

**Planning Commission
Thursday, March 2, 2023
6:30 PM Regular Meeting**

HYBRID Meeting

IN PERSON – McMinnville Civic Hall, 200 NE Second Street, or ZOOM Online Meeting

Please note that this is a hybrid meeting that you can join in person at 200 NE Second Street or online via Zoom

ZOOM Meeting: You may join online via the following link:

<https://mcminnvilleoregon.zoom.us/j/89368634307?pwd=M0REY3RVSzFHeFdmK2pZUmJNdkdSZz09>

Meeting ID: 893 6863 4307

Meeting Password: 989853

Or you can call in and listen via zoom: 1 253 215 8782

Meeting ID: 893 6863 4307

Meeting Password: 989853

Public Participation:

Citizen Comments: If you wish to address the Planning Commission on any item not on the agenda, you may respond as the Planning Commission Chair calls for "Citizen Comments."

Public Hearing: To participate in the public hearings, please choose one of the following.

- 1) **Email in advance of the meeting** – Email at any time up to 12 p.m. the day before the meeting to heather.richards@mcminnvilleoregon.gov, that email will be provided to the planning commissioners, lead planning staff and entered into the record at the meeting.
- 2) **By ZOOM at the meeting** - Join the zoom meeting and send a chat directly to Planning Director, Heather Richards, to request to speak indicating which public hearing, and/or use the raise hand feature in zoom to request to speak once called upon by the Planning Commission chairperson. Once your turn is up, we will announce your name and unmute your mic.
- 3) **By telephone at the meeting** – If appearing via telephone only please sign up prior to the meeting by emailing the Planning Director, Heather.Richards@mcminnvilleoregon.gov as the chat function is not available when calling in zoom.

----- MEETING AGENDA ON NEXT PAGE -----

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 24 hours in advance by contacting the City Manager (503) 434-7405 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

*Please note that these documents are also on the City's website, www.mcminnvilleoregon.gov. You may also request a copy from the Planning Department.

Commission Members	Agenda Items
Sidonie Winfield, Chair	6:30 PM – REGULAR MEETING
Gary Langenwaller Vice - Chair	1. Call to Order
Matthew Deppe	2. Citizen Comments
Sylla McClellan	3. Minutes:
Meg Murray	<ul style="list-style-type: none"> • October 20, 2022 (<i>Exhibit 1</i>) • December 15, 2022 (<i>Exhibit 2</i>)
Brian Randall	4. Public Hearings
Beth Rankin	A. <u>Quasi-Judicial Hearing: Minor Partition (MP 3 – 22)</u> (<i>Exhibit 3</i>)
Lori Schanche	<p>Request: An application to partition Tax Lot R4524 00904, 2.17 acres, off of Redmond Hill Road into three parcels: 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.</p>
Dan Tucholsky	<p>Location: Redmond Hill Road, Tax Lot R4524 00904</p> <p>Applicant: Catherine A. Wright, Tankersley & Wright, LLC representing the property owner Jose and Maria Garcia</p>
	B. <u>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).</u> (<i>Exhibit 4</i>)
	<p>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.</p>
	<p>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.</p> <p>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,</p> <p>AP 3-23 (HL 8-22), (Certificate of Approval for Demolition, 619 NE Third Street) Property Owner - Wild Haven LLC, represented by Philip Frischmuth,</p> <p>AP 4-23 (DDR 2-22), (Downtown Design Review – New Construction – Gwendolyn Hotel, 609, 611 and 619 NE Third Street)</p>

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*Please note that these documents are also on the City’s website, www.mcminnvilleoregon.gov. You may also request a copy from the Planning Department.

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

5. Commissioner Comments

6. Staff Comments

7. Adjournment

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 24 hours in advance by contacting the City Manager (503) 434-7405 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

*Please note that these documents are also on the City's website, www.mcminnvilleoregon.gov. You may also request a copy from the Planning Department.



Exhibit 1 - MINUTES

October 20, 2022
Planning Commission
Regular Meeting

6:30 pm
Hybrid Meeting
McMinnville, Oregon

Members Present: Brian Randall, Beth Rankin, Sidonie Winfield, Sylla McClellan, Dan Tucholsky, Matt Deppe, Gary Langenwaller, and Lori Schanche

Members Absent:

Staff Present: Heather Richards – Planning Director and Tom Schauer – Senior Planner

1. Call to Order

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

2. Citizen Comments

None

3. Minutes

- **August 18, 2022**

Commissioner Schanche moved to approve the August 18, 2022 minutes. The motion was seconded by Commissioner McClellan and passed 8-0.

4. Action Items:

A. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-20) and Zone Change, including Planned Development Overlay Designation (ZC 3-20)

Request: Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-2 (General Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 37.7 acres of a 90.4-acre property.

The 37.7 acres includes 4.25 acres intended for right-of-way dedication for a future frontage road. The application also shows a portion of the area subject to the map amendment intended for a north-south extension of Cumulus Avenue and future east-west street connectivity.

The request is submitted per the Planned Development provisions in Section 17.51.010(B) of the Zoning Ordinance, which allows for a planned development

overlay designation to be applied to property without a development plan; however, if approved, no development of any kind can occur on the portion of the property subject to the C-3 PD overlay until a final development plan has been submitted and approved in accordance with the Planned Development provisions of the Zoning Ordinance. This requires the application for the final development plan to be subject to the public hearing requirements again at such time as the final development plans are submitted.

Location: 3310 SE Three Mile Lane, more specifically described at Tax Lot 700, Section 26, T.4S., R 4 W., W.M.

Applicant: Kimco McMinnville LLC, c/o Michael Strahs

Disclosures: Chair Winfield opened the public hearing and 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. There was none.

Commissioner Langenwaller MOVED to CONTINUE the hearing for CPA 2-20/ZC 3-20 to January 19, 2023. The motion was seconded by Commissioner McClellan and PASSED 8-0.

B. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 1-21) and Zone Change, including Planned Development Overlay Designation (ZC 2-21)

Request: Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-2 (General Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for a property of approximately 8 acres.

The request is submitted per the Planned Development provisions in Section 17.51.010(B) of the Zoning Ordinance, which allows for a planned development overlay designation to be applied to property without a development plan; however, if approved, no development of any kind can occur on the portion of the property subject to the C-3 PD overlay until a final development plan has been submitted and approved in accordance with the Planned Development provisions of the Zoning Ordinance. This requires the application for the final development plan to be subject to the public hearing requirements again at such time as the final development plans are submitted.

Location: 3330 SE Three Mile Lane, more specifically described at Tax Lot 600, Section 26, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. Representing property owner 3330 TML, c/o Bryan Hays

Disclosures: Chair Winfield opened the public hearing and 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. There was none.

Commissioner Rankin MOVED to CONTINUE the hearing for CPA 1-21/ZC 2-21 to January 19, 2023. The motion was seconded by Commissioner Tucholsky and PASSED 8-0.

C. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-21) and Zone Change, including Planned Development Overlay Designation (ZC 3-21)

Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-L (Limited Light Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 21.1 acres of an 89.9-acre property, plus an additional 1.5 acres of the 89.9-acre property proposed to be dedicated for right-of-way at the time of development.

The request is submitted per the Planned Development provisions in Section 17.51.010(B) of the Zoning Ordinance, which allows for a planned development overlay designation to be applied to property without a development plan; however, if approved, no development of any kind can occur on the portion of the property subject to the C-3 PD overlay until a final development plan has been submitted and approved in accordance with the Planned Development provisions of the Zoning Ordinance. This requires the application for the final development plan to be subject to the public hearing requirements again at such time as the final development plans are submitted.

Location: Three Mile Lane and Cumulus Avenue, more specifically described at Tax Lot 100, Section 27, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. representing property owner DRS Land, LLC c/o Dan Bansen

Disclosures: Chair Winfield opened the public hearing and 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. There was none.

Commissioner Tucholsky MOVED to CONTINUE the hearing for CPA 2-21/ZC 3-21 to January 19, 2023. The motion was seconded by Commissioner Langenwaller and PASSED 8-0.

5. Work Session Discussion

- Short-Term Rentals

Bill Kabeiseman, City Attorney, explained declarations of ex parte contact, actual and potential conflict of interest, and bias in land use decisions as compared to legislative decisions.

There was discussion regarding examples of actual and potential conflict of interest.

Planning Director Richards said the Commission discussed short term rentals in September and wanted to have more discussion on adding a requirement for inspections of permitted properties, separation standard, limiting the number of permitted properties, applying the same rules to short term rentals in commercial zones, charging a fine to a short term rental if they were operating without a permit, signage and permits on the short term rental, and limiting how many short term rentals were in the commercial zone. The Commission asked staff to come back with a survey of what other communities did in terms of fees and maps that showed the impact of a short term rental separation of 100 feet, 200 feet, 300 feet, and 600 feet.

There was consensus that requiring an inspection was unnecessary and eliminating that as a condition for short term rentals, adding a requirement that the contact would be available 24 hours, 7 days per week for emergencies, and making the contact list available to the Police Department.

Senior Planner Schauer reviewed the short term rental separation maps. The current code stated that a short term rental was not to be located within 200 feet of another short term rental.

There was discussion regarding buffer vs. spacing standard numbers as well as how the standard chosen would impact the ability to have future short term rentals, setting a limit on the number of permits that were issued annually, livability, and grandfathering in current short term rentals.

There was consensus to go with a 600 foot separation standard between short term rentals, noting Commissioner Langenwalter preferred 400 feet, to not set a limit to the number of permitted properties, to not apply the same rules to short term rentals in commercial zones, to require permit numbers to be part of the listing but not on a sign outside of the home, to be able to revoke a permit due to habitual nuisance and to have it possibly come to the Planning Commission for a public hearing, and to deny the opportunity to apply for a short term rental permit for a year if the rental was operating without a permit.

There was discussion regarding concern about the loss of affordable housing in commercial zones and how to address it, occupancy limits, changes to the short term rental application, and instituting a short term rental moratorium for 3-5 years or removing short term rentals from the code as permitted uses in residential zones.

There was consensus to finish the current moratorium with the option to extend it if needed based on any new information.

The Commission discussed the information they would like staff to bring back.

6. Action Items

None

7. Commissioner Comments

None

7. Staff Comments

Planning Director Richards discussed Senior Planner recruitment. She explained the recent Work Session with Council regarding code for implementing Measure 109. She noted there might be an appeal of the Commission's recent decision to deny a short term rental application.

8. Adjournment

Chair Winfield adjourned the meeting at 8:49 p.m.

Exhibit 2 - MINUTES

**December 15, 2022
Planning Commission
Regular Meeting**

**6:30 pm
Hybrid Meeting
McMinnville, Oregon**

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

Members Absent:

Staff Present: Heather Richards – Planning Director and Tom Schauer – Senior Planner

1. Call to Order

Chair Winfield called the meeting to order at 6:33pm.

2. Swearing In of New Commissioner – Megan Murray

Chair Winfield swore in new Commissioner Megan Murray.

3. Minutes

- **September 1, 2022**

Motion to approve by McClellan, 2nd by Schanche. Unanimously approved.

- **September 15, 2022**

Motion to approve by Langenwaller, 2nd by Deppe. Unanimously approved.

- **October 6, 2022**

Motion to approve by Tucholsky, 2nd by Rankin. Unanimously approved.

4. Work Session – Short Term Rentals

Director Richards introduced the topic. Senior Planner Schauer presented maps regarding Short-Term Rentals that showed different spacing standards and locations of Short-Term Rentals and similar small-scale lodging uses relative to commercial zones. The Commission discussed issues related to spacing standards and lodging in commercial zones, and the relationship between STRs and parking in the core area as well as displacement of affordable housing. Director Richards shared information about permitting and enforcement in other cities.

The Commission discussed spacing standards, and a majority expressed preference for a draft proposal to include a 500' spacing standard. The Commission indicated interest in proceeding with a proposal with a scope to address STRs in residential zones at this time and to look at issues related to commercial zones at a different time.

Director Richards suggested bringing back draft code language for the next work session, and the Commissioners expressed concurrence.

5. Commissioner Member Comments

None

6. Staff Comments

None

7. Adjournment

Chair Winfield adjourned the meeting.

Exhibit 3 – STAFF REPORT

DATE: March 2, 2023
TO: Planning Commission Members
FROM: Adam Tate, Associate Planner
SUBJECT: Minor Partition Application MP 3-22
for a partition of Tax Lot R4524-00904 into three (3) parcels

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

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

OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

Report in Brief:

This proceeding is a quasi-judicial public hearing of the Planning Commission to consider an application for a Minor Partition (MP 3-22) of Tax Lot R4524-00904. The proposed partition would divide an approximately 94,525 square foot (2.17 acre) parcel of land into three (3) parcels, approximately 42,688 square feet (0.98 acres), 33,675 square feet (0.77 acres), and 33,106 square feet (0.76 acres) to allow for residential development of the parcels. The decision of the Planning Commission is the final decision unless appealed to City Council. The hearing is conducted in accordance with quasi-judicial hearing procedures, and the application is subject to the 120-day processing timeline.

Background:

The applicant originally submitted the partition application on October 4, 2022, but was missing crucial information as there was confusion on the size of the parcels proposed and the partition map lacked contour lines essential for a steeply sloped site. The applicant then submitted revised information and a new map complete with contour lines and the application was deemed complete on December 15, 2022. The partition application was noticed to surrounding property owners, and as allowed by code, a person who received notice requested a public hearing for the minor partition application. Minor Partition application MP 3-22 was then required to follow the public

Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

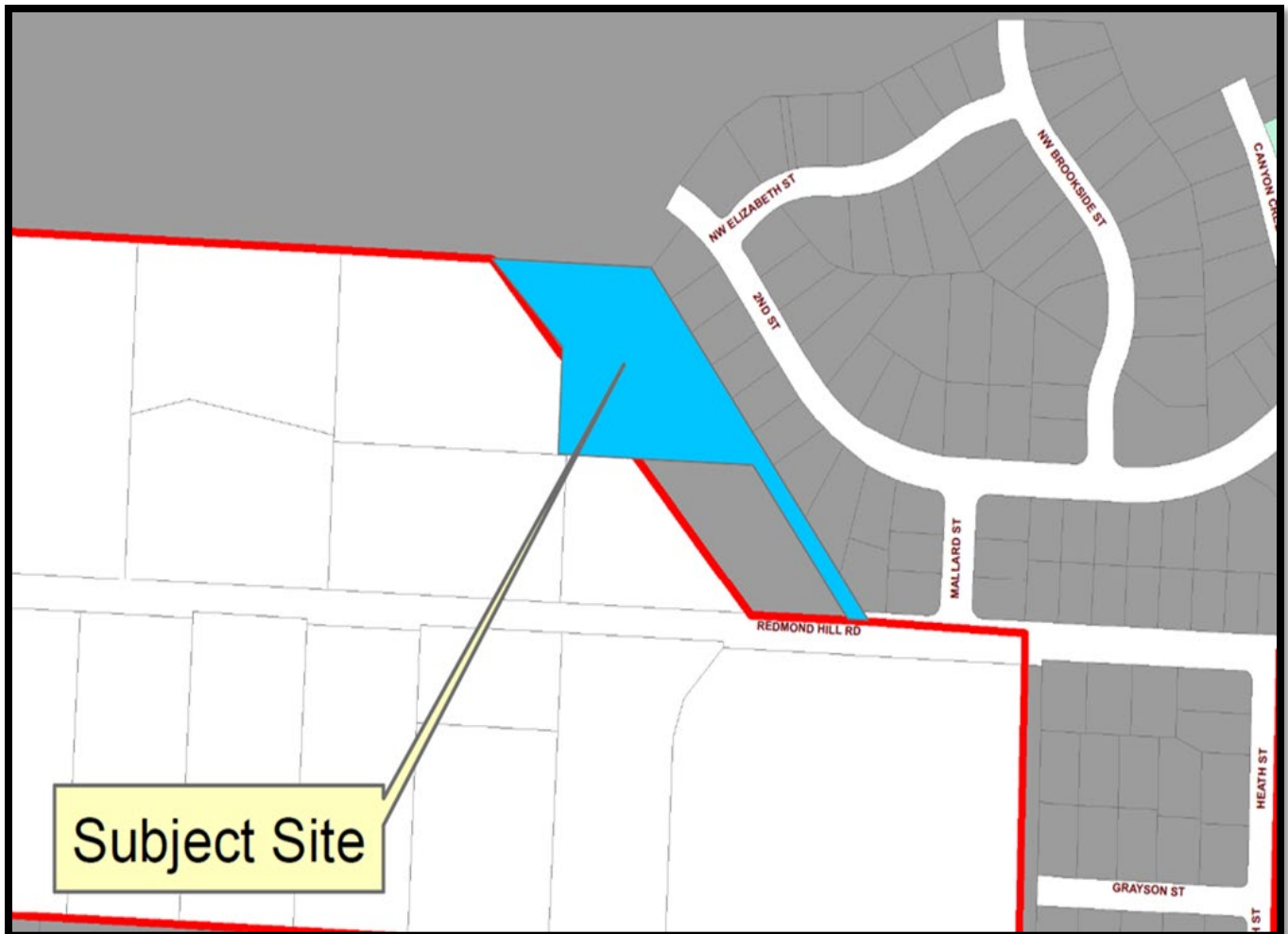
hearing procedure described in MMC Section 17.72.120. After informing the applicant and finding a date when the applicant could make the hearing, the date of March 2nd, 2023 was chosen for the application to be reviewed by the Planning Commission in a public hearing.

The subject property is located north of Redmond Hill Road and east of Brookshire Estates. The subject property is zoned R-1 (Low-Density Residential), there are no existing structures on any of the proposed parcels.

The property is steeply sloped rising from 250 feet in the east to nearly 300 feet in the west and has many trees, but none are in the path of the proposed access and utility easement on the partition map.

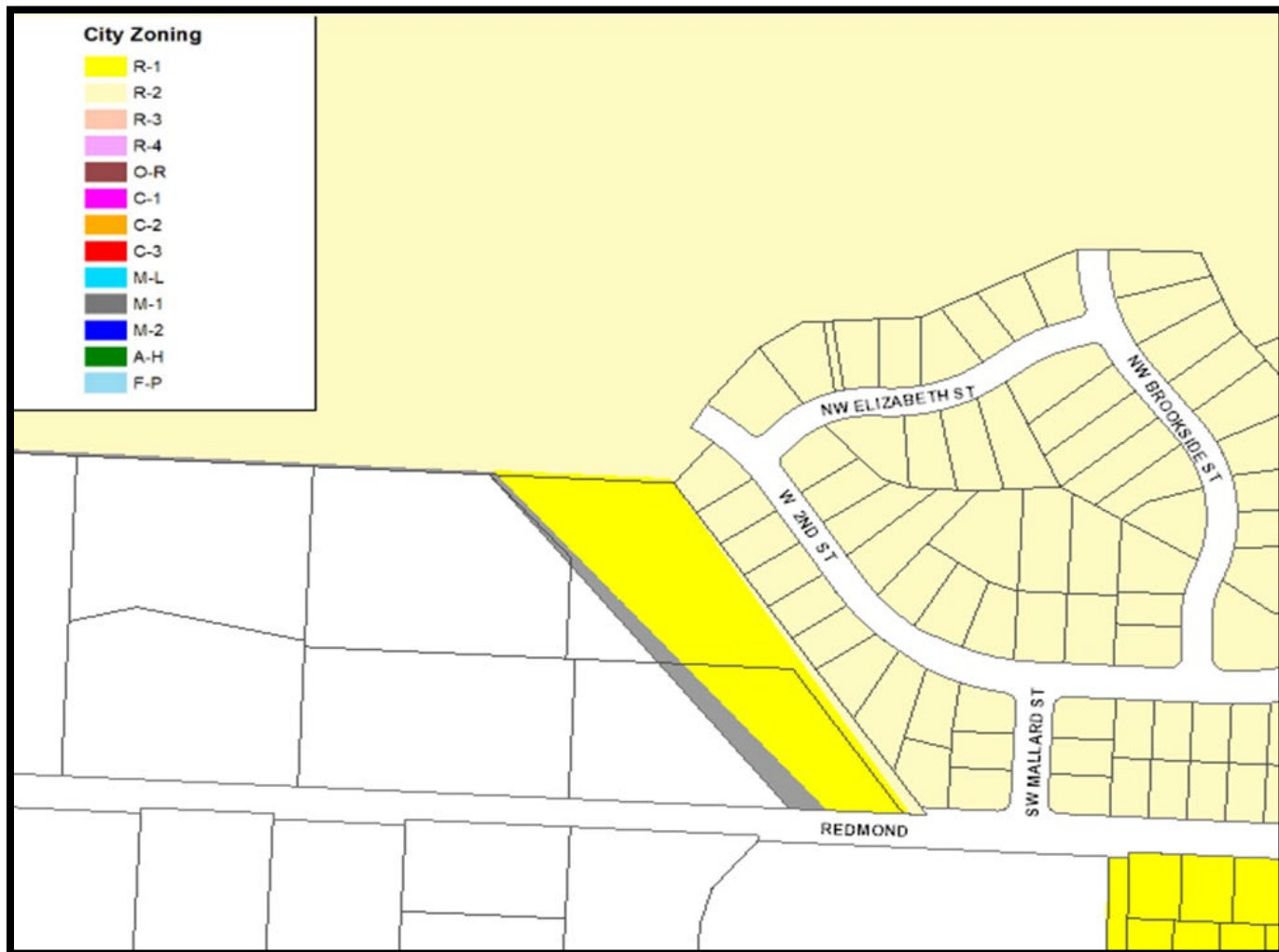
See Vicinity Map (Figure 1), Zoning Map (Figure 2), and Applicant's Proposed Partition Plan (Figure 3).

