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EXHIBIT 3 - STAFF REPORT

DATE: May 15, 2018

TO: Historic Landmarks Committee Members

FROM: Chuck Darnell, Associate Planner
SUBJECT: HL 6-18 / DDR 5-18 – 620 NE 3rd Street

Report in Brief:

This is the consideration of a Certificate of Approval for a new addition to a historic resource located at 620 NE 3rd Street. The subject property is listed on the Historic Resources Inventory as an Environmental resource, and is also classified as a secondary significant contributing property in the Downtown Historic District that is listed on the National Register of Historic Places.

A Certificate of Approval is a decision issued by the Historic Landmarks Committee to approve the alteration, demolition or moving of a historic resource or landmark.

An alteration is 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.

Historic resources are any site, structure, building, district, or object that is included on the Historic Resources Inventory.

Section 17.65.060 of the McMinnville City Code provides the criteria for which the Historic Landmarks Committee must make a decision about approving a Certificate of Approval for the exterior alteration of a historic resource.

Background:

The applicant, Max de Lavenne on behalf of Bluegate LLC, submitted a Certificate of Approval application to request a second story addition to an existing single story building in the Downtown Historic District. The subject property is located at 620 NE 3rd Street, and is more specifically described as Tax Lot 10401, Section 21BC, T. 4 S., R. 4 W., W.M.

The historic designation for this particular historic resource relates to the structure itself. The structure is designated as an "Environmental" historic resource (Resource D871). However, the building is also located within the Downtown Historic District that is listed on the National Register of Historic Places. The building was classified as a secondary significant contributing property in the historic district. The

statement of historical significance and description of the property, as described in the nomination of the Downtown Historic District, is as follows:

This rectangular one-story stuccoed building has a stepped parapet with a low relief cornice. The transom level has been covered with wood sheathing. Storefront windows and door are wood framed and the bulkheads are stucco. This building is on the same tax lot as the Taylor Dale Hardware store.

Based on Sanborn maps for the area, the building is estimated to have been constructed between 1913 and 1928.

Section 17.65.040(A) of the McMinnville City Code requires that the Historic Landmarks Committee review and approve a Certificate of Approval for a request to alter any resource that is on the McMinnville Historic Resources Inventory and/or listed on the National Register of Historic Places as a contributing resource. Since the subject property is on the Historic Resources Inventory and classified as a secondary significant contributing property, the Certificate of Approval review is required.

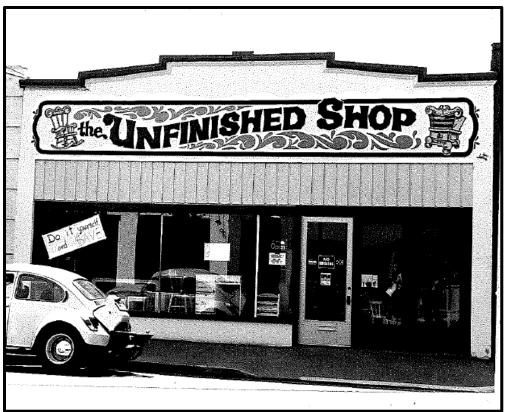
In addition, the property is also located in the Downtown Design Standards and Guidelines area. Any exterior alteration of the building and any new additions are subject to the Downtown Design Standards and Guidelines contained in Chapter 17.59 of the McMinnville City Code.

The current location of the historic resource is identified below:



An existing photo of the front façade of the subject property, and an image from the Historic Resources Inventory sheet for the subject property, are provided below:





Discussion:

The applicant is requesting that the Historic Landmarks Committee approve a Certificate of Approval to allow for the alteration of the historic resource, and also approve a Downtown Design Review application to ensure that the proposed alterations and additions are consistent with the Downtown Design Standards and Guidelines. Specifically, the applicant is proposing to complete a structural rehabilitation of the building and add a second story addition to the existing single story building. In addition to the second story addition, the applicant is proposing to add an exit staircase from the new second story on the alley side of the building, and a fence area along the alley to provide for secure access and bicycle storage. The structural rehabilitation will include a complete seismic upgrade of the existing building, the addition of ADA compliant bathrooms and staircases on the interior, and also the updating of the exterior façade colors.

