



City of McMinnville  
Planning Department  
231 NE Fifth Street  
McMinnville, OR 97128

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

# MINUTES

March 2, 2023  
Planning Commission  
Regular Meeting

6:30 pm  
Hybrid Meeting  
McMinnville, Oregon

**Members Present:** Sidonie Winfield, Beth Rankin, Dan Tucholsky, Matt Deppe, Gary Langenwalter, Lori Schanche, Megan Murray, and Brian Randall

**Members Absent:** Sylla McClellan

**Staff Present:** Heather Richards – Community Development Director, John Swanson – Senior Planner, Adam Tate – Associate Planner, and Carrie Richter – Bateman Seidel Legal Counsel

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## 1. Call to Order

Chair Winfield called the meeting to order at 6:30 p.m.

## 2. Citizen Comments

None

## 3. Minutes

- **October 20, 2022**
- **December 15, 2022**

## 4. Public Hearings

### A. Quasi-Judicial Hearing: Minor Partition (MP 3 – 22)

**Request:** An application to partition Tax Lot R4524 00904, 2.17 acres, off of Redmond Hill Road: Parcel 1, 47,625 square feet, Parcel 2 – 31,034 square feet, and Parcel 3 – 30,783 square feet. Parcel 3 is a flag lot and Parcels 1 and 2 are accessed via a private driveway access easement.

**Location:** Redmond Hill Road, Tax Lot R4524 00904

**Applicant:** Catherine A. Wright, Tankersley & Wright, LLC representing the property owner Jose and Maria Garcia

**\*\*RECORDING STARTS HERE at 10 minutes, 30 seconds in\*\***

Associate Planner Tate said they had received a letter from Linda Berlin requesting a public hearing, asking a number of questions, and posing drainage concerns. He reviewed the conditions of approval. Staff recommended approval with conditions.

There was discussion clarifying only trees above nine inches in diameter had to be approved before they were removed, how the trees would be protected, and how water from the spring was considered natural water and its drainage was not regulated.

City Engineer Lofton said if the spring was surface flow after exiting, it would be treated like stormwater, but if went back down into the ground, it would be treated as groundwater.

Applicant's Testimony: Katheryn Wright, representing the applicant, said the concerns raised around stormwater drainage were addressed in the conditions and the applicant had talked with the neighbors. The slopes were not steep until the southwestern corner of the property and she provided pictures of the property. She thought with a driveway developed there and a stormwater drainage system, it would start catching some of that water. It would not make the situation worse.

Public Testimony:

Marjorie Clebinger, McMinnville resident, said one of the parcels was not entirely in the City limits and she wondered how that would be addressed, especially for City services.

Associate Planner Tate said services would only be provided to the part of the parcel that was in the City limits. There were no plans to annex the part outside the City limits at this time. There was a condition that when the adjacent property annexed, it would have to annex as well.

Commissioner Tucholsky asked about the neighbors' concerns about the sewer connections.

City Engineer Lofton said the parcels would be close enough to connect to City sewer and it would be recommended that they connect.

Commissioner Tucholsky asked if they could make it a condition that they connect to City sewer. Community Development Director Richards said the code required the connection when they were in a certain distance of City services.

Rebuttal: Ms. Wright said the applicant had always planned to connect to the City sewer. She explained the City utilities would be brought up from Redmond Hill Road. She clarified where the City line was on the property.

Chair Winfield closed the public hearing.

The applicant waived the 7 day period for submitting final written arguments in support of the application.

Deliberation: There was discussion regarding how part of the property was outside of the UGB.

Based on the findings of fact, conclusionary findings for approval, and materials submitted by the applicant and evidence in the record, Commissioner Rankin MOVED to APPROVE MP 3-22 subject to the conditions of approval. SECONDED by Commissioner Tucholsky. The motion PASSED 8-0.

**B. Quasi-Judicial Hearing: Appeal of Historic Landmarks Committee of Denial for three Certificates of Approval for the demolition of a historic resource at 609, 611 and 619 NE Third Street (HL 6-22, HL 7-22 and HL 8-22), and the compliance of the new construction of the Gwendolyn Hotel with the Downtown Design Guidelines and Standards (Docket DDR 2-22).** *(Exhibit 4)*

**Request:** Request to demolish three historic resources and build a new five-story hotel with ground floor commercial, programmed roof deck and underground parking structure.

**Docket:** **AP 1-23 (HL 6-22)**, (Certificate of Approval for Demolition, 609 NE Third Street) Property Owner –Oregon Lithoprint Inc, represented by Jon Bladine.

**AP 2-23 (HL 7-22)**, (Certificate of Approval for Demolition, 611 NE Third Street) Property Owner – Bladine Family Limited Partnership, represented by Jon Bladine,

**AP 3-23 (HL 8-22)**, (Certificate of Approval for Demolition, 619 NE Third Street) Property Owner - Wild Haven LLC, represented by Philip Frischmuth,

**AP 4-23 (DDR 2-22)**, (Downtown Design Review – New Construction – Gwendolyn Hotel, 609, 611 and 619 NE Third Street) **Location:** 609 NE Third St. (TL 4500, Sec. 21BC, T.4S., R.4 W., W.M.), 611 NE Third St. (TL 4300, Sec. 21BC, T.4S., R.4 W., W.M.), 619 NE Third St. (TL 4201, Sec. 21BC, T.4S., R.4 W., W.M).