Figure 1. Vicinity Map



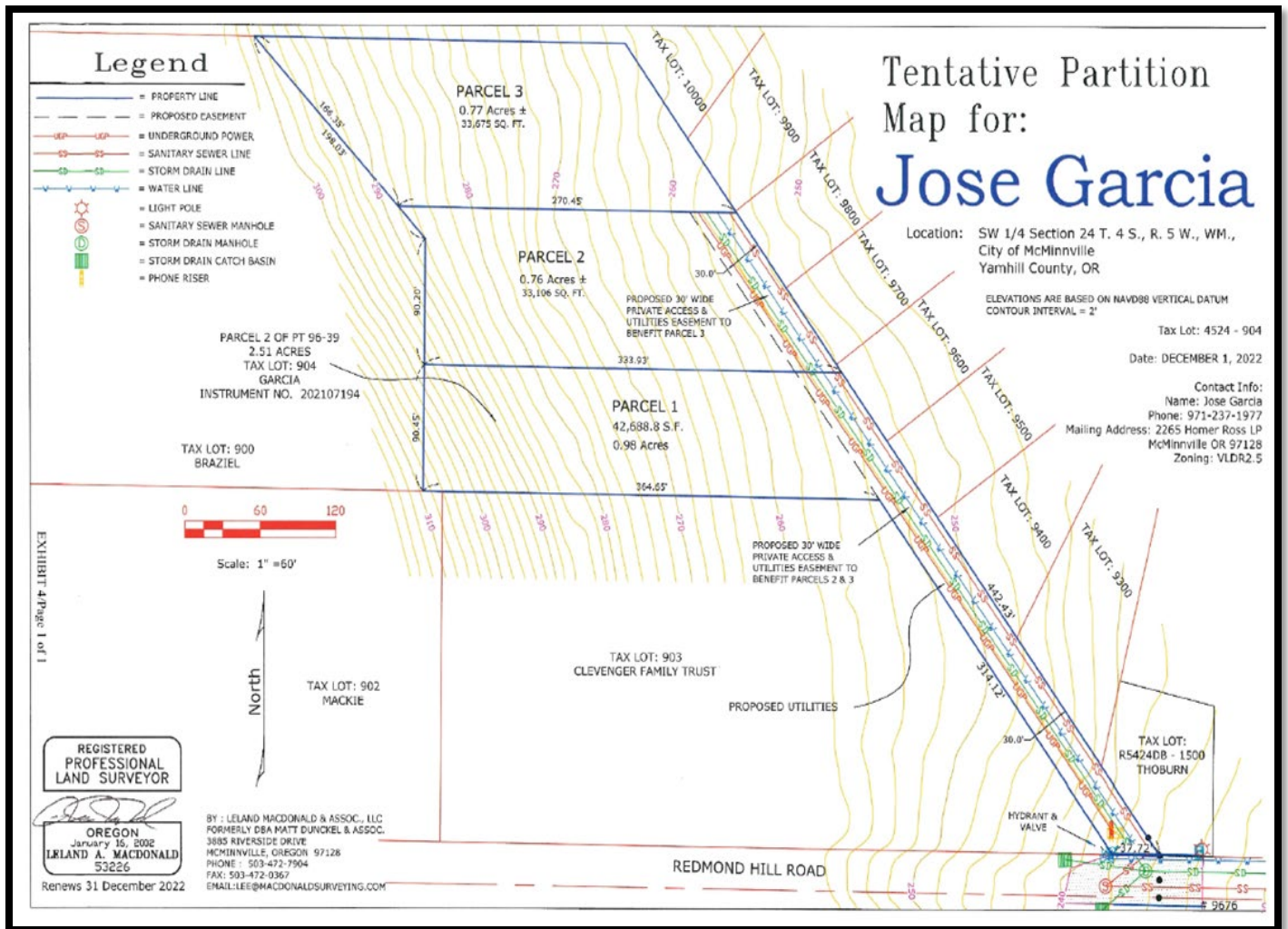
Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

Figure 2. Zoning Map



Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

Figure 3. Applicant's Proposed Partition Plan



Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

Discussion:

Minor partitions are normally an administrative decision as they are considered a Type II land-use application, meaning that the decision-making for compliance with the criteria is based on clear and objective standards that do not allow limited discretion. However, in McMinnville, during the 14 day notice period to adjacent property owners, anyone may request that the application be considered at a public hearing with the planning commission. That request was made by a neighboring property owner for this land-use application. The criteria for rendering a decision remains the same whether it is an administrative decision or a decision by the planning commission, and the decision needs to be rendered based on a clear and objective review and evaluation. The decision document attached to this staff report provides the criteria that should be used for rendering a decision on this land-use application.

A minor partition application is subject to the standards and criteria in Chapter 17.53 – Land Division Standards of the Zoning Ordinance, which are intended to “...provide uniform procedures and standards for the subdivision and partitioning of land, and adjustment of property lines; to assure adequate width and arrangement of streets; to coordinate proposed development with plans for utilities and other public facilities; to avoid undue congestion of population; to assure adequate sanitation and water supply; to provide for the protection, conservation, and proper use of land; to secure safety from fire, flood, slides, pollution, drainage or other dangers; to provide adequate light and air, recreation, education, and adequate transportation; to promote energy conservation; to protect in other ways the public health, safety, and welfare; and to promote the goals and policies of the McMinnville Comprehensive Plan.”

The application achieves the purpose of Chapter 17.53-Land Division Standards, and meets the standards for access, lot size and shape, and provision of utilities and improvements for each of the proposed parcels. All proposed parcels are accessed via a 30-foot-wide utility and access easement from Redmond Hill Rd, and are larger than the minimum lot size in the underlying R-1 (Low-Density Residential) zone. Utilities can be provided from Redmond Hill Rd. through the easement to the parcels.

The resulting parcels are all under one acre and therefore do not need to provide future land division plans.

The parent parcel, tax lot R4524-00904, is partially within the City’s urban growth boundary. However there are no provisions in the City’s zoning ordinance or comprehensive plan that mandates that the whole parcel needs to be within the city limits. Both resulting Parcel 1 and Parcel 2 will have land that remains within the City’s urban growth boundary that will need to be annexed into the city when contiguous land adjacent to it annexes into the city limits. Both future lots though have the required recommended minimum 9000 sf of buildable land within the city limits.

Notice of this request was mailed to property owners located within 300 feet of the subject site. Notice of the public hearing was provided in the News Register on Tuesday, February 21, 2023. As of the date of this Staff Report on Thursday, February 23, 2023, the following public testimonies have been received by the Planning Department:

Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

One of the surrounding property owners, Linda K. Berlin, provided a letter citing concerns about stormwater drainage onto neighboring properties.

There is a condition of approval in the decision document to ensure that stormwater drainage meets all state provisions.

Staff is recommending conditions for the applicant to demonstrate compliance with all necessary state and/or federal environmental permitting agency requirements, including the Department of Environmental Quality, Department of State Lands, and Army Corps of Engineers. The City of McMinnville does not maintain regulatory authority over wetlands, state bodies of water, or other significant natural features that may be present on the site at this time and relies on the state and federal agencies to regulate impact on such lands and/or features.

Attachments:

- MP 3-22 Application
- Public Testimony
- MP 3-22 Decision Document

Fiscal Impact:

Not Applicable to Quasi-Judicial Decision.

Recommendation:

Planning Commission Options (for Quasi-Judicial Hearing):

- 1) **APPROVE** the application as proposed by the applicant with the conditions recommended in the attached Decision Document, per the decision document provided which includes the findings of fact.
- 2) **CONTINUE** the public hearing to a specific date and time.
- 3) Close the public hearing but **KEEP THE RECORD OPEN** for the receipt of additional written testimony until a specific date and time.
- 4) Close the public hearing and **DENY** the application, providing findings of fact for the denial, specifying which criteria are not satisfied, or specifying how the applicant has failed to meet the burden of proof to demonstrate all criteria are satisfied, in the motion to deny.

Staff Recommendation:

Staff has reviewed the proposal for consistency with the applicable criteria. Absent any new evidence to the contrary presented during the hearing, staff finds that, subject to the recommended conditions specified in the attached Decision Document, and the application submitted by the applicant that the applicable criteria are satisfied.

Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document

Staff **RECOMMENDS APPROVAL** of the application, subject to the conditions specified in the attached Decision Document.

Suggested Motion:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, THE MATERIALS SUBMITTED BY THE APPLICANT, AND EVIDENCE IN THE RECORD, I MOVE THAT THE PLANNING COMMISSION APPROVE THE DECISION DOCUMENT AND APPROVE MINOR PARTITION APPLICATION MP 3-22 SUBJECT TO THE CONDITIONS SPECIFIED IN THE DECISION DOCUMENT.

AT.

Attachments:
MP 3-22 Application
Public Testimony
MP 3-22 Decision Document



Planning Department
 231 NE Fifth Street ◦ McMinnville, OR 97128
 (503) 434-7311 Office ◦ (503) 474-4955 Fax
www.mcminnvilleoregon.gov

Office Use Only:	
File No.	<u>MP-3-22</u>
Date Received	<u>10/4/22</u>
Fee	<u>1,810.00</u>
Receipt No.	_____
Received by	<u>DIA</u>

509-22-000390

Partition Application

Applicant Information

Applicant is: Property Owner Contract Buyer Option Holder Agent Other Attorney for owner

Applicant Name Catherine A. Wright Phone 503-472-0344

Contact Name _____ Phone _____
(If different than above)

Address PO Box 625

City, State, Zip McMinnville, OR 97128

Contact Email catherine@twslaw.net

Property Owner Information

Property Owner Name Jose and Maria Garcia Phone 971-237-1977
(If different than above)

Contact Name _____ Phone _____

Address 2265 SW Homer Ross Loop

City, State, Zip McMinnville, OR 97128

Contact Email abeexteriors@gmail.com

Site Location and Description

(If metes and bounds description, indicate on separate sheet)

Property Address No site address

Assessor Map No. R4524 - 904 - Total Site Area 2.17 acres

Subdivision _____ Block _____ Lot _____

Comprehensive Plan Designation Urban Holding Zoning Designation R-1

General Description of Subject Property

- 1. Proposed Parcel Size: #1 47,625 sf #2 31,034 sf #3 30,783 sf
- 2. Current Land Use: grassland and scrub
- 3. Purpose of the partition request: To create three residential parcels.
- 4. Topography: The property slopes from approximately 250' elevation to the east to approximately 280' elevation to the west.
- 5. Method of Sewage Disposal: City
(Note: If septic field, this application must be accompanied by a letter of approval from the County Sanitarian indicating their approval. The Sanitarian can be contacted through the Yamhill County Planning Department.)
- 6. Water Supply: City (see maps attached as Exhibit 7 regarding water service)

In addition to this completed application, the applicant must provide the following:

- A site plan (drawn to scale, with a north arrow, legible, and of a reproducible size), indicating all required information as listed in the information sheet and in Section 17.53.060 (Submission of Tentative Partition Plan) of the Zoning Ordinance, or, if applicable, Section 17.53.080 (Submission of Future Development Plan).
- A Title Report or Subdivision Guarantee prepared within 60 (sixty) days of the application date.
- Payment of the applicable review fee, which can be found on the Planning Department web page.

I certify the statements contained herein, along with the evidence submitted, are in all respects true and are correct to the best of my knowledge and belief.


Applicant's Signature

9/30/22
Date


Property Owner's Signature

9/29/22
Date


Property Owner's Signature

9/29/22
Date

TANKERSLEY & WRIGHT, LLC

ATTORNEYS AT LAW
PO BOX 625
701 NE EVANS STREET
McMINNVILLE, OREGON 97128
Website: www.twslaw.net
Telephone 503-472-0344
Facsimile 503-472-7629

CATHERINE A. WRIGHT
Email: catherine@twslaw.net

JULES DRABKIN - Retired
THOMAS C. TANKERSLEY - Retired

September 30, 2022

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

Re: Partition Application

To whom it may concern:

This office represents Jose and Maria Garcia. Enclosed is a partition application and our client's check in the amount of \$1,180 for the application fee.

Let me know if you have any questions or concerns.

Very truly yours,

TANKERSLEY & WRIGHT, LLC



Catherine A. Wright

CAW:jca

Enc.

cc: Jose and Maria Garcia

Applicant: Catherine A. Wright
Property Owner: Jose and Maria Garcia

PARTITION APPLICATION APPROVAL CRITERIA

McMinnville Zoning Ordinance §17.53.060. Submission of a Tentative Partition Plan.

- A.1, A.2. and A.3: See Exhibit 1 for the tentative plan which shows these details.
- A.4: See attached Exhibit 2. Property 2 of the partition plat for Brookshire Estates which shows the property to the east, including utilities.
- A.5: There are no existing structures on the subject parcel.
- A.6: See Exhibit 1 for parcel layout in relation to Redmond Hill Road. There are no other adjoining or adjacent streets.
- A.7: There is no existing or planned curbside planting strip.
- A.8: Partition guarantee is attached as Exhibit 3.
- A.9: Map showing contour lines is attached as Exhibit 4.
- A.10: Not applicable. There are no water courses on the subject property and no portion of the property is within a flood plain.
- A.11: There are no significant natural features on the property.
- A.12: See map attached as Exhibit 1 for proposed utilities.

McMinnville Zoning Ordinance §17.53.080. Future Development Plan.

Due to the inability to divide the parcels further, and an anticipated condition of approval restricting such further division, it should not be necessary to address this provision or provide a future development plan. Further, §17.53.060(C)(2) does not apply because all parcels will be less than one acre.

McMinnville Zoning Ordinance §17.53.100(C).

Access will be via an easement for parcels 2 and 3, and parcel 1 will be a flag lot. There will be a total of three parcels with a driveway area of approximately 30' wide or access easements, therefore providing a hard surface of at least 10' is feasible and the minimum easement width of 15' will be met. Applicant anticipates executing an agreement regarding easement/road maintenance.

McMinnville Zoning Ordinance §17.12.030.

All parcels will be at least 30,000 square feet, therefore they meet the minimum 9,000 square foot lot size in an R-1 zone.

McMinnville Zoning Ordinance §17.12.040.

Meeting the 20' setbacks for all parcels will be feasible because each parcel is over 30,000 square feet and will therefore have plenty of room for setbacks and development.

Additional Information:

This property is located on the western edge of the limits of the City of McMinnville. The City boundary crosses the property in the southwest corner of proposed parcel 2, as shown on Exhibit 5. There are no steep slopes on the property and the change in elevation across the entire property is approximately 30 feet. There are no significant natural features or trees on the property. It currently contains scrub, bushes, grass and some trees. There are no existing structures on the subject property, no water courses or area of flood plain. See aerial photograph attached as Exhibit 6.

On the eastern boundary there is a subdivision (“Brookshire Estates”) with homes along the entire boundary. Most of the area along the eastern boundary of the subject parcel will be an access driveway and will contain only utilities and road surface. The eastern boundary of parcel 3 will also abut the subdivision and could be developed in this area, consistent with setback requirements.

All proposed parcels will be less than one acre, but are all large enough to meet the setbacks for the R-1 zone, and the minimum parcel size of 9,000 square feet.

The eastern side of the subject property is within Zone 1 of the water service area for McMinnville Water & Light. Thus, water can be provided to all proposed parcels within the Zone 1 area. See attached Exhibit 7.

This is a “flag lot.” After partition, parcel 1 will remain a flag lot and parcels 2 and 3 will have access easements. The “flag pole” portion of the parcel is approximately 30' wide. Although adequate for the proposed development (McMinnville Zoning Ordinance §17.53.100(C) requires a minimum 15' easement with 10' hard surface). This property could not comply with the general minimum standard of a 50' wide street if it were to be further divided. Therefore, the maximum potential development here will be three parcels. The owner is willing to sign a deed restriction prohibiting further division and anticipates that such will be a condition of approval.

Due to the inability to divide the subject property further and the anticipated condition of approval restricting such further division, it should not be necessary to address McMinnville Zoning Ordinance §17.53.080, with regard to a future development plan. It is also worth noting that the parcels will be less than one acre and therefore §17.53.060(C)(2) does not apply.

The proposed development could result in no more than three single family parcels and as such the impact on traffic will be minimal. The subject property accesses Redmond Hill Road in an area with a good line of sight.

APPLICANT:
 Catherine A. Wright, Attorney
 PO Box 625
 McMinnville, OR 97128
 Phone: 503-472-0344
 PROPERTY OWNER:
 Jose and Maria Garcia
 2265 SW Homer Ross Loop
 McMinnville, OR 97128
 Phone: 971-237-1977
 Subject property is 2.17 acres
 Date: 9/30/2022



SCALE: 1"=80'



PRELIMINARY DESIGN ONLY. FINAL DESIGN BY CIVIL ENGINEER AND SURVEYOR



After recording return to:
Jose Garcia and Maria Garcia
2265 SW Homer Ross Loop
McMinnville, OR 97128

Until a change is requested all tax
statements shall be sent to the
following address:

Jose Garcia and Maria Garcia
2265 SW Homer Ross Loop
McMinnville, OR 97128

File No.: 1031-3700556 (MWG)
Date: March 25, 2021

FIRST AMERICAN TITLE 3700556

THIS SPACE RESERVED FOR RECORDER'S USE

Yamhill County Official Records **202107194**
DMR-DDMR
Stn=1030 WANNERK **04/09/2021 09:27:00 AM**
3Pgs \$15.00 \$11.00 \$5.00 \$60.00 **\$91.00**

I, Brian Van Bergen, County Clerk for Yamhill County, Oregon, certify
that the instrument identified herein was recorded in the Clerk
records.

Brian Van Bergen - County Clerk

STATUTORY SPECIAL WARRANTY DEED

Donald M. Oliver and Jean D. Oliver, Trustees, or their successors in Trust, under the Oliver Living Trust, by Agreement dated January 13, 2006, and any amendments thereto, Grantor, conveys and specially warrants to Jose Garcia and Maria Garcia, as tenants by the entirety, Grantee, the following described real property free of liens and encumbrances created or suffered by the Grantor, except as specifically set forth herein:

LEGAL DESCRIPTION: Real property in the County of Yamhill, State of Oregon, described as follows:

Parcel 2, Partition Plat 96-39, County of Yamhill, State of Oregon.