The Historic Landmarks Committee's responsibility regarding this type of application is to hold a public meeting to review the request to alter the structure. Property owner notices were provided to owners of property within 300 feet of the subject site, consistent with Section 17.65.070 of the McMinnville City Code. This also satisfied the property owner notification requirements required for the Downtown Design Review application. During the public meeting, the Historic Landmarks Committee Chair will provide an opportunity for public testimony on the applications.

Certificate of Approval Review

In reviewing a request for an alteration of a historic resource, the Historic Landmarks Committee must base its decision on the following criteria, as described in Section 17.65.060(B) of the McMinnville City Code:

(1) The City's historic policies set forth in the comprehensive plan and the purpose of this ordinance;

The City's historic policies in the comprehensive plan focus on the establishment of the Historic Landmarks Committee, however, the goal related to historic preservation is as follows:

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 purpose of the Historic Preservation chapter, in Section 17.65.010 of the McMinnville City Code, includes the following:

- (a) Stabilize and improve property values through restoration efforts:
- (b) Promote the education of local citizens on the benefits associated with an active historic preservation program;
- (c) Foster civic pride in the beauty and noble accomplishments of the past;
- (d) Protect and enhance the City's attractions for tourists and visitors; and
- (e) Strengthen the economy of the City.

The focus of the comprehensive plan goal and the purpose of the Historic Preservation chapter are to restore and preserve structures that have special historical or architectural significance. The proposed alteration does not include any structural or architectural changes to the ground floor façade, which will preserve the historic resource's architectural and historical significance. The applicant is also proposing to upgrade the existing building to current building code requirements, which will improve property values. The introduction of office uses in the downtown area will also strengthen the vibrancy and economy of the city and specifically the Downtown Historic District by adding jobs in an existing underutilized building

in the downtown core. Therefore, the Comprehensive Plan goal and the purpose of the Historic Preservation are satisfied by the proposal.

(2) The following standards and guidelines:

a. A property will be used as it was historically, or be given a new use that maximizes the retention of distinctive materials, features, spaces, and spatial relationships. Where a treatment and use have not been identified, a property will be protected and, if necessary, stabilized until additional work may be undertaken.

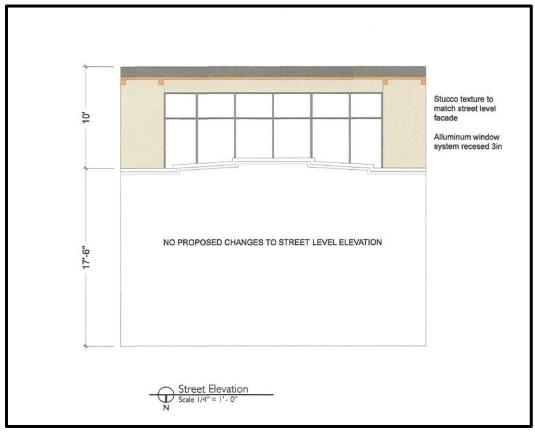
The property has historically been used commercially, with a variety of different businesses occupying the space. The property was originally connected on the interior to the two buildings to the west, and was associated with the Taylor Dale Hardware store. The interior connection between the adjacent buildings was closed off over time, and the building was separated onto its own legal parcel and tax lot. The proposed use of office space is a new use, but is still commercial in function and will not involve the removal of any distinctive materials or features on the exterior of the building, which satisfies this standard.

- b. The historic character of a property will be retained and preserved. The replacement of intact or repairable historic materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
- c. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate, and conserve existing historic materials and features will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
- d. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
- e. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
- f. The existing condition of historic features will be evaluated to determine the appropriate level of intervention needed. Where the severity of deterioration requires repair or limited replacement of a distinctive feature, the new material will match the old in composition, design, color, and texture.

The aspects of the existing building that have the most historic character and significance are the existing stepped parapet roofline and the existing wood storefront window system. These historical characteristics of the property will be retained and preserved, as the applicant is not proposing to alter any of the existing ground floor façade, other than updating the exterior colors. The colors being proposed for the exterior façade are a cream/tan for the main building walls and a charcoal gray color for accents. The applicant chose colors that are subtle earth tones, which is consistent with the colors allowed in the Downtown Design Standards chapter of the McMinnville City Code. The required building code updates and seismic upgrades will not alter the exterior of the building or remove any historic materials or features from the exterior façade of the building. Therefore, the above criteria are satisfied.

