysis (EOA), the 2019 MAC-Town 2032 Economic Development Strategic Plan⁷ (MAC-Town 2032), and the 2020 McMinnville Growth Management and Urbanization Plan (MGMUP). The site is within the McMinnville Urban Renewal Area and downtown McMinnville is the focus of MAC-Town 2032.

Infrastructure Improvements

The Area Plan includes reconstruction of the 3rd Street Streetscape, which is currently in the conceptual design phase. Depending on the timing of the development, the project may be able to participate in construction of the streetscape improvements.

Economic Opportunities

The EOA identifies limited durations of tourism visitation as a factor affecting community economic development. The analysis found that visitors tend not to stay overnight, but rather are often day visitors, and do not appear to be making substantial expenditures while in the area. A key challenge for the future, as identified in this analysis, is to provide more and better value-added opportunities for visitors to spend more time and money while visiting the McMinnville area.

Hospitality and Tourism

As noted above, the application is consistent with the 2019 MAC-Town 2032 Economic Development Strategic Plan. Goal 6 of MAC-Town 2032 particularly encourages downtown McMinnville to "Be a leader in Hospitality and Place-Based Tourism" and identifies hotel stays and retail sales as performance measures. Action items within that goal identify additional high-quality hospitality offerings and additional conference space. Focus groups participating in MAC Town

⁵ This building is listed in the HRI as 641 NE 3rd Street.

⁶ Approved February 25, 2014 as Ordinance No. 4972

⁷ Adopted by Resolution No. 2019-16.

2032 identified a need for high-end lodging in the Willamette Valley (in addition to the Allison Inn in Newberg) and conference/meeting space for groups of 25-30 people.

The proposed development includes 90-95 luxury boutique hotel rooms, 2,700 sq. ft. of specialty retail along NE 3rd Street, a 7,000 sq. ft. restaurant at the ground level, a 65- to 130-person capacity conference/meeting room on the ground floor, a 4,000 sq. ft. rooftop bar, and a 1,700 sq. ft. rooftop retail spa. Hotel guests will have access to a rooftop deck with an infinity pool and hot tub. The rooftop deck and rooftop bar are also planned to be available for private events. The proposed hotel, retail, commercial, and meeting/event uses will provide a draw for residents and the visitors in the heart of downtown McMinnville.

The proposed development will enhance the status of McMinnville as the commercial center of Yamhill County by providing additional lodging options for visitors who want to experience the Willamette Valley, as well as introducing modern spaces for retailers and other service providers. In addition, the proposed development implements the City's economic development goals as described in its adopted plans and documents.

Goal IV 3: *To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood-serving and other commercial lands, and discouraging strip development.*

[...]

22.00 The maximum and most efficient use of existing commercially designated lands will be encouraged as will the revitalization and reuse of existing commercial properties.

[...]

Response: The proposed development is a commercial development on properties zoned C-3 and designated for commercial uses and development. The building meets the applicable development standards for the zone and site will intensify the uses on the site and maximize the efficiency of a key site within downtown McMinnville.

The site is located within the McMinnville Urban Renewal Area (Area). The City's Urban Renewal Plan notes that the programs and infrastructure improvements proposed within the Area will "maximize the efficient use of land by encouraging more intense uses on lands already developed or designated for urban development, will help keep the urban pattern compact, and will prevent sprawl and strip development."⁸ The Gwendolyn Hotel, along with its associated retail and restaurant spaces, will redevelop three, one- to two-story buildings, while enhancing the adjacent pedestrian environment. This aids in achieving Goal III of the Area which is to encourage a unique district identity through enhancing the physical appearance of the district and providing active use opportunities within the Area. The redevelopment of the site will intensify the use of a key site within the downtown McMinnville commercial area and enhance its status as the retail center of McMinnville.

In addition to urban renewal policies, Principle #5 of the Growth Management and Urbanization Plan calls for "Density. Adopt policies that allow the market to increase densities, and push it to do so in some instances." The plan notes that "activity centers" are the appropriate locations for these increases in density, and the Framework Plan identifies downtown McMinnville as one of four "activity centers," and the largest. Though this Framework Plan is not an adopted Comprehensive Plan map, it does illustrate the City's plans to meet its housing and employment needs during the planning horizon.

⁸ Page 22.

Goal IV 4: *To promote the downtown as a cultural, administrative, service, and retail center of McMinnville.*

[...]

Response: Per a May 2022 market analysis completed by Johnson Economics, LLC, the Gwendolyn Hotel location within McMinnville is highly amenitized, with a broad range of retail and restaurant/bar offerings within easy walking distance. Prior to the 2020 pandemic, visitor volumes in the Willamette Valley showed steady growth which resulted in a nightly room demand that is expected to regain to pre-pandemic needs by 2023. The Gwendolyn Hotel will complement recent neighboring renovations and hospitality developments in establishing a critical mass of recreational and retail services aiding in the promotion of McMinnville's downtown culture.

C. Chapter VIII Energy

Goal VIII 2: *To conserve all forms of energy through utilization of Land use planning tools.*

178.00 The City of McMinnville shall encourage a compact urban development pattern to provide for conservation of all forms of energy.

Response: The proposed development provides a compact urban development that maximizes the development potential of the sites. Compact new construction is by inherently more energy efficient than older, low-rise buildings. New construction and energy code requirements significantly reduce the energy needed to condition the interior spaces while providing comfort for occupants.

179.00 The City of McMinnville shall amend pertinent ordinances to allow for design techniques which increase the efficient utilization of land and energy. Areas to examine shall include, but not be limited to:

- 1. The zoning ordinance requirements, including density, lot areas, and setbacks to increase utilizable space in lots, while maintaining health and safety standards.*
- 2. The geographic placement of various uses (commercial, industrial, residential) on the Comprehensive Plan Map to encourage energy-efficient locations.*

[...]

Response: The City has made significant progress in removing regulatory barriers to urban development in recent years, including the removal of minimum landscaping and minimum parking requirements for development in parts of downtown, including the subject site. As a result, more urban development is possible.

[...]

180.50 The City of McMinnville supports local sustainability and endorses the utilization of proven and innovative energy efficient design and construction technologies to reduce building heat-gain, lower energy consumption, and lessen pollutant output. (Ord. 4903, December 9, 2008)

Response: The proposed development will be constructed utilizing modern construction technology and methods, which inherently will afford a far more efficient building than what exists today. Additionally, current building codes require compliance with ASRAE 90.1-2019/COMCheck, which is a nationally adopted standard for high efficiency construction. The

project will also participate in the Energy Trust of Oregon program, which provides incentives that support incorporation of methods to reduce energy use and generation of renewable power.

6. Conclusion

The request for approval of a Certificate of Approval and Downtown Design Review has been shown to be consistent with the applicable standards of the City of McMinnville Comprehensive Plan and zoning code. The applicant respectfully requests approval of the application.