This property is free from liens and encumbrances, EXCEPT:

See Attached Exhibit "A"

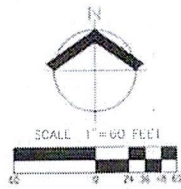
The true consideration for this conveyance is **\$480,000.00**. (Here comply with requirements of ORS 93.030)

EXHIBIT "A"

1. Water rights, claims to water or title to water, whether or not such rights are a matter of public record.
2. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.
3. Restrictions, Easements, and Notes shown on the recorded plat/partition 96-39.

BROOKSHIRE ESTATES

A PORTION OF PARCEL 1 OF PP NO. 2007-100,
LOCATED IN THE NORTHEAST 1/4, THE
SOUTHEAST 1/4, THE SOUTHWEST 1/4, AND
THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP
4 SOUTH, RANGE 5 WEST, WILLAMETTE
MERIDIAN, CITY OF McMinnville, YAMHILL
COUNTY, OREGON
DECEMBER 4, 2019



PREPARED FOR
WEST HILLS PROPERTIES, LLC
100 BOX 726
MCMINNVILLE, OR 97128

SHEET INDEX

- SHEET 1 PLAT BOUNDARY, NARRATIVE
- SHEET 2 LOTS 1-7, 21-22, TRACT 'B'
- SHEET 3 LOTS 8-13, 33-41
- SHEET 4 LOTS 14-20, 42-46, TRACT 'A'
- SHEET 5 SURVEYOR'S CERTIFICATE, DECLARATION, ACKNOWLEDGEMENT, PLAT NOTES, APPROVALS, REPAIRING CORNER MONUMENTATION

NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO SUBDIVIDE A PORTION OF PARCEL 1 OF PARTITION PLAT NUMBER 2007-100, YAMHILL COUNTY PLAT RECORDS, AS DESCRIBED IN INSTRUMENT NUMBER 2019-1115, PARTIEL COUNTY RECORDS, THE SOUTH LINE, BEING PORTIONS OF THE NORTHERLY LINES OF "VALLEY'S EDGE PHASE IV", THE EASTERLY LINE, BEING THE WEST LINE OF "VALLEY'S EDGE PHASE IV", THE SOUTHWESTERLY LINE, BEING THE NORTH EASTERLY LINE OF PARCEL 2 OF PARTITION PLAT 1996-30, YAMHILL COUNTY PLAT RECORDS, THE WICKERLY LINES BEING PER THE REQUIREMENTS OF THE DECLARANTS TO THIS PLAT.

THE BASIS OF BEARINGS (SOUTH 01°25'00" EAST) WAS ESTABLISHED ALONG THE WESTERLY LINE OF "VALLEY'S EDGE PHASE IV".

LEGEND

- SET 5/8" x 30" IRON ROD W/IPC INSCRIBED "AKS ENGR"
- SET 5/8" x 30" IRON ROD W/ALUMINUM CAP INSCRIBED "AKS ENGR"
- SET 1-1/2" BRASS DISK INSCRIBED "AKS ENGR"
- FOUND 5/8" IRON ROD W/IPC INSCRIBED "L. McDONALD & ASSOC. E.L.C.", PER PLAT OF "VALLEY'S EDGE PHASE III", FIELD UNLESS NOTED OTHERWISE
- FOUND 5/8" IRON ROD W/IPC INSCRIBED "AKS ENGR", PER PLAT OF "VALLEY'S EDGE PHASE IV", FIELD UNLESS NOTED OTHERWISE
- LINDSAY'S PEGGED MONUMENT AS NOTED, FIELD UNLESS NOTED OTHERWISE
- WITH A YELLOW PLASTIC CAP
- PP NO. PARTITION PLAT NUMBER PER YAMHILL COUNTY SURVEY RECORDS
- IPC INSCRIBED BY INSTRUMENT OR INSTRUMENT 5/8" x 30" IRON ROD W/IPC INSCRIBED "AKS ENGR"

CURVE	RAJIDUS	DELTA	LENGTH	CHORD
C1	300.00'	708°55'	44.25'	1659.2'42" W 44.26'
C2	340.00'	73°58'55"	154.87'	590°52'11" W 154.74'
C3	20.00'	86°31'14"	30.13'	N43°58'45" W 27.36'
C4	225.00'	19°18'59"	59.07'	N69°50'42" W 50.90'

I, MICHAEL S. PALMA, CERTIFY THAT THIS IS AN EXACT COPY OF THE ORIGINAL PLAT.

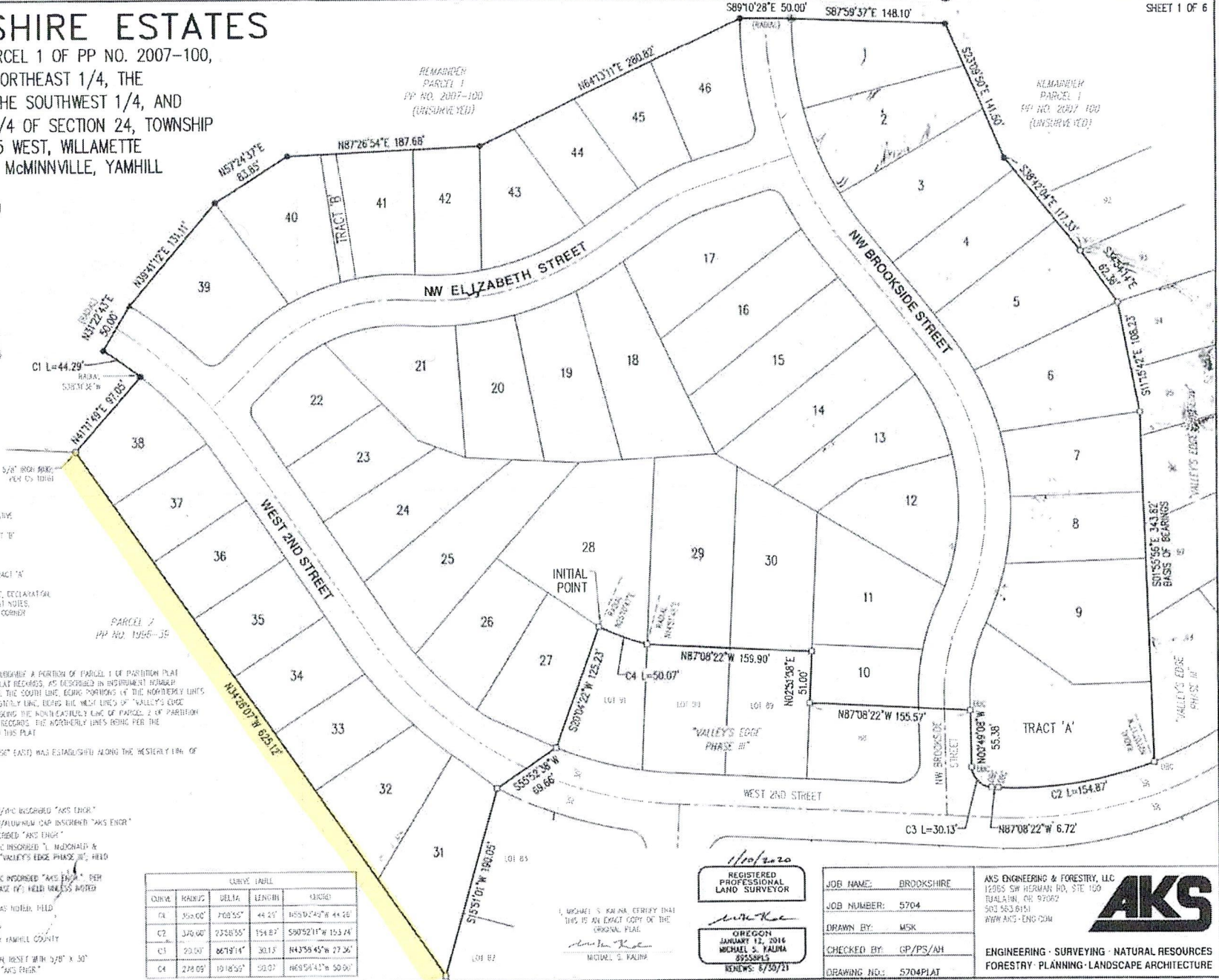
MICHAEL S. PALMA
REGISTERED PROFESSIONAL LAND SURVEYOR

1/10/2020
REGISTERED PROFESSIONAL LAND SURVEYOR
MICHAEL S. PALMA
OREGON
JANUARY 12, 2016
MICHAEL S. PALMA
55555555
RENEW: 8/30/21

JOB NAME: BROOKSHIRE
JOB NUMBER: 5704
DRAWN BY: MSK
CHECKED BY: GP/PS/AH
DRAWING NO.: 5704/PLAT

AKS ENGINEERING & FORESTRY, LLC
12265 SW HEWMAN RD, STE 100
TALAMON, OR 97140
503.583.8151
WWW.AKS-ENG.COM

AKS
ENGINEERING · SURVEYING · NATURAL RESOURCES
FORESTRY · PLANNING · LANDSCAPE ARCHITECTURE



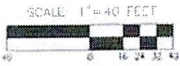
= EASTERN BOUNDARY OF GARCIA PROPERTY

BROOKSHIRE ESTATES

A PORTION OF PARCEL 1 OF PP NO. 2007-100, LOCATED IN THE NORTHEAST 1/4, THE SOUTHEAST 1/4, THE SOUTHWEST 1/4, AND THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 4 SOUTH, RANGE 5 WEST, WILLAMETTE MERIDIAN, CITY OF McMinnville, Yamhill County, Oregon
 DECEMBER 4, 2019

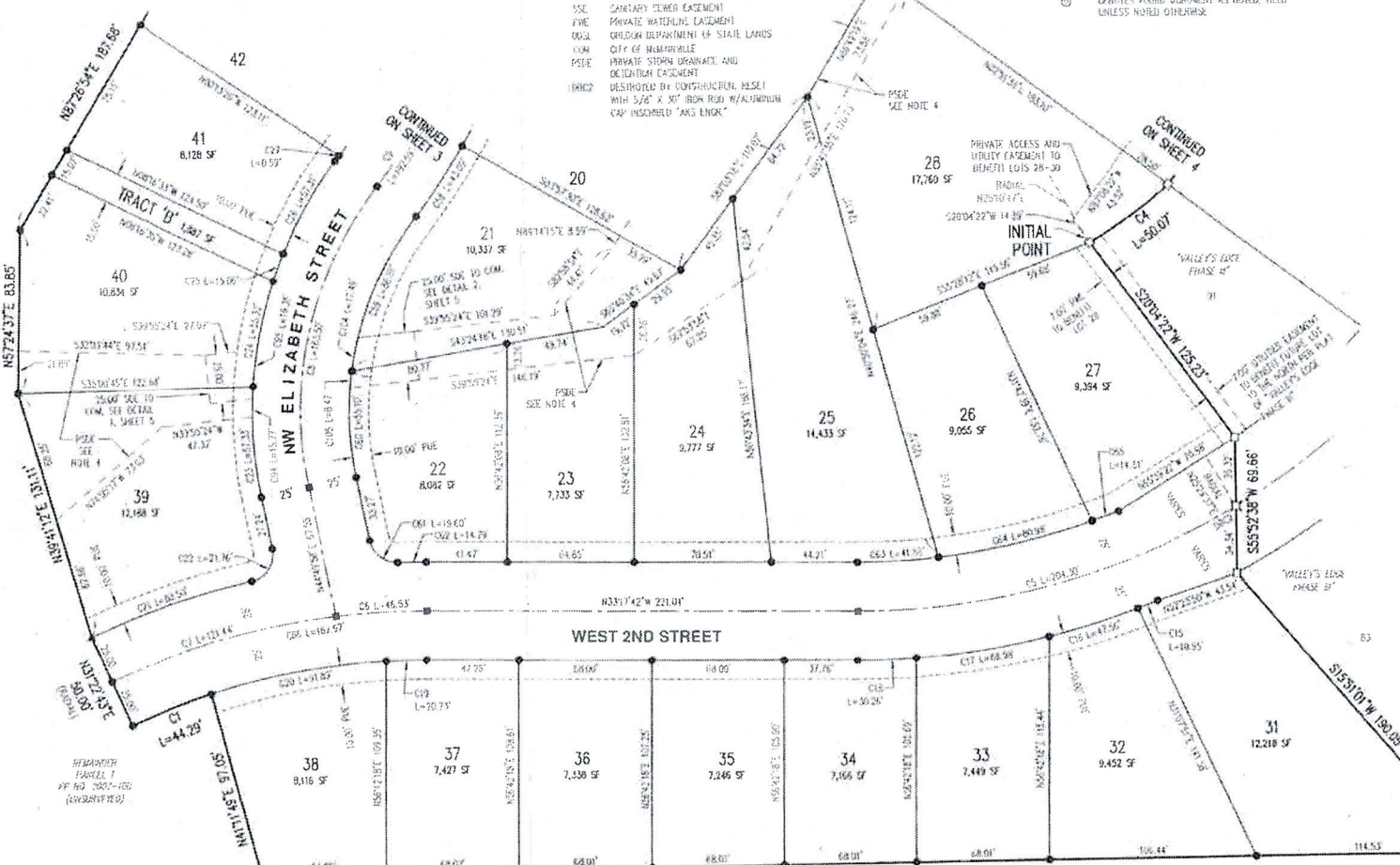
ABBREVIATIONS

- INSTRUMENT NUMBER PER YAMHILL COUNTY DEED RECORDS
- Y IRON PILE
- IR IRON ROD
- W/PC WITH A RED PLASTIC CAP
- W/YPC WITH A YELLOW PLASTIC CAP
- PP NO PARTITION PLAT NUMBER PER YAMHILL COUNTY SURVEY RECORDS
- CS SURVEY NUMBER PER YAMHILL COUNTY SURVEY RECORDS
- PUE PUBLIC UTILITY EASEMENT
- ROW RIGHT-OF-WAY
- SF SQUARE FEET
- SEW STORM DRAINAGE EASEMENT
- SEW SANITARY EJECTION EASEMENT
- PWE PRIVATE WATERLINE EASEMENT
- OSL OREGON DEPARTMENT OF STATE LANDS
- COM CITY OF McMinnville
- PSSE PRIVATE STORM DRAINAGE AND DECIDUOUS EASEMENT
- EMRCD DESTROYED BY CONSTRUCTION RESET WITH 5/8" X 30" IRON ROD W/ALUMINUM CAP INSCRIBED "AKS ENGR"



LEGEND

- SET 5/8" X 30" IRON ROD W/PC INSCRIBED "AKS ENGR"
- SET 5/8" X 30" IRON ROD W/YPC INSCRIBED "AKS ENGR" OR W/WHITE BOX
- ▲ SET 5/8" X 30" IRON ROD W/ALUMINUM CAP INSCRIBED "AKS ENGR"
- FOUND 5/8" IRON ROD W/PC INSCRIBED "L. McDONALD & ASSOC. LLC", PER PLAT OF "VALLEY'S EDGE PHASE W", HELD UNLESS NOTED OTHERWISE
- ⊕ FOUND 5/8" IRON ROD W/ALUMINUM CAP INSCRIBED "L. McDONALD & ASSOC. LLC", PER PLAT OF "VALLEY'S EDGE PHASE W", HELD UNLESS NOTED OTHERWISE
- ⊙ FOUND 5/8" IRON ROD W/ALUMINUM CAP INSCRIBED "L. McDONALD & ASSOC. LLC", PER PLAT OF "VALLEY'S EDGE PHASE W", HELD UNLESS NOTED OTHERWISE



CURVE		DELTA		LENGTH		CHORD	
CURVE	RADIUS	DELTA	LENGTH	CHORD	BEARING	LENGTH	CHORD
C1	333.00	738.00	44.79	650.00	N45°02'48" W	44.26	
C4	238.00	1018.00	59.87	865.06	S47°W	59.80	
L1	375.00	3117.50	264.30	1465.40	N76°W	261.26	
C6	380.00	2705.60	46.53	1164.43	N10°W	46.50	
C7	380.00	1018.00	121.44	1162.27	S77°W	120.93	
C8	163.00	4918.18	183.60	1052.97	S58°W	158.50	
C9	200.00	3824.00	192.59	1174.29	S78°W	188.82	
C10	483.33	1318.00	10.25	555.06	S71°W	19.55	
C16	400.00	6148.48	42.58	550.55	D1°E	42.53	
C17	400.00	9302.00	68.95	542.41	S78°W	68.90	
C18	400.00	420.00	30.25	529.27	S57°W	30.20	
C19	355.00	320.47	20.23	534.58	S78°W	20.23	
C20	355.00	1419.53	91.63	544.23	S78°W	91.61	
C21	405.00	1231.44	84.60	552.71	S78°W	84.53	
C22	14.00	89.03	21.26	169.21	S77°W	19.64	
C23	215.00	1594.28	92.53	152.08	S78°W	92.50	
C24	215.00	1444.50	55.32	168.72	S77°W	55.19	
C25	215.00	430.40	15.88	116.51	S78°W	15.80	
C26	215.00	1518.24	57.31	168.30	S78°W	57.14	
C27	225.00	920.00	92.99	185.55	S74°W	92.98	
C28	305.00	830.44	43.67	583.54	S77°W	43.60	
C29	493.00	3019.13	80.99	1120.50	S78°W	80.90	
C30	105.00	1920.00	55.10	154.74	S78°W	54.85	
C31	14.00	89.03	19.60	58.43	S77°W	18.04	
C32	404.00	205.33	14.28	534.20	S78°W	14.20	
C33	350.00	670.24	41.66	530.43	S78°W	41.60	
C34	350.00	1315.22	90.98	546.46	S78°W	90.80	
C35	350.00	222.12	14.51	584.34	S78°W	14.51	
C36	160.00	2579.30	167.37	545.27	S78°W	166.81	
C37	215.00	471.91	15.72	568.00	S78°W	15.72	
C38	215.00	538.24	19.35	587.41	S78°W	19.34	
C39	165.00	624.27	12.45	587.00	S78°W	12.45	
C40	165.00	279.31	8.47	582.24	S78°W	8.47	

PREPARED FOR
 WEST HILLS PROPERTIES, LLC
 20 BOX 731
 McMinnville, OR 97124

MICHAEL S. KALINA, CERTIFIED
 THIS IS AN EXACT COPY OF THE
 ORIGINAL PLAT
 MICHAEL S. KALINA

REGISTERED PROFESSIONAL LAND SURVEYOR
 1/10/2020
 OREGON
 JANUARY 12, 2018
 MICHAEL S. KALINA
 85552415
 RENEWS: 6/30/21

JOB NAME: BROOKSHIRE
 JOB NUMBER: 5704
 DRAWN BY: MSR
 CHECKED BY: GP/PS/AH
 DRAWING NO.: 5204PLAT

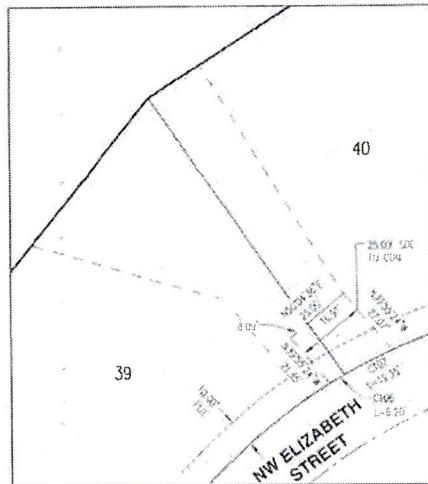
AKS ENGINEERING & FORESTRY, LLC
 12265 SW HESMAN RD, STE 100
 TUALATIN, OR 97062
 503.363.6161
 WWW.AKS-ENG.COM
 ENGINEERING • SURVEYING • NATURAL RESOURCES
 FORESTRY • PLANNING • LANDSCAPE ARCHITECTURE