A rendering of the proposed second story addition and an elevation drawing, both of which show the preservation of the ground floor façade, are provided below:





Attachments:

g. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

The applicant is not proposing to significantly alter any exterior portion of the ground floor façade. The applicant has stated that they will make any necessary repairs to the window frames and cornice in the gentlest means possible. However, there was no detail provided on the exact methods that will be used. A condition of approval is included to require that the window frame be repaired from the interior and that the existing parapet wall be maintained and protected during the construction of the second story addition and patio space. Also, a condition of approval has been included to require that the cleaning and repainting of the stucco on the existing ground floor façade follow the following Guidelines for the Rehabilitation of Historic Buildings:

Cleaning soiled masonry surfaces with the gentlest method possible, such as using low-pressure water and detergent and natural bristle or other soft-bristle brushes.

Using biodegradable or environmentally-safe cleaning or paint removal products.

Using paint-removal methods that employ a poultice to which paint adheres, when possible, to neatly and safely remove old lead paint.

Removing damaged or deteriorated paint only to the next sound layer using the gentlest method possible (e.g., hand scraping) prior to repainting.

h. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

The applicant has not provided any information on any potential archeological resources that may be present on the property. However, the existing building includes a concrete slab foundation, and the applicant is not proposing to complete any work on the existing foundation that would disturb any potential archeological resources, if they did exist.

i. The Guidelines for Historic Preservation as published by the United States Secretary of the Interior.

The applicant is arguing that their proposed alterations should be considered to be a "Rehabilitation" of the existing historic resource, which is a type of treatment of historic properties described in the Secretary of the Interior's Standards for the Treatment of Historic Properties. This document describes the rehabilitation of a historic building as follows:

In Rehabilitation, historic building materials and character-defining features are protected and maintained as they are in the treatment Preservation. However, greater latitude is given in the Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings to replace extensively deteriorated, damaged, or missing features using either the same material or compatible substitute materials. Of the four treatments, only Rehabilitation allows alterations and the construction of a new addition, if necessary for a continuing or new use for the historic building.

Given the fact that the existing building and ground floor façade, including the existing character-defining features in the stepped parapet wall and wood storefront system, are being protected and maintained, the proposal does satisfy the main requirements of the rehabilitation treatment. Also, the proposed

construction of a second story addition is allowed under the rehabilitation treatment, which is consistent with the applicant's proposal. The Secretary of the Interior provide a number of Guidelines for Rehabilitating Historic Buildings, including 20 recommended guidelines for how to incorporate a new exterior addition to a historic building. The applicant has provided findings for these guidelines, which are included in their narrative in Exhibit D.

Some of the applicable rehabilitation guidelines for new additions to historic buildings, and findings for the guidelines as provided by the applicant and supported by staff, are provided below:

Recommended Guideline: Placing functions and services required for a new use (including elevators and stairways) in secondary or non-character-defining interior spaces of the historic building rather than constructing a new addition.

The proposed addition will be a second story addition, which will be setback from the front façade of the existing building. A new function of the second story addition will be an exterior staircase providing egress from the space, but that staircase is being added to the alley side of the building which is not the primary character defining façade of the existing building.

Recommended Guideline: Constructing a new addition on a secondary or non-character-defining elevation and limiting its size and scale in relationship to the historic building.

The proposed addition will be constructed near the front façade of the existing building, but will be a second story addition and will be setback 20 feet from the existing ground floor façade. The applicant has argued that this setback will result in the addition not detracting from the character defining stepped parapet wall on the top of the existing ground floor façade. The setback also limits the size and scale of the addition in relationship to the historic building, rather than having the addition extend directly above the existing ground floor façade.

Recommended Guideline: Constructing a new addition that results in the least possible loss of historic materials so that character-defining features are not obscured, damaged, or destroyed.

This guideline is satisfied, as the proposed addition does not result in the loss of any character defining materials of features. The applicant is not proposing to significantly alter any exterior portion of the ground floor façade, other than changing exterior colors, and will retain the existing stepped parapet wall and wood storefront window system.

Recommended Guideline: Designing a new addition that is compatible with the historic building.

Recommended Guideline: Considering the design for related new construction in terms of its relationship to the historic building as well as the historic district and setting.

Recommended Guideline: Considering the design for a new addition in terms of its relationship to the historic building as well as the historic district, neighborhood, and setting.

Recommended Guideline: Ensuring that the addition is stylistically appropriate for the historic building type (e.g., whether it is residential or institutional).