**Applicant:** Mark Vuong, HD McMinnville LLC

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application.

Commissioner Langenwalter had a client who would be affected positively if this was approved. It would not affect his remuneration and he could be objective in his decision.

Chair Winfield asked if any Commissioner needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing.

Commissioner Langenwalter had received a phone call from a property owner who lived across the street from the subject properties. He told her he could not talk about it.

**Staff Report:** Community Development Director Richards said the Historic Landmarks Committee had denied all four land use applications and the applicant had appealed that decision to the Planning Commission. She described the subject property, Third Street context, three properties considered for demolition, historic significance, and McMinnville historic resources inventory. She then gave a background on 609 NE Third Street, 611 NE Third Street, and 619 NE Third Street and showed photos of all three buildings. She reviewed quasi-judicial land use decisions relative to appeals, the City's process, supplemental materials, basis of appeal, demolition criteria, criteria to consider including the condition of the buildings, historic integrity, age, value to the community, economic consequences, design or construction rarity, Comprehensive Plan policies, and precedence. She then discussed what the appeal was based on for the new construction and described the Gwendolyn Hotel project. She explained the

approval criteria for the underlying C3 zone and downtown design standards, application materials, findings, exterior façade changes, height perspective, height study, corner perspective, criteria not met, findings, precedence, waivers, public testimony provided to the HLC, and public testimony provided to the PC. She answered Planning Commission questions regarding what triggered a seismic upgrade, why the criteria focused on the exterior of the buildings, and if the stucco application over the exterior brick was permanent. She then gave options for the Commission's decision.

**Applicant's Testimony:** Garrett Stephenson, legal counsel, discussed the criteria and their concerns with the HLC's decision. They thought the balance of the factors supported the decision for issuing demolition permits and allowing the new building to be constructed. The rents these buildings could command based on their condition was so low that the realistic opportunity for their continued maintenance and upgrades was very limited. The HLC said they did not believe demolishing the buildings should be allowed where it was clear that they had not been adequately maintained. That was not reflected in the record. What was reflected in the record was a memo identifying all of the historic rehabilitation programs that they could qualify for. It was not a case of the owners had not been maintaining the buildings, but that no matter how nicely they could be rehabbed, they commanded a certain amount of rent and they were over 100 years old. Maintaining 100 year old buildings with repeated different uses was difficult. All of the buildings had substantially different facades than the originals and the second stories were not occupied and restoring the second floors would trigger required seismic upgrades. The buildings did not evoke the auto garages that they used to be. They looked like office buildings today, and were extremely costly to maintain and did not command the rents that made it easy to maintain in their historic condition. The buildings needed a lot of work in order to get them back to a level where they were well maintained. There were no criteria that required the building to be falling down in order to justify removal. They had worked with staff about the need for a waiver, and the answer was no, they did not need one. The HLC decided to change their position on that, but they were not asking for any treatment on the application criteria that the City had not given to any other applicant. They thought the right decision was the recommendation for approval from staff. He asked that the Planning Commission adopt that decision with the findings in the staff report.

Gary Reddick, architect, explained the design process for the new building, which started with finding out what they were allowed to do, how complicated and difficult it would be to do this building in McMinnville, not doing anything that would require a variance, looking at precedence and studying other buildings on the street, and reviewing the City's vision and goals for downtown. They were encouraged by the staff report that recommended approval, and he read from the staff report how the application met the criteria. They wanted to do the right thing for McMinnville.

The Commission asked questions about the height and massing of the new hotel building and flexibility of the design, adding rain/weather protection, how the design did not reflect the current buildings, number of employees, parking, using local companies for the construction, why they chose this location, plans for retail and dining areas as well as entrance, hotel rates, contamination and building the parking garage, interior design, pre-planning and incorporating historic elements, and how the new building tied into what was already on Third Street.

Andrew Clark, developer, said they would employ about 80 people and there would be six additional businesses within the hotel that would employ additional people as well. There would be parking for employees, and any overflow parking would be on the street. They would have valet parking. They would like to be partners with the City and help with the infrastructure and growth that would occur in the future. A significant part of the ownership group were local to Oregon. He would be open to using local companies to work on the project and would like to partner with local colleges on their hospitality programs. They wanted to develop an experience for people coming to McMinnville which included a

pedestrian experience, and this location was attractive for that. If this application was denied, they would not be looking at other options in McMinnville. The retail and dining would be available for lease. These businesses would be available for anyone to come to, not just hotel guests. They had considered rates similar to the Atticus. They were not required to provide parking but they thought it was a need and they planned to provide it.

Mr. Stephenson said there were contaminants in the soil and they had a plan to remediate it through their Contaminated Media Management Plan.