PREPARED FOR

WEST HILLS PROPERTIES, LLC
PO BOX 724
BLAINVILLE, OR 97128

BROOKSHIRE ESTATES

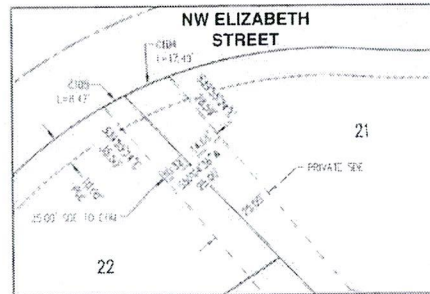
A PORTION OF PARCEL 1 OF PP NO. 2007-100, LOCATED IN THE NORTHEAST 1/4, THE SOUTHEAST 1/4, THE SOUTHWEST 1/4, AND THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 4 SOUTH, RANGE 5 WEST, WILLAMETTE MERIDIAN, CITY OF MCMINNVILLE, YAMHILL COUNTY, OREGON
DECEMBER 4, 2019



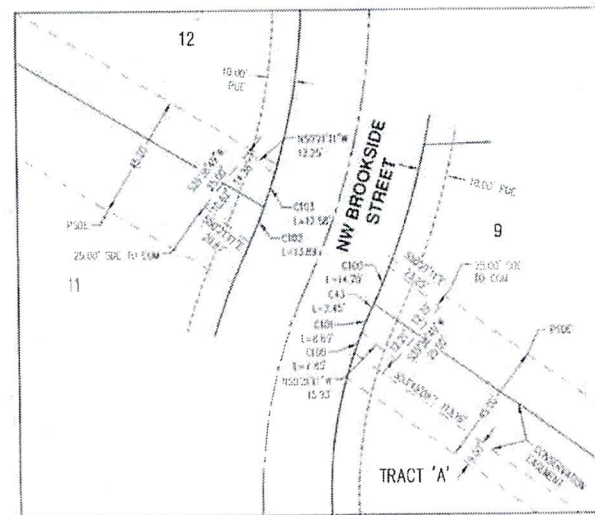
DETAIL 1 - LOTS 39 AND 40
STORM DRAINAGE EASEMENT



NOT TO SCALE



DETAIL 2 - LOTS 21 AND 22
STORM DRAINAGE EASEMENT



DETAIL 3 - LOT 9 AND TRACT 'A'
AND LOTS 11 AND 12
STORM DRAINAGE EASEMENT

ABBREVIATIONS

- INSR. NO. INSTRUMENT NUMBER PER YAMHILL COUNTY DEED RECORDS
- IP IRON PIPE
- IS IRON SPOKE
- W/PPC WITH A RED PLASTIC CAP
- W/SPC WITH A YELLOW PLASTIC CAP
- PP NO. PARCEL PLAT NUMBER PER YAMHILL COUNTY SURVEY RECORDS
- CS SURVEY NUMBER PER YAMHILL COUNTY SURVEY RECORDS
- PUE PUBLIC UTILITY EASEMENT
- ROW RIGHT-OF-WAY
- SE SQUARE WELL
- SEI STORM DRAINAGE EASEMENT
- SEW SANITARY SEWER EASEMENT
- PWE PRIVATE WATERLINE EASEMENT
- SOBL OREGON DEPARTMENT OF STATE LANDS
- CRM CITY OF MCMINNVILLE
- PSSE PRIVATE STORM DRAINAGE AND DETENTION EASEMENT

CURVE DATA				
CURVE	RADIUS	ANGLE	LENGTH	CHORD
C109	275.00'	79°04'07"	14.00'	103°00'10" 14.00'
C101	160.00'	31°03'58"	11.05'	22°22'22" 8.87'
C102	225.00'	81°07'18"	13.89'	102°33'22" 13.88'
C103	225.00'	31°23'00"	12.58'	110°50'13" 12.57'
C104	185.00'	63°14'23"	17.49'	56°50'23" 17.49'
C105	165.00'	27°43'30"	8.47'	50°29'54" 8.47'
C106	235.00'	11°38'17"	6.20'	108°17'18" 6.20'
C107	215.00'	57°09'23"	19.35'	56°24'23" 19.34'
C108	150.00'	24°44'27"	7.92'	52°27'32" 7.92'

1/10/2020
REGISTERED
PROFESSIONAL
LAND SURVEYOR

I, MICHAEL S. KALINA, CERTIFY THAT
THIS IS AN EXACT COPY OF THE
ORIGINAL PLAN.

MICHAEL S. KALINA

OREGON
JANUARY 12, 2018
MICHAEL S. KALINA
83552PLS
RENEWS: 6/30/21

JOB NAME:	BROOKSHIRE	AKS ENGINEERING & FORESTRY, LLC 12265 SW HERMAN RD, STE 100 TUALATIN, OR 97062 503.563.8151 WWW.AKS-ENG.COM
JOB NUMBER:	5704	
DRAWN BY:	MSK	
CHECKED BY:	GP/PS/AH	ENGINEERING · SURVEYING · NATURAL RESOURCES FORESTRY · PLANNING · LANDSCAPE ARCHITECTURE
DRAWING NO.:	5704PLAT	





First American

First American Title Insurance Company

775 NE Evans Street
McMinnville, OR 97128
Phn - (503)376-7363
Fax - (866)800-7294

**PUBLIC RECORD REPORT
FOR NEW SUBDIVISION OR LAND PARTITION**

THIS REPORT IS ISSUED BY THE ABOVE-NAMED COMPANY ("THE COMPANY") FOR THE EXCLUSIVE USE OF:

Tankersley & Wright, LLC
P.O. Box 625
McMinnville, OR 97128
Phone: (503)472-0344
Fax:

Date Prepared : September 21, 2022
Effective Date : 8:00 A.M on September 15, 2022
Order No. : 1039-3997382
Subdivision :

The information contained in this report is furnished by First American Title Insurance Company (the "Company") as an information service based on the records and indices maintained by the Company for the county identified below. This report is not title insurance, is not a preliminary title report for title insurance, and is not a commitment for title insurance. No examination has been made of the Company's records, other than as specifically set forth in this report. Liability for any loss arising from errors and/or omissions is limited to the lesser of the fee paid or the actual loss to the Customer, and the Company will have no greater liability by reason of this report. This report is subject to the Definitions, Conditions and Stipulations contained in it.

REPORT

- A. The Land referred to in this report is located in the County of Yamhill, State of Oregon, and is described as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- B. As of the Effective Date, the tax account and map references pertinent to the Land are as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- C. As of the Effective Date and according to the Public Records, we find title to the land apparently vested in:

As fully set forth on Exhibit "B" attached hereto and by this reference made a part hereof

- D. As of the Effective Date and according to the Public Records, the Land is subject to the following liens and encumbrances, which are not necessarily shown in the order of priority:

As fully set forth on Exhibit "C" attached hereto and by this reference made a part hereof.

EXHIBIT "A"
(Land Description Map Tax and Account)

Parcel 2, Partition Plat 96-39, County of Yamhill, State of Oregon.

Map No.: R4524 00904

Tax Account No.: 506017 and 645568

EXHIBIT "B"
(Vesting)

Jose Garcia and Maria Garcia, as tenants by the entirety

EXHIBIT "C"
(Liens and Encumbrances)

1. Taxes for the fiscal year 2022-2023 a lien due, but not yet payable.
2. City liens, if any, of the City of McMinnville.
3. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.
4. Restrictions, Easements, and Notes shown on the recorded plat/partition 96-39
5. Deed of Trust and the terms and conditions thereof.
Grantor/Trustor: Jose Garcia and Maria Garcia, as tenants by the entirety
Grantee/Beneficiary: Donald M. Oliver and Jean D. Oliver, Trustees, or their successors in Trust, under the Oliver Living Trust, by Agreement dated January 13, 2006, and any amendments thereto

Trustee: First American Title
Amount: \$240,000.00
Recorded: April 09, 2021
Recording Information: Instrument No. 202107195, Deed and Mortgage Records

NOTE: Taxes for the year 2021-2022 PAID IN FULL

Tax Amount: \$989.78
Map No.: R4524 00904
Property ID: 506017
Tax Code No.: 40.0

NOTE: Taxes for the year 2021-2022 PAID IN FULL

Tax Amount: \$106.35
Map No.: R4524 00904
Property ID: 645568
Tax Code No.: 40.2

DEFINITIONS, CONDITIONS AND STIPULATIONS

1. **Definitions.** The following terms have the stated meaning when used in this report:
 - (a) "Customer": The person or persons named or shown as the addressee of this report.
 - (b) "Effective Date": The effective date stated in this report.
 - (c) "Land": The land specifically described in this report and improvements affixed thereto which by law constitute real property.
 - (d) "Public Records": Those records which by the laws of the state of Oregon impart constructive notice of matters relating to the Land.

2. **Liability of the Company.**
 - (a) THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.
 - (b) No costs (including, without limitation attorney fees and other expenses) of defense, or prosecution of any action, is afforded to the Customer.
 - (c) In any event, the Company assumes no liability for loss or damage by reason of the following:
 - (1) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records.
 - (2) Any facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
 - (3) Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.
 - (4) Discrepancies, encroachments, shortage in area, conflicts in boundary lines or any other facts which a survey would disclose.
 - (5) (i) Unpatented mining claims; (ii) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (iii) water rights or claims or title to water.
 - (6) Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in this report, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
 - (7) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment on the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at the effective date hereof.
 - (8) Any governmental police power not excluded by 2(d)(7) above, except to the extent that notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at the effective date hereof.
 - (9) Defects, liens, encumbrances, adverse claims or other matters created, suffered, assumed, agreed to or actually known by the Customer.

3. **Charge.** The charge for this report does not include supplemental reports, updates or other additional services of the Company.



First American

First American Title Insurance Company
775 NE Evans Street
McMinnville, OR 97128

Illegal Restrictive Covenants

Please be advised that any provision contained in this document, or in a document that is attached, linked, or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.



First American

First American Title Insurance Company

775 NE Evans Street
McMinnville, OR 97128
Phn - (503)376-7363
Fax - (866)800-7294

**PUBLIC RECORD REPORT
FOR NEW SUBDIVISION OR LAND PARTITION**

THIS REPORT IS ISSUED BY THE ABOVE-NAMED COMPANY ("THE COMPANY") FOR THE EXCLUSIVE USE OF:

Tankersley & Wright, LLC
P.O. Box 625
McMinnville, OR 97128
Phone: (503)472-0344
Fax:

Date Prepared : September 21, 2022
Effective Date : 8:00 A.M on September 15, 2022
Order No. : 1039-3997382
Subdivision :

The information contained in this report is furnished by First American Title Insurance Company (the "Company") as an information service based on the records and indices maintained by the Company for the county identified below. This report is not title insurance, is not a preliminary title report for title insurance, and is not a commitment for title insurance. No examination has been made of the Company's records, other than as specifically set forth in this report. Liability for any loss arising from errors and/or omissions is limited to the lesser of the fee paid or the actual loss to the Customer, and the Company will have no greater liability by reason of this report. This report is subject to the Definitions, Conditions and Stipulations contained in it.

REPORT

- A. The Land referred to in this report is located in the County of Yamhill, State of Oregon, and is described as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- B. As of the Effective Date, the tax account and map references pertinent to the Land are as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- C. As of the Effective Date and according to the Public Records, we find title to the land apparently vested in:

As fully set forth on Exhibit "B" attached hereto and by this reference made a part hereof

- D. As of the Effective Date and according to the Public Records, the Land is subject to the following liens and encumbrances, which are not necessarily shown in the order of priority:

As fully set forth on Exhibit "C" attached hereto and by this reference made a part hereof.

EXHIBIT "A"
(Land Description Map Tax and Account)

Parcel 2, Partition Plat 96-39, County of Yamhill, State of Oregon.

Map No.: R4524 00904

Tax Account No.: 506017 and 645568

EXHIBIT "B"
(Vesting)

Jose Garcia and Maria Garcia, as tenants by the entirety

EXHIBIT "C"
(Liens and Encumbrances)

1. Taxes for the fiscal year 2022-2023 a lien due, but not yet payable.
2. City liens, if any, of the City of McMinnville.
3. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.
4. Restrictions, Easements, and Notes shown on the recorded plat/partition 96-39
5. Deed of Trust and the terms and conditions thereof.
Grantor/Trustor: Jose Garcia and Maria Garcia, as tenants by the entirety
Grantee/Beneficiary: Donald M. Oliver and Jean D. Oliver, Trustees, or their successors in Trust, under the Oliver Living Trust, by Agreement dated January 13, 2006, and any amendments thereto

Trustee: First American Title
Amount: \$240,000.00
Recorded: April 09, 2021
Recording Information: Instrument No. 202107195, Deed and Mortgage Records

NOTE: Taxes for the year 2021-2022 PAID IN FULL

Tax Amount: \$989.78
Map No.: R4524 00904
Property ID: 506017
Tax Code No.: 40.0

NOTE: Taxes for the year 2021-2022 PAID IN FULL

Tax Amount: \$106.35
Map No.: R4524 00904
Property ID: 645568
Tax Code No.: 40.2

DEFINITIONS, CONDITIONS AND STIPULATIONS

1. **Definitions.** The following terms have the stated meaning when used in this report:
 - (a) "Customer": The person or persons named or shown as the addressee of this report.
 - (b) "Effective Date": The effective date stated in this report.
 - (c) "Land": The land specifically described in this report and improvements affixed thereto which by law constitute real property.
 - (d) "Public Records": Those records which by the laws of the state of Oregon impart constructive notice of matters relating to the Land.

2. **Liability of the Company.**
 - (a) THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.
 - (b) No costs (including, without limitation attorney fees and other expenses) of defense, or prosecution of any action, is afforded to the Customer.
 - (c) In any event, the Company assumes no liability for loss or damage by reason of the following:
 - (1) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records.
 - (2) Any facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
 - (3) Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.
 - (4) Discrepancies, encroachments, shortage in area, conflicts in boundary lines or any other facts which a survey would disclose.
 - (5) (i) Unpatented mining claims; (ii) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (iii) water rights or claims or title to water.
 - (6) Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in this report, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
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 - (8) Any governmental police power not excluded by 2(d)(7) above, except to the extent that notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at the effective date hereof.
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3. **Charge.** The charge for this report does not include supplemental reports, updates or other additional services of the Company.



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Public GIS 2022

Find address or place



Four empty input boxes with a plus sign icon.



RD

SW REDMOND HILL RD

31

100ft

-123 249 45 207 Degrees

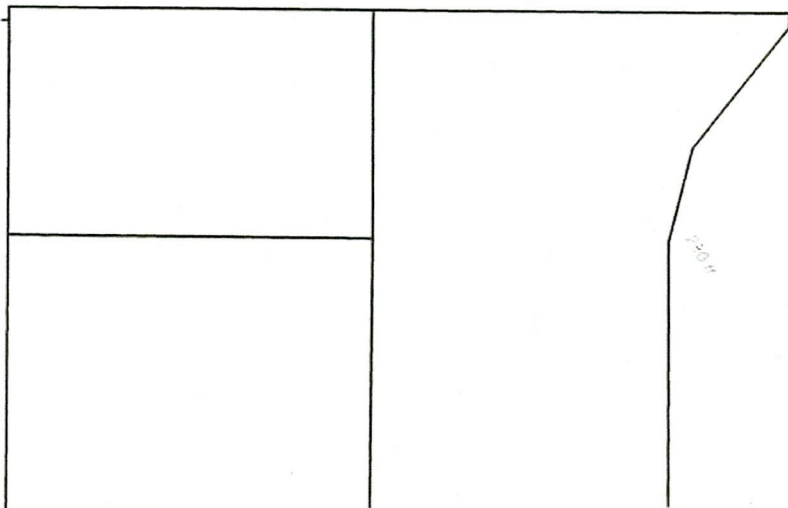


Find address or place



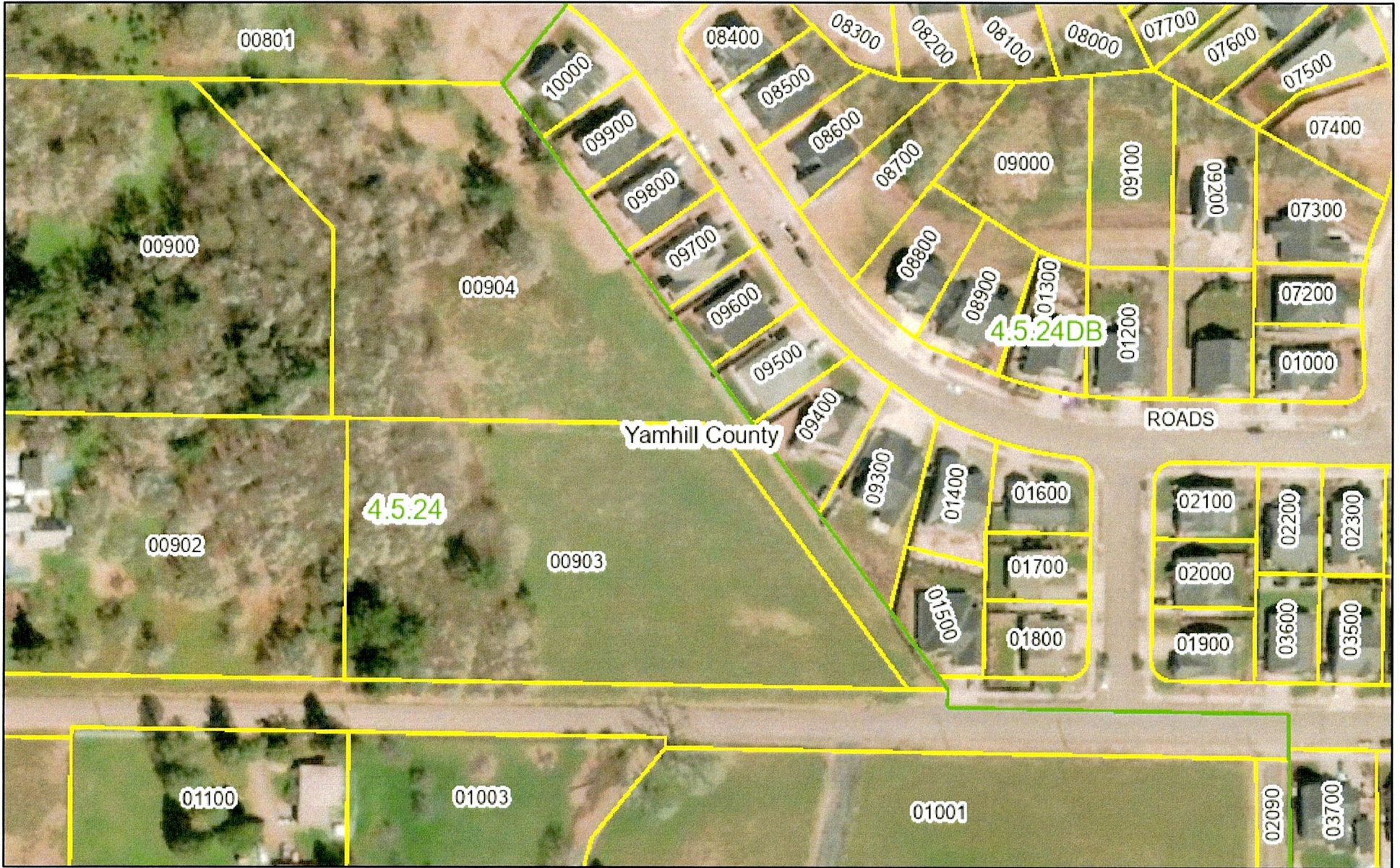
SW REDMOND HILL RD

SW REDM



123 248 45 207 Degrees

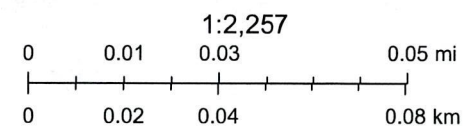
ArcGIS Web Map



8/30/2022, 10:42:18 AM

-  taxlot
-  mapIndex

CountyLines



Maxar, Microsoft, OREGON DOR, GEO

Julie Anderson

From: Steve L.Wendell <SLW@mc-power.com>
Sent: Monday, August 15, 2022 2:41 PM
To: Catherine Wright
Cc: Julie Anderson; Amy M. Gonzales; Mark Knutz
Subject: RE: Water Service Area

Catherine,

These city GIS documents do show most of the parcel within city limits.
I'm not familiar with any other parcel being both inside and outside city limits as shown.
I would think this would be a problem for property taxes & permitting.