Recommended Guideline: Basing the alignment, rhythm, and size of the window and door openings of the new addition on those of the historic building.

The exterior of the proposed addition has been designed to be compatible with the historic building. The applicant is proposing to use stucco as the exterior building material to match the exterior building material on the existing building façade. The applicant will also paint both exterior walls and trim materials to be consistent colors, using a subtle, earth tone color palate that is not inconsistent with the colors used on other surrounding buildings in the Downtown Historic District. The applicant is also proposing to replicate the window pattern that exists on the ground floor façade, with taller windows on the floor with a framing piece between smaller windows above the larger windows to replicate the transom window design on the ground floor.

Recommended Guideline: Ensuring that the addition is subordinate and secondary to the historic building and is compatible in massing, scale, materials, relationship of solids to voids, and color.

Recommended Guideline: Designing new construction on a historic site or in a historic setting that it is compatible but differentiated from the historic building or buildings.

Recommended Guideline: Using the same forms, materials, and color range of the historic building in a manner that does not duplicate it, but distinguishes the addition from the original building.

Recommended Guideline: Ensuring that new construction is secondary to the historic building and does not detract from its significance.

The proposed addition will be subordinate to the existing historic building because the addition will be setback 20 feet from the existing ground floor façade, therefore clearly identifying the addition as a later addition and not detracting from the character defining stepped parapet wall on the top of the existing ground floor façade. Also, the addition has been designed more simplistically to ensure that the addition appears to be secondary to the existing historic building and surrounding buildings. Exterior materials on the front façade of the addition will match the existing stucco materials on the historic building, and colors will be updated to be consistent between the existing historic building and the second story addition.

Recommended Guideline: Incorporating a simple, recessed, small-scale hyphen, or connection, to physically and visually separate the addition from the historic building.

Recommended Guideline: Distinguishing the addition from the original building by setting it back from the wall plane of the historic building.

Recommended Guideline: Designing a compatible rooftop addition for a multi-story building, when required for a new use, that is set back at least one full bay from the primary and other highly-visible elevations and that is inconspicuous when viewed from surrounding streets.

Recommended Guideline: Limiting a rooftop addition to one story in height to minimize its visibility and its impact on the historic character of the building.

The proposed addition will be setback 20 feet from the existing ground floor façade, which physically and visually separates the addition from the historic building. The second story will be limited to only one story in height to minimize its visibility. The setback of the second story addition will result in the addition not being visible from the south side of the street and the sidewalk adjacent to the property. The addition will be visible from the opposite side of the street and the sidewalk on the north side of 3rd Street, but the setback will result in the addition being easily distinguishable from the historic building.

Recommended Guideline: Adding a new building to a historic site or property only if the requirements for a new or continuing use cannot be accommodated within the existing structure or structures.

The applicant has stated that their use requires more square footage than what exists in the current building. Additional square footage cannot be accommodated within the existing structure, and the second story addition is the only option to add additional square footage because the building basically covers the entire property.

Recommended Guideline: Locating new construction far enough away from the historic building, when possible, where it will be minimally visible and will not negatively affect the building's character, the site, or setting.

Recommended Guideline: Using site features or land formations, such as trees or sloping terrain, to help minimize the new construction and its impact on the historic building and property.

Recommended Guideline: Designing an addition to a historic building in a densely-built location (such as a downtown commercial district) to appear as a separate building or infill, rather than as an addition. In such a setting, the addition or the infill structure must be compatible with the size and scale of the historic building and surrounding buildings—usually the front elevation of the new building should be in the same plane (i.e., not set back from the historic build-ing). This approach may also provide the opportunity for a larger addition or infill when the façade can be broken up into smaller elements that are consistent with the scale of the historic build-ing and surrounding buildings.

These guidelines are not specifically applicable, as the existing building basically covers the entire lot and there are no site features or land formations to incorporate into the design of the addition. There is no space to add a separate infill building on the property. The 20 foot setback of the second story addition will make the addition less visible and will not detract from the character defining features on the existing historic building.

(3) The economic use of the historic resource and the reasonableness of the proposed alteration and their relationship to the public interest in the historic resource's preservation or renovation;

The proposed alteration is reasonable, as the applicant intends to upgrade, but preserve, the existing historic building while adding additional usable square footage in a second story addition. The existing character defining materials and features, including the stepped parapet roofline and the existing wood storefront window system, will be preserved and will protect the public's interest in the historic resources preservation.