Mr. Reddick explained the interior design of the ground floor. They had done a historic assessment of the surrounding buildings to know what was there. He described what historic features were incorporated into the design of the new building, such as the window styles, cornice, and brick.

The Commission continued to ask questions about workforce housing, sense of place, employees earning a living wage, meeting Comprehensive Plan goals, creating heritage tourism, hiring locals, salvaging historic elements, how the building could better fit aesthetically, what value was added to downtown business owners, impact on parking, return on investment, restoring these buildings vs. opportunities with the new construction, what it would take to keep the current buildings viable, preserving the historic integrity of the district, managing rotating chefs, and varying hotel room size.

#### Public Testimony:

Proponents: Jeb Bladine, representing the property owners of the buildings at 609 and 611 Third Street, responded to the repeated claims of the HLC that the owners neglected and failed to maintain these buildings. He read from the HLC findings for denial and explained the renovations that had been done to the buildings for the office use. They had tried to apply for a Historic Preservation Grant, but the Downtown Committee did not pursue it, showing a lack of interest in their preservation. Over the past 25 years they had spent over one million dollars on renovations, repairs, taxes, and maintenance on these buildings and had done three to four repair projects. They had engaged architects and engineering services and had been told every time that significant renovation to these buildings would be beyond their ability to afford and pay back. Retention of these buildings was a significant financial hardship to their business. They had tried to sell the buildings since 2017, and all the interest ended with the analysis of the buildings and building code. No reasonable developer would acquire these buildings with the thought of renovating them.

Doug Hurl, McMinnville resident, thought the City should not miss this opportunity. The applicant met all the requirements and many downtown building owners and local residents were in favor of the project. It would bring more vibrancy and parking downtown. It was a quality development.

Casey Kulla, Yamhill County resident, was in support of the demolition and new construction. The applicant and staff worked diligently to modify the design, and the current buildings did not have the historic value that the HLC argued that they had. He noted historic integrity was subjective. He listed other demolitions that had been approved in downtown and the new and older buildings around Third Street with a similar scale to the proposed design.

John Linder, McMinnville resident, was in support of the project due to the jobs that would be brought into the community, increased value in the building stock in McMinnville, and increase in property taxes. He supported the demolition as the condition of the buildings was poor and there was no historic integrity. He did not think their retention was in the best interest of the community. The buildings were not architecturally significant in their present state and could not be restored to their former state in an economically viable way. The HLC based the value to the community on those who testified in opposition, but he thought the value was much broader than that. It was only one story taller than McMinnville and they were willing to help with the parking issues. The project fit with the community visioning plan.

Opponents: Katherine Hewitt, McMinnville resident, noted the historic downtown district was a small portion of the City with very few buildings compared to the overall size of McMinnville. Removing the buildings would not enhance tourism, but would diminish the historic district by eroding the character that had been established in the downtown district. If they wanted the City to grow as a tourism destination, they needed to diversify beyond downtown into other areas.

Daniel Keizer, McMinnville resident, thought an intact historic district was crucial to the City's economic and tourism growth. He discussed the City's code and how the proposed design of the hotel did not meet code in the streetscape and massing, height, setbacks, façade, architecture, and rooftop mechanical equipment. Approval would set a dangerous precedent and would destroy the character of downtown.

Ernie Munch, architect, explained how he had been involved in the demolition and new construction in the historic district. He had done extensive research and found these buildings were important due to the history of the automobile industry in the City and the important families that were involved. He thought they were worth restoring. He discussed how the designation of the historic district had been established and the purpose of the district.

Nathan Coopridge was a Portland resident but had been an architect on projects in McMinnville. He supported the HLC's decision and did not think the application met the design review code. He thought they should have gotten a waiver for the massing and scale. The building was not similar in scale to other adjacent historic buildings and the proportional bays were not similar in scale to other adjacent historic buildings. They did not meet the standards for the preservation of the district. He gave examples of other projects that did meet the criteria for being similar in scale and renovations to historic buildings.

Linda Levitt owned a building across the street. She discussed concerns about the construction noise, mess, no parking on the street, and loss of customers. She thought demolishing the buildings would destroy the atmosphere of downtown.

Marilyn Cozal also owned a building across the street. She agreed with the HLC's decision. She discussed how she had renovated buildings on Third Street and how it was important to preserve their history. The historic district was a small part of the City and needed to be preserved. She was not opposed to the hotel, but was opposed to tearing down the historic buildings in order to build it. The façades could be renovated or rebuilt, and she thought the buildings could still be economically viable. Overturning the HLC's decision was a dangerous precedent.

Rebuttal: Mr. Stephenson suggested instead of rebuttal, to continue the hearing so they could come back with responses to the Commission's questions on March 16. They were willing to extend the 120 day deadline.

Commissioner Schanche MOVED to CONTINUE the hearing for AP 1-23, AP 2-23, AP 3-23, and AP 4-23 to March 16, 2023 at 3 p.m. SECONDED by Commissioner Langenwalter. The motion PASSED 8-0.

#### **5. Commissioner Comments**

None

#### **6. Staff Comments**

None

#### **7. Adjournment**

Chair Winfield adjourned the meeting at 11:15 p.m.