However, since most of this lot is within city limits and our Zone 1 service limits, we should be able to provide water to these limits.

A McMinnville Water and Light water service/meter would need to be placed in the Redmond Hill Road Right-of-Way. The customer piping from this meter would be of considerable elevation change. Due to this potential for backpressure a Double Check would be required to protect the public water system at premises (meter).

Please let me know if you have additional questions,



From: Catherine Wright [mailto:Catherine@twslaw.net]
Sent: Monday, August 15, 2022 1:33 PM
To: Steve L.Wendell <SLW@mc-power.com>
Cc: Julie Anderson <Julie@twslaw.net>; Amy M. Gonzales <amg@mc-power.com>
Subject: RE: Water Service Area

Steve,



Legend

- = PROPERTY LINE
- = PROPOSED EASEMENT
- = UNDERGROUND POWER
- = SANITARY SEWER LINE
- = STORM DRAIN LINE
- = WATER LINE
- = LIGHT POLE
- = SANITARY SEWER MANHOLE
- = STORM DRAIN MANHOLE
- = STORM DRAIN CATCH BASIN
- = PHONE RISER

Tentative Partition Map for: **Jose Garcia**

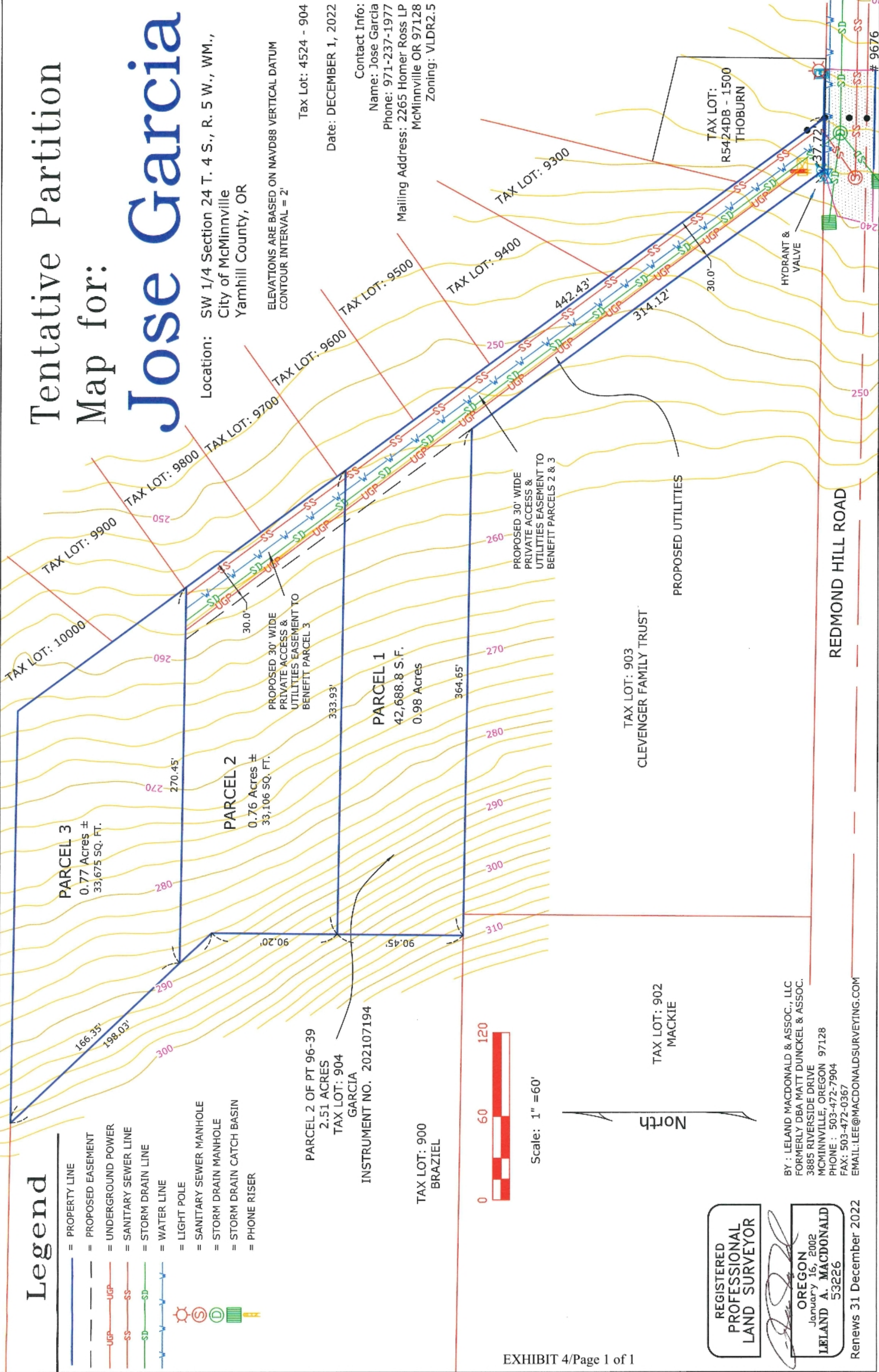
Location: SW 1/4 Section 24 T. 4 S., R. 5 W., WM.,
City of McMinnville
Yamhill County, OR

ELEVATIONS ARE BASED ON NAVD88 VERTICAL DATUM
CONTOUR INTERVAL = 2'

Tax Lot: 4524 - 904

Date: DECEMBER 1, 2022

Contact Info:
Name: Jose Garcia
Phone: 971-237-1977
Mailing Address: 2265 Homer Ross LP
McMinnville OR 97128
Zoning: VLDR2.5

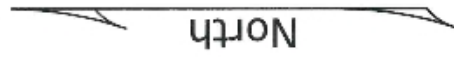


PARCEL 2 OF PT 96-39
2.51 ACRES
TAX LOT: 904
GARCIA
INSTRUMENT NO. 202107194

TAX LOT: 900
BRAZIEL



Scale: 1" = 60'



TAX LOT: 902
MACKIE

TAX LOT: 903
CLEVENGER FAMILY TRUST

PROPOSED UTILITIES

PROPOSED 30' WIDE
PRIVATE ACCESS &
UTILITIES EASEMENT TO
BENEFIT PARCELS 2 & 3

PROPOSED 30' WIDE
PRIVATE ACCESS &
UTILITIES EASEMENT TO
BENEFIT PARCEL 3

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
January 16, 2002
LELAND A. MACDONALD
53226

Renews 31 December 2022

BY : LELAND MACDONALD & ASSOC., LLC
FORMERLY DBA MATT DUNCKEL & ASSOC.
3885 RIVERSIDE DRIVE
MCMINNVILLE, OREGON 97128
PHONE : 503-472-7904
FAX: 503-472-0367
EMAIL: LEE@MACDONALDSURVEYING.COM

REDMOND HILL ROAD

TO: Planning Department

RE: Tax Lot R4524 00904

I am Linda Berlin, resident of Tax Lot 9800. Together as a group, the residents of the following tax lots: 9700, 9800, 9900 and 10000 ask for a public hearing regarding Docket MP 3-22 (tentative partition), Tax Lot R4524 00904, Applicant: Catherine A Wright.

We have the following concerns:

- Drainage:
 - There is an existing spring (shown in Blue) that runs from Lot No. 10000 down to approximately Lot No. 9500. Because of the spring we are requesting a drain system (shown in Red) installed, running the length of the proposal. It should continue to the Redmond Hill Road; otherwise those owners will be dealing with run off. See attached modified map.
 - We also are requesting that a drain ditch (shown in Green) be implemented to catch rain water and other runoff. See attached modified map.
- Confirmation of Various Items:
 - Will the lots be on city sewer or septic? Because of drainage issues, septic leaching would be a concern.
 - What is the setback for the proposed lots located to the West side of the access road?
 - During the construction of the access road will there be a dust abatement program implemented?
 - We request the access road to be paved. We also request the driveways be paved or concrete.

We feel the concerns are legitimate and hope to hear from you that there will be a public hearing for this specific proposal.

Sincerely,

Linda K Berlin

Linda K. Berlin

Proposed Partition:

Tentative Partition Map for: Jose Garcia

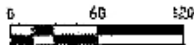
Location: SW 1/4 Section 24 T. 4 S., R. 5 W., WM,
City of McMinnville
Yamhill County, OR

Legend

- PROPERTY LINE
- PROPOSED PROPERTY LINE
- PROPOSED BASEMENT

PARCEL 2 OF FT 96-30
2.51 ACRES
TAX LOT: 901
GARCIA
INSTRUMENT NO. 202107134

TAX LOT: 900
FRANZEL



Scale: 1" = 60'

North

TAX LOT: 902
MACKIE

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
January 26, 2002
LELAND A. MACDONALD
53226
Revises 31 December 2022

BY: LELAND MACDONALD R.A.S.S.D.C., LLC
FORMERLY DBA MATT BUCKEL & ASSOC.
3955 SPENGLER DRIVE
MCMINNVILLE, OREGON 97138
PHONE: 503-428-7704
FAX: 503-428-0267
EMAIL: LAM@MACDONALDSURVYING.COM

PARCEL 3
321705.F.
0.744 acres

PARCEL 2
307916.F.
0.711 acres

PARCEL 1
165535.F.
1.074 acres

SPRING

DRAIN
TAX LOT: 903
CLEVENGER FAMILY TRUST

WEST SIDE OF ROAD DITCH

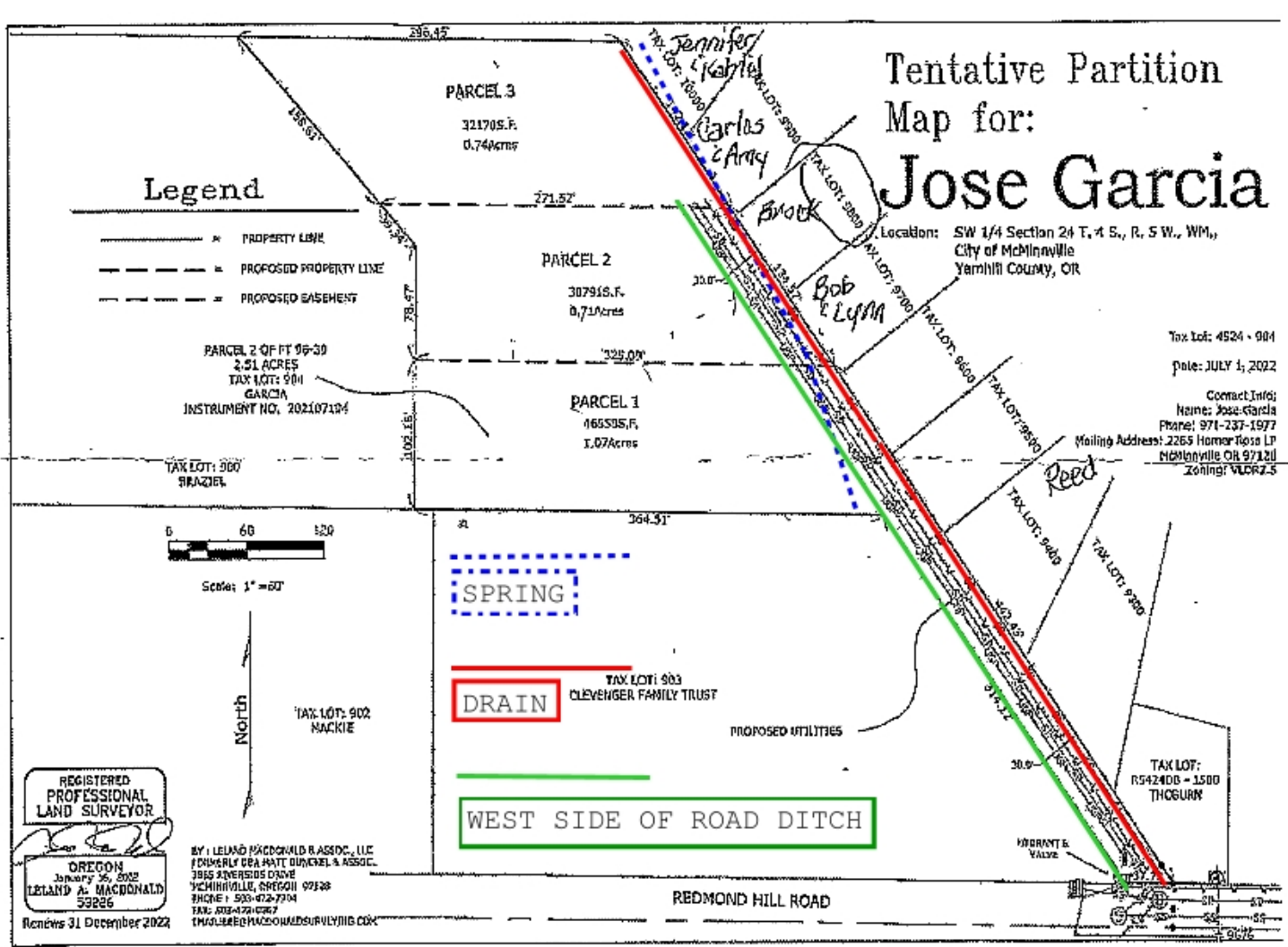
PROPOSED UTILITIES

REDMOND HILL ROAD

Tax Lot: 4524 - 984

Date: JULY 4, 2022

Contact Info:
Name: Jose Garcia
Phone: 971-237-1977
Mailing Address: 2265 Homar Vista LP
McMinnville OR 97121
Zoning: VUCR2.5



DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF A TENTATIVE PARTITION FOR TAX LOT R4524-00904


- DOCKET:** MP 3-22 (Tentative Partition)
- REQUEST:** Approval for a Tentative Partition (MP 3-22) to partition an approximately 94,525 square foot (2.17 acre) parcel of land into three (3) parcels, approximately 42,688 square feet (0.98 acres), 33,675 square feet (0.77 acres), and 33,106 square feet (0.76 acres).
- LOCATION:** Site does not yet have an address, see attached map (Tax Lot R4524-00904)
The property has a flag lot accessing Redmond Hill Road
- ZONING:** The property is split by City limits. The portion inside City limits is zoned R-1 (Low Density Residential Zone)
- APPLICANT:** Catherine A. Wright
- STAFF:** Adam Tate, Associate Planner
- DATE DEEMED COMPLETE:** December 15, 2022
- DECISION MAKING BODY & ACTION:** The McMinnville Planning Commission will make the final decision as a neighboring property owner called for a hearing before them. The decision of the Planning Commission is appealable to the City Council.
- DECISION DATE & LOCATION:** March 2, 2023. Kent L. Taylor Civic Hall, 200 NE 2nd Street, McMinnville, Oregon.
- PROCEDURE:** An application for a Tentative Partition is processed in accordance with the procedures in Section 17.72.110 of the Zoning Ordinance.
- CRITERIA:** The applicable criteria for a Tentative Partition are specified in Section 17.53.060 of the Zoning Ordinance. In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. "Proposals" specified in Volume II are not mandated, but are to be undertaken in relation to all applicable land use requests.
- APPEAL:** As specified in Section 17.72.180 of the Zoning Ordinance, the Planning Commission's decision may be appealed to the City Council within fifteen (15) calendar days of the date the written notice of decision is mailed. The City's final decision is subject to the 120 day processing timeline, including resolution of any local appeal.

COMMENTS: This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, Public Works Department, Wastewater Services, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Planning Department; Frontier Communications; Comcast; Recology; Oregon Department of State Lands; and Northwest Natural Gas. Their comments are provided in this document.

DECISION

Based on the findings and conclusionary findings, the Planning Commission finds the applicable criteria are satisfied with conditions and **APPROVES** the Tentative Partition (MP 3-22), **subject to the conditions of approval provided in Section II of this document.**

//
DECISION: APPROVAL WITH CONDITIONS
 //////////////////////////////////////

Planning Department:  Date: February 23, 2022
 Heather Richards, Planning Director

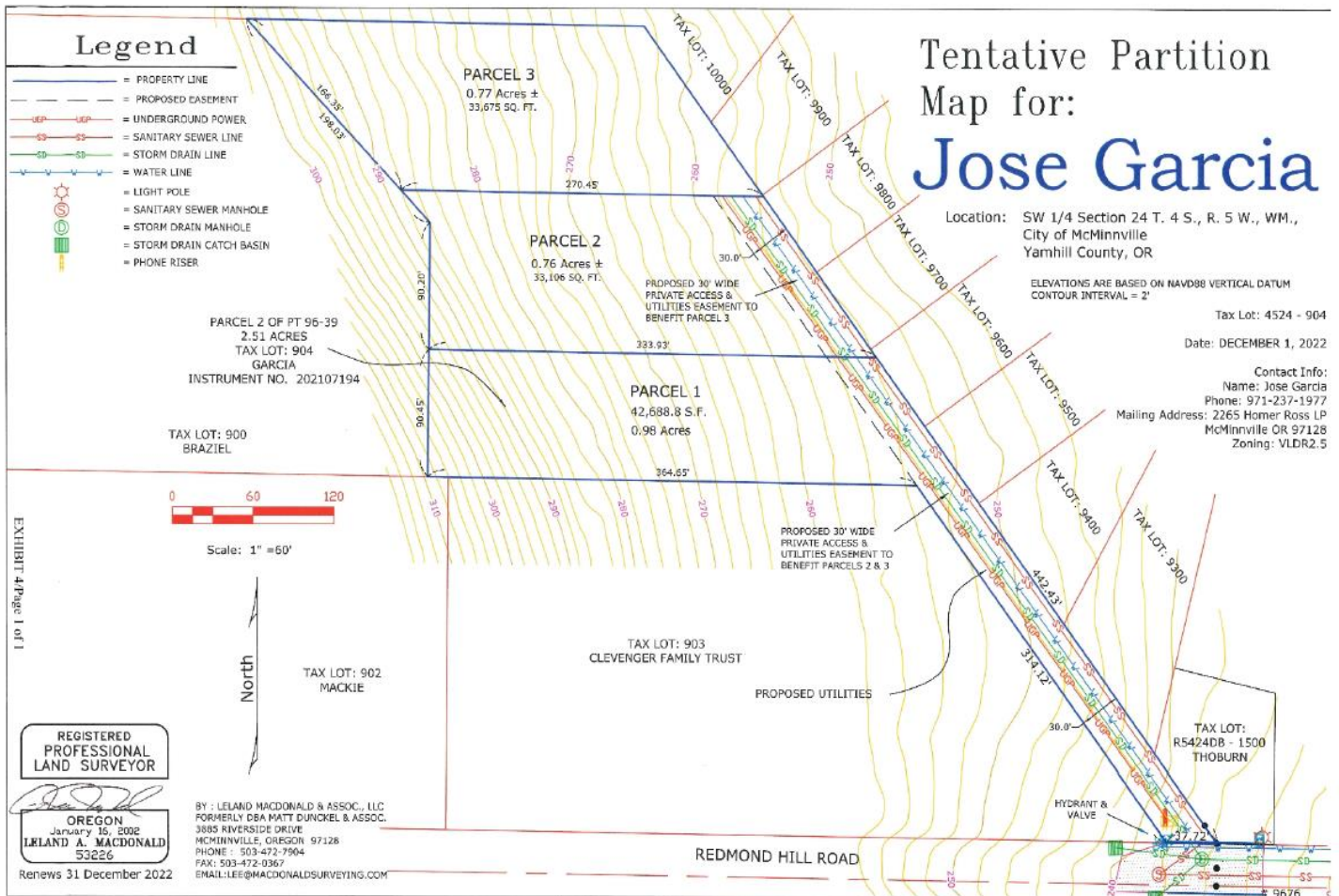
-
- Attachments**
1. MP 3-22 Application and Attachments
 2. Letter from Linda Berlin asking for a Public Hearing

I. APPLICATION SUMMARY:

Subject Property & Request

The proposal is an application for a Tentative Partition (MP 3-22) to partition an approximately 94,525 square foot (2.17 acre) parcel of land into three (3) parcels, approximately 42,688 square feet (0.98 acres), 33,675 square feet (0.77 acres), and 33,106 square feet (0.76 acres). None of the proposed parcels are in the floodplain. **See Applicant’s Proposed Partition Plan, Figure 1 below.**

Figure 1. Applicant’s Proposed Partition Plan



The subject site does not yet have an address, it is identified as Tax Lot R4524-00904.