(4) The value and significance of the historic resource;

The historic resource is located within the Downtown Historic District that is listed on the National Register of Historic Places, and is classified as a secondary significant contributing property in the historic district. The existing character defining materials and features that were identified in the listing of the property in the historic district, including the stepped parapet roofline and the existing wood storefront window system, will be preserved and therefore the significance of the historic resource will not be impacted by the proposed addition.

(5) The physical condition of the historic resource;

The existing condition of the historic resource is in somewhat poor condition, as there has been some deferred maintenance on the interior of the building. However, the character defining features of the building still remain and have not been removed. The applicant is not proposing any significant alteration of the ground floor façade of the historic resource, other than changing exterior colors. The other upgrades to the building, including building code updates and seismic upgrades, will not impact the historical exterior of the ground floor façade, and the second story addition has been designed to be compatible with the existing historic resource as described in more detail above.

Downtown Design Review

In reviewing a request for an alteration or new construction to a building or property in the downtown design area, the Historic Landmarks Committee must base its decision on the design standards and guidelines in Chapter 17.59 (Downtown Design Standards and Guidelines) of the McMinnville City Code, and also on the following review criteria:

- (1) The City's historic preservation policies set forth in the Comprehensive Plan;
- (2) If a structure is designated as a historic landmark on the City's Historic Resources Inventory or is listed on the National Register for Historic Places, the City's historic preservation regulations in Chapter 17.65, and in particular, the standards and guidelines contained in Section 17.65.060(2)

The application for Downtown Design Review was is consistent with both of those review criteria, as described above in the Certificate of Approval review.

The applicant has provided findings for how the proposed addition meets the applicable Downtown Design Standards and Guidelines, which are included in their narrative in Exhibit B. In general, many of the design standards and guidelines are related to the design of the ground floor façade of buildings. As the applicant is not proposing to alter the existing ground floor façade of the building, many of the standards are either already met with the existing design or are not applicable. Overall, staff concurs with the findings provided by the applicant for how the proposed addition complies with the Downtown Design Standards and Guidelines.

Staff offers the following comments and findings on some of the standards that are more applicable to the second story addition:

Section 17.59.50 (B)(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.

The massing and configuration of the first level will remain as it exists today, as there are no significant changes proposed to the historic building or the ground floor façade. The second story addition will be similar in massing and configuration to other two-story buildings in the Downtown Historic District. The front of the second story addition will be setback 20 feet from the ground floor façade, and this setback is supported by multiple Secretary of the Interior Guidelines for the Rehabilitation of Historic Buildings, as described in the Certificate of Approval review. The other building walls will be built in the same footprint of the existing historical building, which will maintain the historic zero property line and will mimic the configuration of the existing historic building.

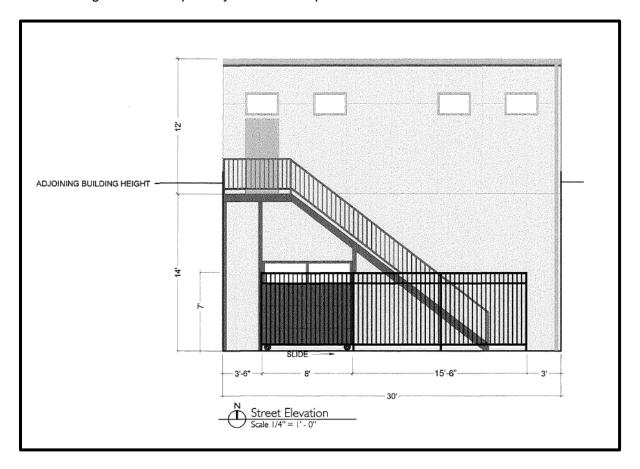
Section 17.59.50 (B)(4): Orientation of rooflines of new construction shall be similar to those of adjacent buildings. Gable roof shapes, or other residential roof forms, are discouraged unless visually screened from the right-of-way by a false front or parapet.

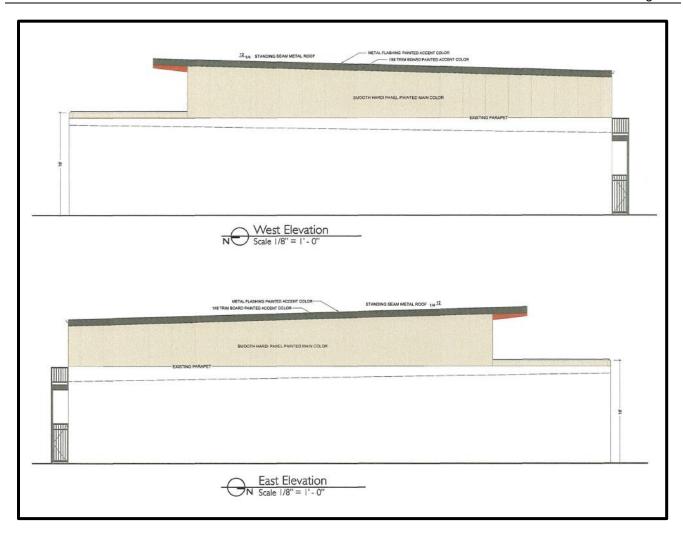
The building immediately adjacent to the subject site are both one story in height, so there is no specific roofline to match on those buildings. The second story addition has been designed to mimic the flat roofline of other buildings in the Downtown Historic District. The roofline of the second story addition will appear to be flat and a straight line across the front façade from the view point in front of the building. The roof will then slope to the south at a very minimal pitch of ½ / 12. Together with the setback of the second story addition, this roofline design will be similar to the rooflines of other buildings in the Downtown Historic District.

Section 17.59.50 (C)(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.

The applicant is proposing to use stucco on the front façade of the second story addition, which is an allowable exterior building material and would be consistent with the stucco that exists on the historic ground floor façade, which will remain unchanged. The applicant is proposing to use hardie panel siding panels on the east, west, and south facades. The hardie panels are a cement-based material that can be painted, which the applicant is proposing to paint the same main building color as the stucco front facades. Cement board siding is not specifically listed as a prohibited exterior building material in Section 17.59.050(C)(2) of the McMinnville City Code, and will look similar to the smooth stucco that is allowed in the downtown area.

Elevation drawings of the non-primary facades are provided below:





Fiscal Impact:

None.

Committee Options:

- 1) APPROVE the applications, providing findings of fact for the required demolition review criteria.
- 2) APPROVE the applications WITH CONDITIONS, providing findings of fact for the required demolition review criteria.
- 3) **DENY** the applications, <u>providing findings of fact</u> for the denial in the motion to deny.

Recommendation/Suggested Motion:

Staff recommends that the Historic Landmarks Committee approve the Certificate of Approval application (HL 6-18) with the following conditions:

1) That the window frame in the storefront be repaired from the interior and that the existing parapet wall be maintained and protected during the construction of the second story addition and patio space.

- 2) That the cleaning and repainting of the stucco on the existing ground floor façade follow the following Secretary of the Interior's Guidelines for the Rehabilitation of Historic Buildings:
 - a. Cleaning soiled masonry surfaces with the gentlest method possible, such as using low-pressure water and detergent and natural bristle or other soft-bristle brushes.
 - b. Using biodegradable or environmentally-safe cleaning or paint removal products.
 - c. Using paint-removal methods that employ a poultice to which paint adheres, when possible, to neatly and safely remove old lead paint.
 - d. Removing damaged or deteriorated paint only to the next sound layer using the gentlest method possible (e.g., hand scraping) prior to repainting.

Staff also recommends that the Historic Landmarks Committee approve the Downtown Design Review application (DDR 5-18) with no conditions of approval.

Suggested Motion:

Staff suggests that the Historic Landmarks Committee make the following motion to approve the Certificate of Approval application:

THAT BASED ON THE FINDINGS OF FACT AND THE CONCLUSIONARY FINDINGS FOR APPROVAL AS DISCUSSED BY THE HISTORIC LANDMARKS COMMITTEE, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE THE CERTIFICATE OF APPROVAL TO ALLOW THE ALTERATION OF THE HISTORIC RESOURCE AT 620 NE 3rd STREET (RESOURCE D871) WITH THE CONDITIONS RECOMMENDED BY STAFF.

Staff also suggests that the Historic Landmarks Committee make the following motion to approve the Downtown Design Review application:

THAT BASED ON THE FINDINGS OF FACT AND THE CONCLUSIONARY FINDINGS FOR APPROVAL AS DISCUSSED BY THE HISTORIC LANDMARKS COMMITTEE, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE THE EXTERIOR DESIGN OF THE HISTORIC RESOURCE AT 620 NE 3rd STREET (RESOURCE D871).

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