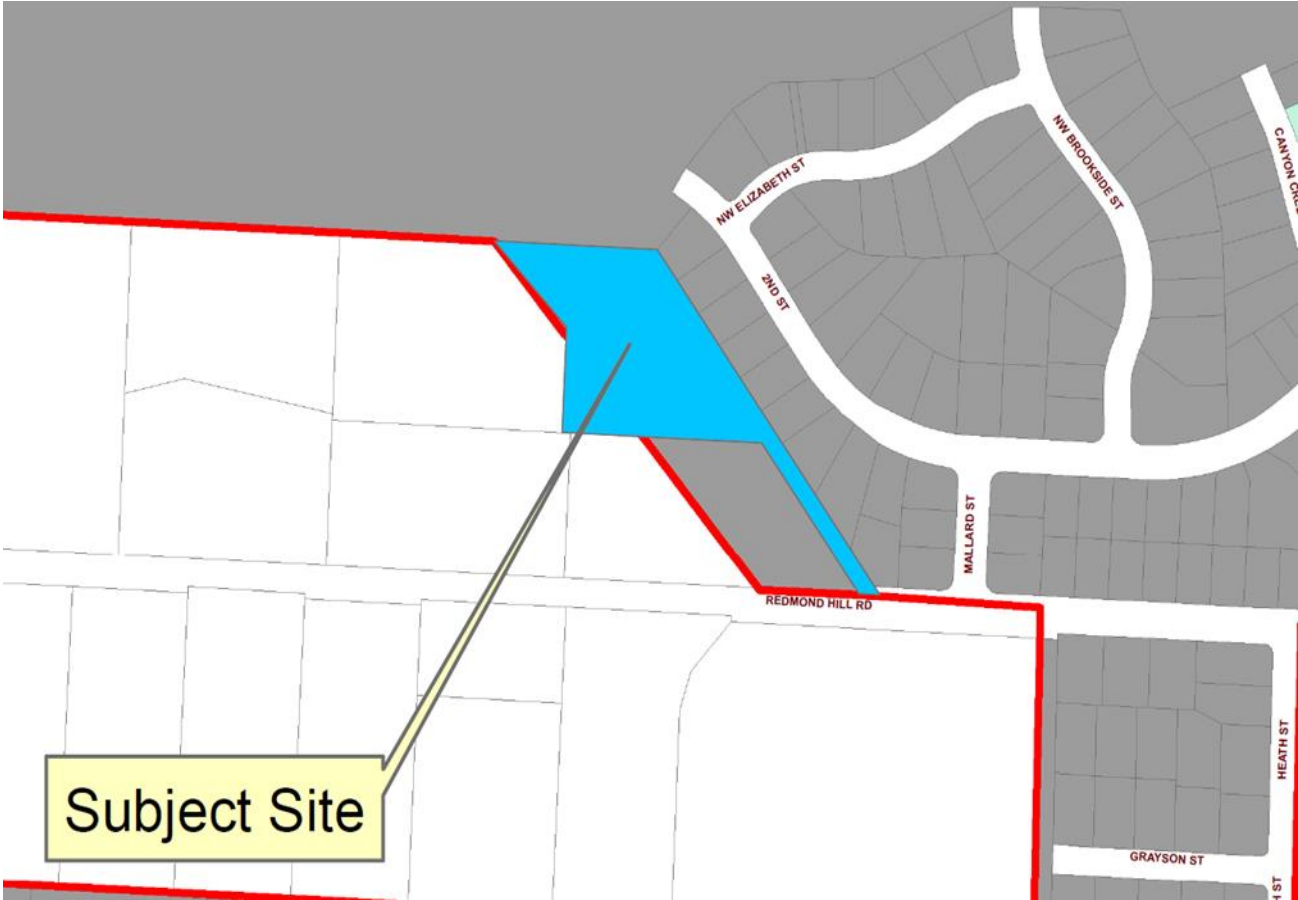
The subject property is located north of Redmond Hill Rd. just west of the West Hills neighborhood park, near the very edge of the city. The site is quite sloped, rising in elevation from the east at around 250 feet to the west to nearly 300 feet which is a significant amount. The subject property is split by City limits. The portion within City limits is zoned R-1 (Low Density Residential). No structures currently exist on the site.

See Vicinity Map (Figure 2), and Zoning Map (Figure 3) below.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

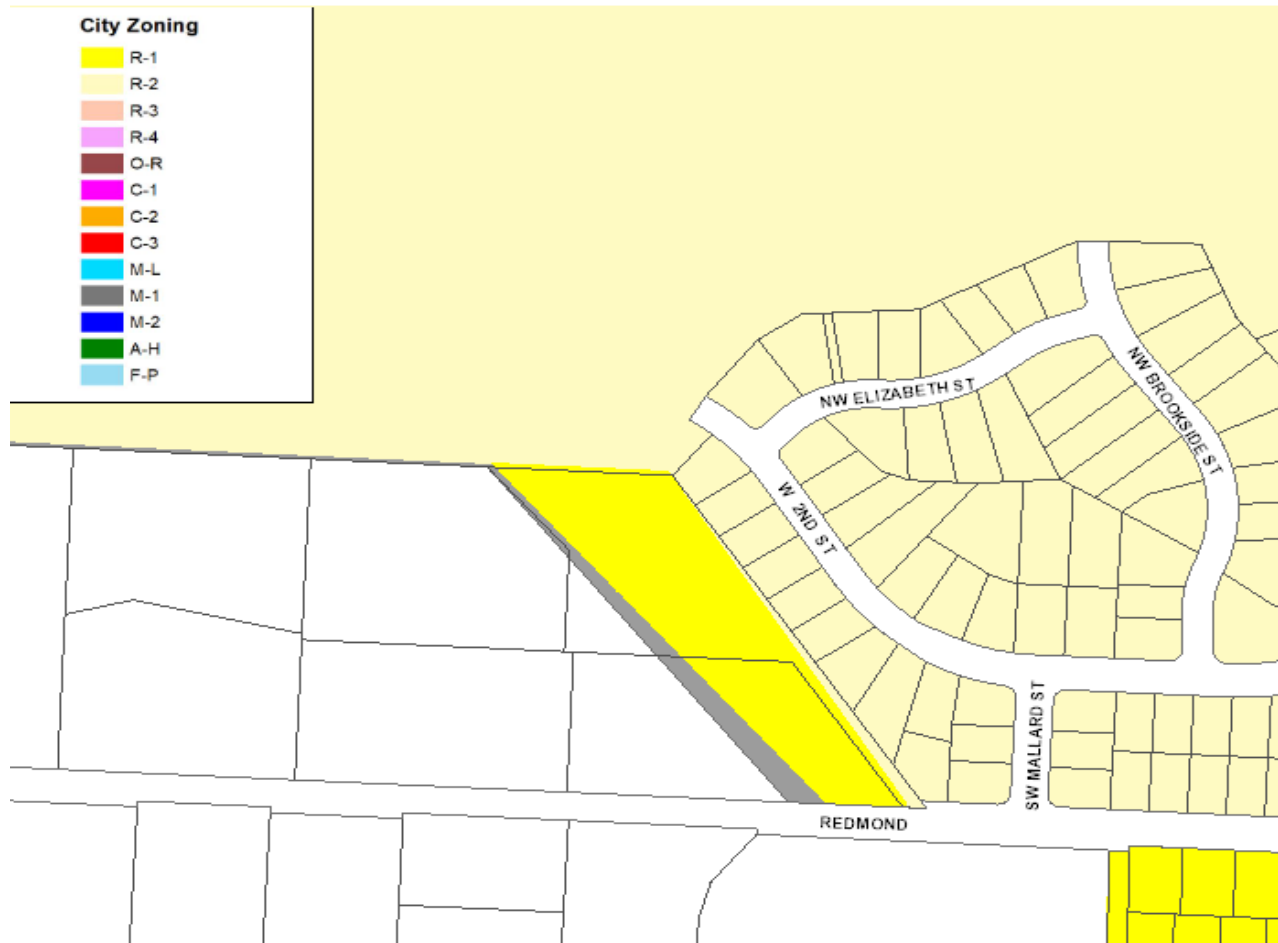
Figure 2. Vicinity Map



Attachments

- 1. MP 3-22 Application and Attachments
- 2. Letter from Linda Berlin asking for a Public Hearing

Figure 3. Zoning Map



Summary of Criteria

The application is subject to the standards and procedures established in Chapter 17.53 (Land Division Standards) of the Zoning Ordinance, which are intended to “[...] provide uniform procedures and standards for the subdivision and partitioning of land, and adjustment of property lines; to assure adequate width and arrangement of streets; to coordinate proposed development with plans for utilities and other public facilities; to avoid undue congestion of population; to assure adequate sanitation and water supply; to provide for the protection, conservation, and proper use of land; to secure safety from fire, flood, slides, pollution, drainage or other dangers; to provide adequate light and air, recreation, education, and adequate transportation; to promote energy conservation; to protect in other ways the public health, safety, and welfare; and to promote the goals and policies of the McMinnville Comprehensive Plan.” The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

The specific criteria for reviewing tentative partition plans is Section 17.53.060 the McMinnville Municipal Code per below. As a Type II land-use application, the criteria are clear and objective, and if the criteria are achieved than the application needs to be approved.

17.53.060 Submission of Tentative Partition Plan. An application to partition land shall be submitted in accordance with the application submittal procedures as stated in Sections 17.72.020 through 17.72.070 and shall be reviewed and approved under the following procedure:

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

- A. There shall be submitted to the Planning Department, a completed tentative partition application, applicable fees, and 15 (fifteen) copies of a tentative partition plan drawn to scale with sufficient information to show the following:
1. The date, north point, scale, a copy of recorded deed, and any conveyed rights to define the location and boundaries of the parcels to be partitioned;
 2. Name, address and phone number of the recorded owner(s), authorized agents or representatives, engineer or surveyor, and any assumed business names filed or to be filed by the applicant with the Corporation Commission;
 3. Approximate size of the parcel under a single ownership or, if more than one ownership is involved, the total contiguous acreage of all owners of land directly involved in the partitioning;
 4. For land adjacent to and within the parcel to be partitioned, show locations, names, and existing widths of all streets and easements of way; locations, width, and purpose of all other existing easements; and location and size of sewer and water lines and drainage ways;
 5. Outline and location of existing buildings to remain in place;
 6. Parcel layout showing size and relationship to existing or proposed streets and utility easements;
 7. Location and dimension of any existing or planned curb-side planting strip which may border the subject site. (Amended 12/9/97 by Ordinance 4654B.)
 8. A Title Report or Partition Guarantee prepared within 60 (sixty) days of the application date.
 9. Contour lines related to City datum and having minimum intervals of two (2) feet.
 10. Location and direction of water courses, and the location of areas within the 100-year floodplain as indicated on the most recent Flood Insurance Rate Maps as prepared by the Federal Emergency Management Agency.
 11. Location of any natural features such as rock outcroppings, designated wetlands, wooded areas, and natural hazards.
 12. Source, method and preliminary plans for domestic and other water supplies, sewage disposal, storm water disposal and other drainage facility plans, and all other utilities.
 13. Such additional information as required by the Planning Director.
- B. Upon receiving a complete application for a partition, notification and review shall be provided as stated in Section 17.72.110. The Director's decision shall be based upon a finding that the tentative plan substantially conforms to the requirements of this chapter.
- C. The Planning Director may require such dedication of land and easements and may specify such conditions or modifications in the plan as are deemed necessary to carry out the McMinnville Comprehensive Plan. In no event, however, shall the Planning Director require greater dedications or conditions than could be required if the entire parcel were subdivided.
1. If the parcel of land to be partitioned, being large in size, shall be divided into more than three parcels within any one calendar year, full compliance with all requirements for a subdivision plat may be required if the Planning Director should determine, in his judgment, that the entire parcel is in the process of being subdivided.
 2. Where a parcel is proposed to be divided into units of one acre or more, the Planning Director shall require an arrangement of parcels and streets such as to permit future partitions or subdivision in conformity to the street requirements and other requirements contained in this ordinance. Refer to Section 17.53.080 for future development plan requirements.
 3. For notice of decision, effective date of decision and the appeal process, refer to Chapter 17.72 (Applications and Review Process).
 4. The effective date of the Planning Director's decision shall be 15 (fifteen) calendar days following the date the notice of decision is mailed unless an appeal is filed.
- D. Approval of a Tentative Partition Plat shall be valid for a one-year period from the effective date of approval. Upon written request, the Director may approve a one-year extension of the decision. Additional extensions shall require the approval of the Planning Commission.

Additionally, as required by the Land Division Standards, lots created by partition are required to conform to the zoning requirements of the area. The R-1 (Low Density Residential) zone has a minimum lot size of 9,000 square feet.

Utilities are required to be provided to each proposed parcel, and the proposed partition indicates utilities are, or can be, provided to each parcel.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

Proposed lots are also required to either abut public streets or to have private access easements that access public streets in order to provide vehicular access to the proposed parcels.

Proposed Parcels 1, 2 and 3 are provided access through a proposed 30-foot wide private access and utility easement on the east side of the current parcel that accesses Redmond Hill Road.

Summary of Issues:

Drainage.

Neighbor Linda K. Berlin in her letter addressed she and other neighbors' concerns about drainage, her points are below:

There is an existing spring (shown in blue) that runs from Lot No. 10000 down to approximately Lot No. 9500. Because of the spring we are requesting a drain system (shown in red) installed, running the length of the proposal. It should continue to the Redmond Hill Road; otherwise those owners will be dealing with runoff. See attached modified map.

We are also requesting that a drain ditch (shown in green) be implemented to catch rainwater and other runoff. See attached map.

Questions from Neighbors

The letter from Linda Berlin also had a list of questions about the proposed parcels which are listed below:

1. Will the lots be on the city sewer or on septic? Drainage issues/septic leaching would be a concern.
2. What is the setback for the proposed lots located to the west side of the access road?
3. During the construction of the access road will there be a dust abatement program implemented?
4. We request the access road to be paved. We also request the driveways be paved or concrete.

II. CONDITIONS:

1. That the applicant shall record a private access and utility easement for all proposed parcels as represented on the Tentative Partition Plan.
2. That the applicant shall provide a storm drainage plan for all proposed parcels including any easements necessary from the parcel to point of discharge. As noted by Engineering that each new parcel will require its own individual sanitary and storm sewer service.
3. That the applicant shall provide a sewer access plan for all proposed parcels including any easements necessary from the parcel to point of discharge as noted by Engineering that each new parcel will require its own individual sanitary and storm sewer service.
4. That the applicant shall obtain agency permits (DEQ, DSL, ACOE etc.) as necessary, and provide copies of approved permits to the City, prior to any permit issuance or site disturbance for the installation of the storm drainage facilities for all proposed parcels.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

5. That the applicant shall obtain agency permits (DEQ, DSL, ACOE etc.) as necessary, and provide copies of approved permits to the City, prior to any permit issuance or site disturbance for the installation of the sewer service for all proposed parcels.
6. That existing trees with trunks partially or wholly within Parcels 1, 2 and 3 of the partition and the access easement are subject to the provisions of Chapter 17.58 – “Trees” of the McMinnville Municipal Code, and shall not be removed by the applicant without prior review and written approval by the Planning Director, pursuant to Chapter 17.58.

The applicant shall submit information identifying trees greater than nine inches DBH. Trees greater than nine inches DBH will not be approved for removal unless a certified arborist determines that they are diseased, dying, or dead, or the developer demonstrates that practical development of an approved lot, or required public improvements (i.e., streets, sidewalks, and public utilities), will adversely impact the survival of such tree or trees. In addition, all trees that are not to be removed shall be protected during the construction of all public improvements and residential development in the approved partition. A plan for such tree protection approved by the Planning Director shall be submitted with construction and/or building permit applications prior to release of construction or building permits within the subject site. Surrounding property owners will be notified of any tree removal request utilizing the same notification standards as those outlined in Chapter 17.72 of the McMinnville Municipal Code for minor partitions.

7. That all drainage concerns addressed by the Engineering’s comments regarding all pre, during and post construction storm water must be directed to the City’s stormwater system in accordance with Oregon Drainage Law.
8. That frontage improvements will need to be made to City standards upon development (curb and gutter, driveway approach, and sidewalks).
9. If any development (structural or driveway) is proposed for a slope of 15% or greater, a geo technical report will be required to mitigate the potentiality of land slide hazards, and any resulting recommendation of that report will need to be incorporated into the construction project.
10. The property shall be subject to an annexation agreement that requires annexation of the portion outside City limits at such time as the adjoining property annexes to avoid an island of unincorporated territory.
11. No development that connects to City services shall occur on the portion of the property outside City limits unless the property is annexed.

Final Partition Plat and Approval:

12. That two (2) copies of the final partition plat mylars shall be submitted to the City Engineer for the appropriate City signatures. The signed plat mylars will be released to the applicant for delivery to McMinnville Water and Light and the County for appropriate signatures and for recording.
13. That this partition will not be considered a legal partition until such time that a copy of the recorded document is provided to the City of McMinnville’s Planning Department.
14. That approval of this tentative plat will expire 12 (twelve) months after the effective date of decision. If the final plat has not been submitted prior to expiration of the tentative plat, or a written request for an extension of this approval has not been submitted and approved within

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

that same period, the applicant must resubmit a tentative plat for further consideration and comply with regulations and conditions applicable at that time.

III. ATTACHMENTS:

1. MP 3-22 Application and Attachments (on file with the Planning Department)
2. Letter and map from Linda K. Berlin.

IV. COMMENTS:

Agency Comments

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, Public Works Department, Wastewater Services, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Planning Department; Frontier Communications; Comcast; Recology; Oregon Department of State Lands; and Northwest Natural Gas. The following comments were received:

- McMinnville Water & Light

Power: This project may require an extension agreement. Design application per lot fees required.

Water: Residential Design application and per lot fees required to provide water service and meter cost estimate.

- McMinnville Engineering Department

Frontage improvements will need to be made to City standards upon development (curb and gutter, driveway approach, and sidewalks).

All pre, during and post construction storm water must be directed to the City's stormwater system in accordance with Oregon Drainage Law.

“2.2 Oregon Drainage Law

Oregon drainage law, which originates from common law or case law, has developed without legislative action, and it is embodied in the decisions of the courts. Therefore, there are no Oregon Revised Statutes to cite pertaining to Oregon drainage law.

Oregon has adopted the civil law doctrine of drainage. Under this doctrine, adjoining landowners are entitled to have the normal course of natural drainage maintained. The lower owner must accept water that naturally comes to his land from above, but he is entitled to not have the normal drainage changed or substantially increased. The lower landowner may not obstruct the runoff from the upper land if the upper landowner is properly discharging the water.

For a landowner to drain water onto lands of another in the State of Oregon, one of two conditions must be satisfied initially: (1) the lands must contain a natural drainage course; or, (2) the landowner must have acquired the right of drainage supported by valuable consideration (i.e. a purchased drainage easement). In addition, because Oregon has adopted the civil law doctrine of drainage, the following three basic elements must be followed.

1. A landowner may not divert water onto adjoining land that would not otherwise have flowed

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

there. "Divert water" includes but is not necessarily limited to:

- a. water diverted from one drainage area to another, and,
- b. water collected and discharged which normally would infiltrate into the ground, pond, and/or evaporate.

2. The upper landowner may not change the place where the water flows onto the lower owner's land. (Most of the diversions not in compliance with this element result from grading and paving work and/or improvements to water collection systems.)

3. The upper landowner may not accumulate a large quantity of water, then release it, greatly accelerating the flow onto the lower owner's land. This does not mean that the upper landowner cannot accelerate the water at all; experience has found the drainage to be improper only when the acceleration and concentration were substantially increased.

Subsurface waters which percolate to the surface can be intercepted and diverted for the protection of the highway without regard for the loss of these waters to the adjacent landowners. In those cases where wells and springs are involved, the right-of-way agent should contact the affected owner(s) to prevent any misunderstanding over damage that could be claimed.

Drainage designs should satisfy Oregon drainage law to avoid claims or litigation resulting from improper drainage design. When it is apparent that the drainage design will not satisfy the law, then drainage easements should be obtained from the affected property owners. The legal staff should be consulted in those situations that appear to be unique and could result in litigation.

Where certain drainage patterns have been established over long periods of time (i.e. in excess of at least 10 years), that are not the original natural drainage, there may be legal rights acquired which allow the continuance of the altered drainage pattern. Again, legal staff should be consulted in such situations."

Public Comments

Notice of this request was mailed to property owners located within 100 feet of the subject site. As of the date of the issuance of this Decision Document to the Planning Director, the following public testimonies have been received by the Planning Department:

1. Letter from Linda K. Berlin, a neighboring property owner representing herself and other property owners concerned about drainage issues, calling for a public hearing. Her letter is attached and map she provided are attached.

V. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. The applicant, Catherine A. Wright, submitted the Tentative Partition application on October 4, 2022. The application was paid on October 12, 2022.
2. The application was deemed incomplete on October 28, 2022, because the application was lacking critical information and a revised partition map. The requested materials were received, and the application was deemed complete on December 15, 2022. Based on that date, the 120 day land-use decision time limit was April 14, 2023, however, the applicant requested an 60 day extension so the new 120 day land-use decision deadline is now June 14, 2023.
3. Notice of the application was referred to the following public agencies for comment in accordance with Section 17.72.110 of the Zoning Ordinance: McMinnville Fire Department,

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

Police Department, Engineering Department, Building Department, Parks Department, Public Works Department, Waste Water Services, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Planning Department; Frontier Communications; Comcast; Recology; Oregon Department of State Lands; and Northwest Natural Gas.

Comments received from agencies are addressed in Section IV of the Decision Document.

4. Notice of the application was mailed to property owners within 100 feet of the subject property in accordance with Section 17.72.110 of the Zoning Ordinance.

Public testimonies received by the Planning Department with the public comment period are addressed in Section IV of the Decision Document.

5. One of the neighboring property owners, Linda K. Berlin requested a public hearing before the Planning Commission for the application.
6. A duly noticed public hearing of the McMinnville Planning Commission will be held on March 2, 2023, in order for the Commission to render a decision on the application.

VI. FINDINGS OF FACT - GENERAL FINDINGS

1. **Location:** Site does not yet have an address. (Tax Lot R4524-00904)
2. **Size:** 2.17 acres
3. **Comprehensive Plan Map Designation:** Residential
4. **Zoning:** R-1 (Low Density Residential)
5. **Overlay Zones/Special Districts:** None.
6. **Current Use:** None.
7. **Inventoried Significant Resources:**
 - a. **Historic Resources:** None
 - b. **Other:** Applicant needs to identify trees over 9 DBH
8. **Other Features:**
 - a. **Slopes:** Fairly steep slopes rising around 50 feet from the eastern edge of the property to the western edge.
 - b. **Easements:** There are no existing easements at the site. The applicant has proposed a 30-foot wide access and utility easement running along the eastern edge of the property.
9. **Utilities:**
 - a. **Water:** The property does not currently have water.
 - b. **Electric:** The property does not currently have electricity.
 - c. **Sewer:** The property does not currently have sewer service. Each new parcel will require its own individual sanitary and storm sewer service.
 - d. **Stormwater:** The property does not currently have stormwater. Each new parcel will require its own individual sanitary and storm sewer service.
 - e. **Other Services:** Other services are available to the property. Overhead utilities are present along the south side of Redmond Hill Rd. adjacent to the property.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

10. **Transportation:** Redmond Hill Rd. is classified as a Local Residential Street in the Transportation System Plan (TSP). The existing Street right-of-way adjacent to the site is approximately 50 feet wide. The paved street width varies, there are no sidewalks or planter strips present adjacent to the site.

VII. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application. The applicable criteria for a Minor Partition are specified in Chapter 17.53 of the Zoning Ordinance.

In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. "Proposals" specified in Volume II are not mandated, but are to be undertaken in relation to all applicable land use requests.

Comprehensive Plan Volume II:

The implementation of most goals, policies, and proposals as they apply to this application are accomplished through the provisions, procedures, and standards in the city codes and master plans, which are sufficient to adequately address applicable goals, policies, and proposals as they apply to this application.

The following additional findings are made relating to specific Goals and Policies:

GOAL V 2: TO PROMOTE A RESIDENTIAL DEVELOPMENT PATTERN THAT IS LAND INTENSIVE AND ENERGY-EFFICIENT, THAT PROVIDES FOR AN URBAN LEVEL OF PUBLIC AND PRIVATE SERVICES, AND THAT ALLOWS UNIQUE AND INNOVATIVE DEVELOPMENT TECHNIQUES TO BE EMPLOYED IN RESIDENTIAL DESIGNS.

Policy 80.00 In proposed residential developments, distinctive or unique natural features such as wooded areas, isolated preservable trees, and drainage swales shall be preserved wherever feasible.

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The proposed minor partition will create a flag lot, and two additional lots, creating the opportunity for new housing and density in the area.

Urban Policies:

Policy 99.00 An adequate level of urban services shall be provided prior to or concurrent with all proposed residential development, as specified in the acknowledged Public Facilities Plan. Services shall include, but not be limited to:

- 1. Sanitary sewer collection and disposal lines. Adequate municipal waste treatment plant capacities must be available.*
- 2. Storm sewer and drainage facilities (as required).*
- 3. Streets within the development and providing access to the development, improved to city standards (as required).*
- 4. Municipal water distribution facilities and adequate water supplies (as determined by City Water and Light).*

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED WITH CONDITIONS OF APPROVAL #1-8. The Tentative Partition Map indicates proposed provision of water, electricity, and sanitary sewer to proposed Parcels 1, 2 and 3. Conditions of approval are included to require storm drainage plans and installation of storm drainage facilities prior to approval of the final partition plat.

All three new parcels are accessed with private access easements which is an allowed in the McMinnville Municipal Code under Section 17.53.100(C), “Creation of Streets”, whereby,

Section 17.53.100(C), “An easement providing access to property, and which is created to allow the partitioning of land for the purpose of lease, transfer of ownership, or building development, whether immediate or future, shall be in the form of a street in a subdivision, except that a private easement to be established by deed without full compliance with these regulations may be approved by the Planning Director under the following conditions:

1. If it is the only reasonable method by which the rear portion of a lot being unusually deep or having an unusual configuration that is large enough to warrant partitioning into two more new parcels, i.e., a total of not more than three (3) parcels including the original may then exist, that may be provided with access and said access shall be not less than 15 (fifteen) feet in width and shall have a hard surfaced drive of 10 (ten) feet width minimum;
2. The Planning Director shall require the applicant to provide for the improvement and maintenance of said access way, and to file an easement for said access way which includes the right to passage and the installation of utilities. Such requirements shall be submitted to and approved by the City Attorney.
3. Access easements shall be the preferred form of providing access to the rear lots created by partition if the alternative is the creation of a flag lot.

Parcels 1, 2 and 3 will be accessed by a proposed 30-foot wide easement designed to also bring utilities to the newly created parcels.

GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER.

Policy 132.29.05 Off-site improvements to streets or the provision of enhanced pedestrian and bicycle facilities in the McMinnville planning area may be required as a condition of approval for land divisions or other development permits.

Policy 132.40.05 Conditions of Approval – In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:

- 1. Improvement of on-site transportation facilities,*
- 2. Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards; and [...]*

Policy 132.62.00 TSP as Legal Basis – The City of McMinnville shall use the McMinnville TSP as the legal basis and policy foundation for actions by decision makers, advisory bodies, staff, and citizens in transportation issues. The goals, objectives, policies, implementation strategies, principles, maps, and recommended projects shall be considered in all decision-making processes that impact or are impacted by the transportation system.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

Policy 132.62.05 TSP Policies – The City of McMinnville shall use the McMinnville TSP to:

- 1. Describe the classification or function of all streets within the McMinnville planning area. Policies found in the Plan shall be used to develop connective local street circulation patterns.*
- 2. Require new development to provide adequate accessibility, as defined by the McMinnville Zoning Ordinance, for all travel modes within a development and in coordination with existing and other proposed development. Street design standards in the McMinnville Zoning Ordinance are to be used to secure adequate public street and sidewalk facilities. [...]*

Policy 132.62.20 TSP Use in Review of Land Use Actions – The City of McMinnville shall consider and apply the goals, policies, planning principles, recommended projects, implementation strategies, and maps contained in McMinnville TSP in the review of land use actions and development applications.

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE

GOAL VII 1: TO PROVIDE NECESSARY PUBLIC AND PRIVATE FACILITIES AND UTILITIES AT LEVELS COMMENSURATE WITH URBAN DEVELOPMENT, EXTENDED IN A PHASED MANNER, AND PLANNED AND PROVIDED IN ADVANCE OF OR CONCURRENT WITH DEVELOPMENT, IN ORDER TO PROMOTE THE ORDERLY CONVERSION OF URBANIZABLE AND FUTURE URBANIZABLE LANDS TO URBAN LANDS WITHIN THE McMINNVILLE URBAN GROWTH BOUNDARY.

Policy 153.00 The City of McMinnville shall continue coordination between the planning and fire departments in evaluating major land use decisions.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The McMinnville Fire Department was provided the opportunity to review and comment on the application.

GOAL VII 3: TO PROVIDE PARKS AND RECREATION FACILITIES, OPEN SPACES, AND SCENIC AREAS FOR THE USE AND ENJOYMENT OF ALL CITIZENS OF THE COMMUNITY.

163.05 The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain. Linear parks, greenways, open space, trails, and special use parks are appropriate recreational uses of floodplain land to connect community and other park types to each other, to neighborhoods, and services, provided that the design and location of such uses can occur with minimum impacts on such environmentally sensitive lands. (Ord. 4840, January 11, 2006)

164.00 The City of McMinnville shall continue to acquire floodplain lands through the provisions of Chapter 17.53 (Land Division Standards) of the zoning ordinance and other available means, for future use as natural areas, open spaces, and/or parks.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

165.00 *The City of McMinnville shall acquire park sites in advance of needs; however, purchase of lands should be closely examined in the light of current costs of land, park maintenance, personnel services, and the existing parks development priorities.*

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE.

GOAL IX 2: TO ESTABLISH A LAND USE PLANNING FRAMEWORK FOR APPLICATION OF THE GOALS, POLICIES, AND PROPOSALS OF THE McMINNVILLE COMPREHENSIVE PLAN

GREAT NEIGHBORHOOD PRINCIPLES

Policy 187.10 The City of McMinnville shall establish Great Neighborhood Principles to guide the land use patterns, design, and development of the places that McMinnville citizens live, work, and play. The Great Neighborhood Principles will ensure that all developed places include characteristics and elements that create a livable, egalitarian, healthy, social, inclusive, safe, and vibrant neighborhood with enduring value, whether that place is a completely new development or a redevelopment or infill project within an existing built area.

Policy 187.20 The Great Neighborhood Principles shall encompass a wide range of characteristics and elements, but those characteristics and elements will not function independently. The Great Neighborhood Principles shall be applied together as an integrated and assembled approach to neighborhood design and development to create a livable, egalitarian, healthy, social, inclusive, safe, and vibrant neighborhood, and to create a neighborhood that supports today’s technology and infrastructure, and can accommodate future technology and infrastructure.

Policy 187.30 The Great Neighborhood Principles shall be applied in all areas of the city to ensure equitable access to a livable, egalitarian, healthy, social, inclusive, safe, and vibrant neighborhood for all McMinnville citizens.

Policy 187.40 The Great Neighborhood Principles shall guide long range planning efforts including, but not limited to, master plans, small area plans, and annexation requests. The Great Neighborhood Principles shall also guide applicable current land use and development applications.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The application is a current land-use application for a Minor Partition of the subject site, and Great Neighborhood Principles policies are applicable.

Policy 187.50 The McMinnville Great Neighborhood Principles are provided below. Each Great Neighborhood Principle is identified by number below (numbers 1 – 13), and is followed by more specific direction on how to achieve each individual principle.

1. *Natural Feature Preservation. Great Neighborhoods are sensitive to the natural conditions and features of the land.*
 - a. *Neighborhoods shall be designed to preserve significant natural features including, but not limited to, watercourses, sensitive lands, steep slopes, wetlands, wooded areas, and landmark trees.*

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED WITH CONDITION OF APPROVAL. No significant natural features are identified on the proposed parcels of the tentative partition other than the steep slope. The applicant needs to inventory trees over 9 DBH.

11. Housing for Diverse Incomes and Generations. Great Neighborhoods provide housing opportunities for people and families with a wide range of incomes, and for people and families in all stages of life.

a. A range of housing forms and types shall be provided and integrated into neighborhoods to provide for housing choice at different income levels and for different generations.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The proposed partition would create three new buildable lots. This type of development can help provide a variety of housing choice at different income levels for different generations.

GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMinnville.

Policy 188.00 The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The process for a Tentative Partition provides an opportunity for citizen involvement through the public notice and comment period. Throughout the process, there are opportunities for the public to review and obtain copies of the application materials prior to the McMinnville Planning Director’s review of the request and request a hearing as occurred. All members of the public have access to provide testimony and ask questions during the public review process.

McMinnville Municipal Code

The following Sections of the McMinnville Municipal Code provide criteria applicable to the request:

Chapter 17.12 R-1 Low Density Residential Zone

17.12.030 Lot Size. In an R-1 zone, the lot size shall not be less than nine thousand square feet except as provided in Section 17.11.070(C), Table 1(C), Townhouses, of this title. (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

APPLICANT’S RESPONSE: All proposed parcels will be less than one acre, but are all large enough to meet the setbacks for the R-1 zone, and the minimum parcel size of 9,000 square feet.

FINDING: SATISFIED. Proposed parcels #1, #2 and #3 each contain land zoned R-1 (Low Density Residential). They are all large enough to meet the minimum lot size for the zone.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

17.15.040 Yard requirements. In an R-1 zone, each lot shall have yards of the following size unless otherwise provided for in Section 17.54.050:

- A. A front yard shall not be less than twenty feet;
- B. A rear yard shall not be less than twenty feet;
- C. A side yard shall not be less than ten feet, except an exterior side yard on the street side of a corner lot shall be not less than twenty feet.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. Structural improvements on proposed Parcels #1, #2 and #3 will be reviewed for conformity with this code criteria when building permits are submitted. Setbacks from property lines outside City limits may be subject to greater setbacks based on county zoning of those areas.

Land Division Standards - Partition

17.53.010 Purpose. The purpose of this chapter is to establish standards and procedures for the partitioning and subdividing of land, and adjustment of property lines in the City. These regulations are necessary to provide uniform procedures and standards for the subdivision and partitioning of land, and adjustment of property lines; to assure adequate width and arrangement of streets; to coordinate proposed development with plans for utilities and other public facilities; to avoid undue congestion of population; to assure adequate sanitation and water supply; to provide for the protection, conservation, and proper use of land; to secure safety from fire, flood, slides, pollution, drainage or other dangers; to provide adequate light and air, recreation, education, and adequate transportation; to promote energy conservation; to protect in other ways the public health, safety, and welfare; and to promote the goals and policies of the McMinnville Comprehensive Plan.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The purpose statement of a code chapter provides the overarching goals of the code, but does not provide clear and objective criteria for decision making. The applicant’s original submittal on September 21, 2022, demonstrates general conformity with the overarching goals of the purpose statement of the Land Division Chapter (Section 53) of Title 17 of the McMinnville Municipal Code in the following ways.

Section 17.53. Purpose Statement	Notes
Assure adequate width and arrangement of streets.	The partition plan that has been submitted is reliant on private access easement to the newly proposed parcels. The private access easement is 30’ which is an adequate width for the proposed development.
Provide for the protection, conservation, and proper use of the land.	The subject site is zone residential (R1) for residential development. The R1 land is intended to be developed for residential development and the proposed partition aligns with that intention.
Secure safety from fire, flood, slides, pollution, drainage, and other dangers.	The proposed partition allows for appropriate fire response vehicles in the case of fire, does not propose development in the floodplain. There is a need to address drainage however as

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

	addressed by Linda K. Berlin, a neighboring property owner.
Protect in other ways the public health, safety, and welfare	Proposed partition achieves this overarching goal by not proposing development in the floodplain.
Promote the goals and policies of the McMinnville Comprehensive Plan.	Findings above demonstrate promotion of the McMinnville Comprehensive Plan goals and policies.

Specific compliance with the chapter’s criteria is provided in the following findings.

17.53.060 Submission of Tentative Partition Plan. An application to partition land shall be submitted in accordance with the application submittal procedures as stated in Sections 17.72.020 through 17.72.070 and shall be reviewed and approved under the following procedure:

17.53.060(A): There shall be submitted to the Planning Department, a completed tentative partition application, applicable fees, and 15 (fifteen) copies of a tentative partition plan drawn to scale with sufficient information to show the following:

1. The date, north point, scale, a copy of recorded deed, and any conveyed rights to define the location and boundaries of the parcels to be partitioned;
2. Name, address and phone number of the recorded owner(s), authorized agents or representatives, engineer or surveyor, and any assumed business names filed or to be filed by the applicant with the Corporation Commission;
3. Approximate size of the parcel under a single ownership or, if more than one ownership is involved, the total contiguous acreage of all owners of land directly involved in the partitioning;
4. For land adjacent to and within the parcel to be partitioned, show locations, names, and existing widths of all streets and easements of way; locations, width, and purpose of all other existing easements; and location and size of sewer and water lines and drainage ways;
5. Outline and location of existing buildings to remain in place;
6. Parcel layout showing size and relationship to existing or proposed streets and utility easements;
7. Location and dimension of any existing or planned curb-side planting strip which may border the subject site. (Amended 12/9/97 by Ordinance 4654B.)
8. A Title Report or Partition Guarantee prepared within 60 (sixty) days of the application date.
9. Contour lines related to City datum and having minimum intervals of two (2) feet.
10. Location and direction of water courses, and the location of areas within the 100-year floodplain as indicated on the most recent Flood Insurance Rate Maps as prepared by the Federal Emergency Management Agency.
11. Location of any natural features such as rock outcroppings, designated wetlands, wooded areas, and natural hazards.
12. Source, method and preliminary plans for domestic and other water supplies, sewage disposal, storm water disposal and other drainage facility plans, and all other utilities.
13. Such additional information as required by the Planning Director.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The applicant submitted an application and tentative partition plan on October 4, 2022, and the application was deemed complete on December 15, 2022.

Section 17.53.60(A) is satisfied in the following way:

Section 17.53.60(A) Code Provision	Notes
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Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

The date, north point, scale, a copy of recorded deed, and any conveyed rights to define the location and boundaries of the parcels to be partitioned;	Provided in original application submittal (Recorded Deed, 04/08/2021) received on October 4, 2022.
Name, address and phone number of the recorded owner(s), authorized agents or representatives, engineer or surveyor, and any assumed business names filed or to be filed by the applicant with the Corporation Commission;	Provided in original application submittal received on October 4, 2022.
Approximate size of the parcel under a single ownership or, if more than one ownership is involved, the total contiguous acreage of all owners of land directly involved in the partitioning;	Provided in original application submittal received on October 4, 2022.
For land adjacent to and within the parcel to be partitioned, show locations, names, and existing widths of all streets and easements of way; locations, width, and purpose of all other existing easements; and location and size of sewer and water lines and drainage ways;	Provided in original application submittal received on October 4, 2022.
Outline and location of existing buildings to remain in place;	Provided in original application submittal received on October 4, 2022.
Parcel layout showing size and relationship to existing or proposed streets and utility easements;	Provided in original application submittal received on October 4, 2022.
Location and dimension of any existing or planned curb-side planting strip which may border the subject site. (Amended 12/9/97 by Ordinance 4654B.)	Provided in original application submittal received on October 4, 2022.
A Title Report or Partition Guarantee prepared within 60 (sixty) days of the application date.	Provided in original application submittal received on October 4, 2022.
Contour lines related to City datum and having minimum intervals of two (2) feet.	Provided in revised application submittal received on December 13, 2022.
Location and direction of water courses, and the location of areas within the 100-year floodplain as indicated on the most recent Flood Insurance Rate Maps as prepared by the Federal Emergency Management Agency.	Provided in original application submittal received on October 4, 2022.
Location of any natural features such as rock outcroppings, designated wetlands, wooded areas, and natural hazards.	Provided in original application submittal received on October 4, 2022. There are no rock outcroppings or natural hazards identified or slopes greater than 25%.
Source, method and preliminary plans for domestic and other water supplies, sewage disposal, storm water disposal and other drainage facility plans, and all other utilities.	Provided in original application submittal received on October 4, 2022.
Such additional information as required by the Planning Director.	No additional information requested.

17.53.060(B). Upon receiving a complete application for a partition, notification and review shall be provided as stated in Section 17.72.110. The Director’s decision shall be based upon a finding that the tentative plan substantially conforms to the requirements of this chapter.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The application for a Tentative Partition of the subject site was deemed complete on December 15, 2022. Notification was mailed to property owners within 100 feet of the subject site on November 21, 2022. Findings have been provided for applicable Comprehensive Plan policies and goals, and criteria and standards of the McMinnville Municipal Code and other applicable ordinances.

17.53.060(C). The Planning Director may require such dedication of land and easements and may specify such conditions or modifications in the plan as are deemed necessary to carry out the McMinnville Comprehensive Plan. In no event, however, shall the Planning Director require greater dedications or conditions than could be required if the entire parcel were subdivided.

1. If the parcel of land to be partitioned, being large in size, shall be divided into more than three parcels within any one calendar year, full compliance with all requirements for a

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

subdivision plat may be required if the Planning Director should determine, in his judgment, that the entire parcel is in the process of being subdivided.

2. Where a parcel is proposed to be divided into units of one acre or more, the Planning Director shall require an arrangement of parcels and streets such as to permit future partitions or subdivision in conformity to the street requirements and other requirements contained in this ordinance. Refer to Section 17.53.080 for future development plan requirements.
3. For notice of decision, effective date of decision and the appeal process, refer to Chapter 17.72 (Applications and Review Process).
4. The effective date of the Planning Director's decision shall be 15 (fifteen) calendar days following the date the notice of decision is mailed unless an appeal is filed.

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. Dedication of additional land and/or easements are not required to carry out the McMinnville Comprehensive Plan. The subject site has not been partitioned into more than three (3) parcels within any one (1) calendar year, nor is the subject site proposed to be divided into units of one acre or more.

17.53.060(D). Approval of a Tentative Partition Plat shall be valid for a one-year period from the effective date of approval. Upon written request, the Director may approve a one-year extension of the decision. Additional extensions shall require the approval of the Planning Commission.

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED WITH CONDITION OF APPROVAL #12. A condition of approval has been included to confirm that the approval of the tentative partition plat shall be valid for a one-year period from the effective date of decision.

CONDITION OF APPROVAL #12: That approval of this tentative plat will expire 12 (twelve) months after the effective date of decision. If the final plat has not been submitted prior to expiration of the tentative plat, or a written request for an extension of this approval has not been submitted and approved within that same period, the applicant must resubmit a tentative plat for further consideration and comply with regulations and conditions applicable at that time.

Land Division Standards – Future Development Plan

17.53.080 Submission of Future Development Plan. A future development plan is required when it is evident that the property to be subdivided or partitioned can be further divided. The future development plan shall be submitted at the same time that the tentative plan for either subdivision or partition is submitted and shall contain the following information:

- A. Any potential future lots (lot size shall be depicted).
- B. Existing and proposed utilities including water, sewer and storm drains.
- C. Streets and access points for potential future lots.

It shall be the responsibility of the Engineering Department and Planning Department to review a future plan to ensure that it substantially conforms to the requirements of this chapter. The review body will ensure that infrastructure for the future plan is consistent with the current development requirements. The Planning Director may reject a future plan if it is found that it does not substantially conform to the requirements of this chapter. The review body may make any of the following recommendations:

- A. The construction of streets and utilities or the dedication of right-of-way for future improvements.
- B. Any easements as deemed necessary for the extension of utility services.

Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE

Land Division Standards – Approval of Streets and Ways

17.53.100 Creation of Streets.

- C. An easement providing access to property, and which is created to allow the partitioning of land for the purpose of lease, transfer of ownership, or building development, whether immediate or future, shall be in the form of a street in a subdivision, except that a private easement to be established by deed without full compliance with these regulations may be approved by the Planning Director under the following conditions:
 - 1. If it is the only reasonable method by which the rear portion of a lot being unusually deep or having an unusual configuration that is large enough to warrant partitioning into two more new parcels, i.e., a total of not more than three (3) parcels including the original may then exist, that may be provided with access and said access shall be not less than 15 (fifteen) feet in width and shall have a hard surfaced drive of 10 (ten) feet width minimum;
 - 2. The Planning Director shall require the applicant to provide for the improvement and maintenance of said access way, and to file an easement for said access way which includes the right to passage and the installation of utilities. Such requirements shall be submitted to and approved by the City Attorney.
 - 3. Access easements shall be the preferred form of providing access to the rear lots created by partition if the alternative is the creation of a flag lot.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED WITH CONDITION OF APPROVAL #8. Proposed Parcels are to be accessed via private easement as indicated on the tentative partition plan. The proposed private access easement is 30 feet wide. Frontage improvements will need to be made to City standards upon development (curb and gutter, driveway approach, and sidewalks).

17.53.101 Streets.

- A. General. The location, width, and grade of streets shall be considered in their relation to existing and planned streets, to topographical conditions, to public convenience and safety, and to the proposed use of the land to be served by the streets. Where location is not shown in a comprehensive plan, the arrangement of streets in a subdivision shall:
 - 1. Provide for the continuation or appropriate projection of existing principal streets in surrounding areas; or
 - 2. Conform to a plan for the neighborhood approved or adopted by the Planning Commission to meet a particular situation where topographical or other conditions make continuance or conformance to existing streets impractical; or
 - 3. Maximize potential for unobstructed solar access to all lots or parcels. Streets providing direct access to abutting lots shall be laid out to run in a generally east-west direction to the maximum extent feasible, within the limitations of existing topography, the configuration of the site, predesigned future street locations, existing street patterns of adjacent development, and the preservation of significant natural features. The east-west orientation of streets shall be integrated into the design.
- B. Rights-of-way and street widths. The width of rights-of-way and streets shall be adequate to fulfill city specifications as provided in Section 17.53.151 of this chapter. Unless otherwise approved, the width of rights-of-way and streets shall be as shown in the following table:

Attachments

- 1. MP 3-22 Application and Attachments
- 2. Letter from Linda Berlin asking for a Public Hearing

COMPLETE STREET DESIGN STANDARDS										
			Arterial		Collector		Neighborhood Connector	Local Residential	Alley	
			Major	Minor	Major	Minor				
Streetscape	Street Profile	Bike	Auto/Truck Amenities (lane widths) ¹	2-4 lanes (12 ft.)	2 lanes (11 ft.)	2 lanes (11 ft.)	2 lanes (10 ft.)	See Street Width	See Street Width	20 ft.
			Median / Center Turn Lane	14 ft.	12 ft.	12 ft.	10 ft.	None	None	None
			Bike Facility ²	2 lanes (6 ft.)	2 lanes (6 ft.)	2 lanes (5 ft.)	2 lanes (5 ft.) or shared lane	Shared Lane	Shared Lane	None
			Curb-to-curb Street Width ³							
		On-Street Parking	na	na	na	30 or 40 ft.	28 ft.	28 ft.	Not Apply	
		Two Sides	74 ft.	46 ft.	44 ft.	30 or 40 ft.				
		None								
	Pedestrian Zone with ADA	Pedestrian Amenities ⁴	Sidewalks (both sides)	8 ft. Com	5 ft. Res 10-12 ft. Com	5 ft. Res 10-12 ft. Com	5 ft. Res 10-12 ft. Com	5 ft.	5 ft.	None
			Planter Strips		6 ft. Res na Com	6 ft. Res na Com	6 ft. Res na Com	5 ft. Res	5 ft. Res	None
			Preferred Adjacent Land Use – Intensity	High	Medium to High	Medium	Medium	Medium to Low	Low	Low
Traffic Management	Traffic Management	Maximum Average Daily Traffic	32,000	20,000	16,000	10,000	1,200 – 3,000	1,200	500	
		Traffic Calming	Not Typical	Not Typical	Not Typical	Permissible/Not Typical	Typical	Not Typical	Not Typical	
		Managed Speed ⁵	35 mph	30-35 mph	25-30 mph	25 mph	25 mph	15-25 mph	10 mph	
		Through-traffic Connectivity	Primary	Typical	Typical	Typical	Not Typical	Not Permissible	Not Permissible	
		Access Control	Yes	Yes	Some	Some	No	No	No	
		Maximum Grade	6%	6%	10%	10%	12%	12%	12%	
	Right-of-Way:	104 ft.	96 ft.	74 ft.	56 ft. (no bike lane) 66 ft. (bike lane)	50 ft.	50 ft.	20 ft.		

General Design Notes:

- Lane widths shown are the preferred construction standards that apply to existing routes adjacent to areas of new development, and to newly constructed routes. For arterial and collector streets within industrial zones, lanes widths shall be 12 feet.
- An absolute minimum bike lane width for safety concern is 5 ft. on arterial and 4 ft. on collector streets, which is expected to occur in locations where existing development along an established route or other physical constraint preclude construction of the preferred facility width.
- Street design for each development shall provide for emergency and fire vehicle access.
- Sidewalks 10-12 feet in width are required in commercial areas to accommodate the Pedestrian zone. Street trees are to be placed in tree wells. Placement of street trees and furniture and business accesses are to meet ADA requirements for pedestrian access.
- Speeds in the central business district may be 20-25 mph. Traffic calming techniques, signal timing, and other efforts will be used to keep traffic within the desired managed speed ranges for each Functional Class. Design of a corridor's vertical and horizontal alignment will focus on providing an enhanced degree of safety for the managed speed.
- None with on-street parking

Street Design Standard Notes:

- Exclusive of side slope easement which may be required in addition for cuts and fills in rough terrain.
- The right-of-way and street width may be varied after consideration of the unique characteristics of the land including geography, topography, unique vegetation, and its relation to land development already present or proposed in the area.
- The right-of-way, street width, improvement standards, and turnaround radius of commercial/industrial cul-de-sacs and streets shall be dependent upon the types of vehicle traffic to be served.
- Intersection curb radii shall not be less than 25 feet. On-street parking shall not be permitted within a 30-foot distance of street intersections measured from the terminus of the curb return. Where such a local residential street intersects an arterial, parking along the local street shall not be permitted within a 60-foot distance of the intersection measured from the terminus of the curb return. The developer shall be responsible for the provision and installation of "No Parking" signs as approved by the City Engineering Department.
- Sidewalks and planting strips shall not be required along eyebrows.
- For cul-de-sacs greater than 300 feet in length, fire hydrants may be required to be installed at the end of the bulb and appropriately spaced along the throat of the cul-de-sac as determined by the McMinnville Fire Department.

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE. The tentative partition does not propose any changes to the street.

17.53.105(A). Size and shape. Lot size, width, shape, and orientation shall be appropriate for the location of the subdivision and for the type of use contemplated. All lots in a subdivision shall be buildable.

- Lot size shall conform to the zoning requirement of the area. Depth and width of properties reserved or laid out for commercial and industrial purposes shall be adequate to provide for the off-street parking and service facilities required by the type of use contemplated. The depth of lot shall not ordinarily exceed two times the average width.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The lots resulting from the proposed partition are of a size, width, shape, and orientation appropriate for their location and for the use contemplated (residential). All proposed lot sizes conform to the zoning requirements of the area. The depth of two of the proposed parcels does exceed two times the average width, but these are not ordinary lots.

17.53.105(B). Access. Each lot shall abut upon a street other than an alley for a width of at least 25 (twenty-five) feet or shall abut an access easement which in turn abuts a street for at least 15 (fifteen) feet if approved and created under the provisions of 17.53.100(C). Direct access onto a major collector or arterial street designated on the McMinnville Comprehensive Plan Map shall be avoided for all lots subdivided for single-family, common wall, or duplex residential use, unless no other access point is practical.

Attachments

- MP 3-22 Application and Attachments
- Letter from Linda Berlin asking for a Public Hearing

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The proposed parcels would abut a proposed access easement that is 30 feet wide. The 30-foot wide access easement abuts the Redmond Hill Rd. right-of-way. Redmond Hill Rd. is classified as a Local Residential Street in the Transportation System Plan (TSP). The existing Street right-of-way adjacent to the site is approximately 50 feet wide. There are no sidewalks, curb cuts, or planter strips adjacent to the site.

17.53.105(C). Through Lots. Through lots shall be avoided except where they are essential to provide separation of residential development from major traffic arteries or adjacent nonresidential activities, or to overcome specific disadvantages of topography and orientation. A planting screen easement at least 10 (ten) feet wide, and across which there shall be no right of access, may be required along the line of lots abutting such a traffic artery or other incompatible use.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The proposed partition does not create any through lots, therefore this criterion is met.

17.53.105(D). Lot side lines. The side lines of lots, as far as practicable, shall run at right angles to the street upon which the lots face.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The proposed property lines that would divide the three proposed parcels run at approximate right angles to the street rights-of-way, or the access easement leading to the streets, upon which the parcels face. Therefore, this criterion is met.

17.53.060(E). Flag lots. The creation of flag lots shall be discouraged and allowed only when it is the only reasonable method of providing access to the rear of a lot which is large enough to warrant partitioning or subdividing.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The only reasonable method of access for the proposed parcels is an access easement that creates a flag lot for proposed parcel #1.

Chapter 17.58 Trees

17.58.020 Applicability. The provisions of this ordinance shall apply to:

- A. Individual significant or historic trees as defined in this ordinance.
- B. All trees with trunks located completely or partially within any public area or right-of-way;
- C. All trees with trunks located completely within any private property which directly affect public infrastructure including but not limited to sewers, water mains, sidewalks, streets, public property, or clear vision distances at street intersections.
- D. All trees on developable land and subject to or undergoing development review such as site plan review, tentative subdivision review, or partition review; [...]

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The subject site is undergoing partition review to create three new parcels with developable land. Access to the proposed parcels will be through a new access easement. The subject site is sloped and contains many trees, but none that are in the path of

Attachments

- 1. MP 3-22 Application and Attachments
- 2. Letter from Linda Berlin asking for a Public Hearing

the proposed access easement, therefore, (C) and (D) are met, and the provisions of the Trees Chapter of the Zoning Ordinance shall apply to trees within the subject site and access easement areas of the proposed parcels.

17.58.040 Tree Removal/Replacement

A. The removal or major pruning of a tree, if applicable under Section 17.58.020, shall require City approval, unless specifically designated as exempt by this ordinance. Persons wishing to remove or prune such trees shall file an application for a permit with the McMinnville Planning Department. Requests for tree removal or pruning of trees outside of the Downtown Tree Zone shall be forwarded to the McMinnville Landscape Review Committee. The Landscape Review Committee may approve, approve with conditions, or deny the request based on the criteria stated in Section 17.58.050.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED WITH CONDITION OF APPROVAL #6. Any tree removal on the subject site or within the access easement is applicable under 17.58.020 and would require City approval. A condition of approval is included to require the applicant to submit an application for proposed tree removal for approval pursuant to Chapter 17.58.

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Attachments

1. MP 3-22 Application and Attachments
2. Letter from Linda Berlin asking for a Public Hearing

Exhibit 4 – STAFF REPORT

DATE: March 2, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Gwendolyn Hotel Public Hearing, Appeal of Historic Landmarks Committee Denial for HL 6-22, HL 7-22, HL 8-22, DDR 2-22

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

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

OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

Report in Brief:

This is a public hearing to consider the appeal of the Historic Landmarks Committee’s denial of four land-use applications associated with the Gwendolyn Hotel project.

On January 26, 2023, the Historic Landmarks Committee voted 3- 2 to deny the applicant’s requests for Certificates of Approval for the demolition of a historic resource at 609, 611 and 619 NE Third Street (Dockets HL 6-22, HL 7-22, and HL 8-22), and voted 4-1 to deny the applicant’s Gwendolyn Hotel new construction project as compliant with the City’s Downtown Design Standards and Guidelines (Docket DDR 2-22). (Please see attached Decision Documents for HL 6-22, HL 7-22, HL 8-22, and DDR 2-22).

The applicant, HD McMinnville LLC appealed the Historic Landmarks Committee’s decisions on all four land-use applications to the Planning Commission on February 10, 2023. (Please see the attached applicant’s appeal submittal).

After reviewing the public record associated with all four land-use applications, the Planning Commission needs to decide if they agree with the Historic Landmarks Committee’s findings and decisions, or if they agree with the appellant’s argument that the applicable criteria has been satisfied and the applications need to be approved. That decision needs to be made based on the applicable criteria and the evidence in the record.

The entire public record collected prior to the appeal public hearing with the Planning Commission is located on the project website at: [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#). Attached to this staff report is the appellant's notices of appeal and public testimony received for the Planning Commission consideration of the appeal.

All four land-use applications support the Gwendolyn Hotel project, a new hotel proposed to be constructed at 609, 611 and 619 NE Third Street. The Gwendolyn Hotel is a 90 room, five-story hotel with ground floor commercial, a roof deck with a pool, spa and restaurant, and an underground parking structure. To accommodate the new construction of the hotel, the applicant is requesting to demolish three historic resources that are part of the National Register of Historic Places' McMinnville Downtown Historic District and are on the local historic resources inventory.

The Historic Landmarks Committee is the city-appointed decision-making body for land-use applications relative to alterations and demolitions of local historic resources, and land-use applications for new construction in the downtown design overlay district. The criteria used to review alterations and demolitions of local historic resources is found in both state laws (OAR 660-023-0200) and McMinnville's Municipal Code (Chapter 17.65, *Historic Preservation*). And the criteria for the review of new construction projects in the downtown design overlay district is found in the McMinnville Municipal Code (Chapter 17.59, *Downtown Design Standards and Guidelines*).

The criteria for the approval or denial of a request to demolish a historic resource in both the state law and the McMinnville Municipal Code is reliant upon the balancing of many different factors. Those members of the Historic Landmarks Committee who voted to deny the demolition applications found that the evidence associated with the different factors the regulations told them to consider did not support the demolition of the historic resources.

The criteria for the approval or denial of a new construction project's compliance with the City of McMinnville's Downtown Design Standards and Guidelines is comprised of both clear and objective standards and guidelines. The discussion at the Historic Landmarks Committee public hearing and deliberations centered around how to interpret the code language that was not clear and objective.

Since the three historic resources to be considered for demolition are on the National Register of Historic Places, OAR 660-023-0200 mandated that the Historic Landmarks Committee needed to host a public hearing to consider the requests for demolition. The Historic Landmarks Committee opened a public hearing on September 29, 2022, then continued it to December 8, 2022, and January 5, 2023, when they closed the public hearing, deliberated, and directed staff to write findings denying all four land-use applications, that they voted to approve on January 26, 2023.

The applicant first submitted their applications on August 9, 2022. At the Historic Landmarks Committee meeting on September 29, 2022, it was decided that more information was needed for the Historic Landmarks Committee to balance all of the factors of demolition. The applicant provided a supplemental submittal on November 4, 2022, and additional materials at the request of city staff on December 15 and December 19, 2022. That material plus the public testimony provided both in writing and orally at the public hearings on September 29, 2022 and January 5, 2023, and the associated staff reports constitute the public record and evidence for the Historic Landmarks Committee's decision-making.

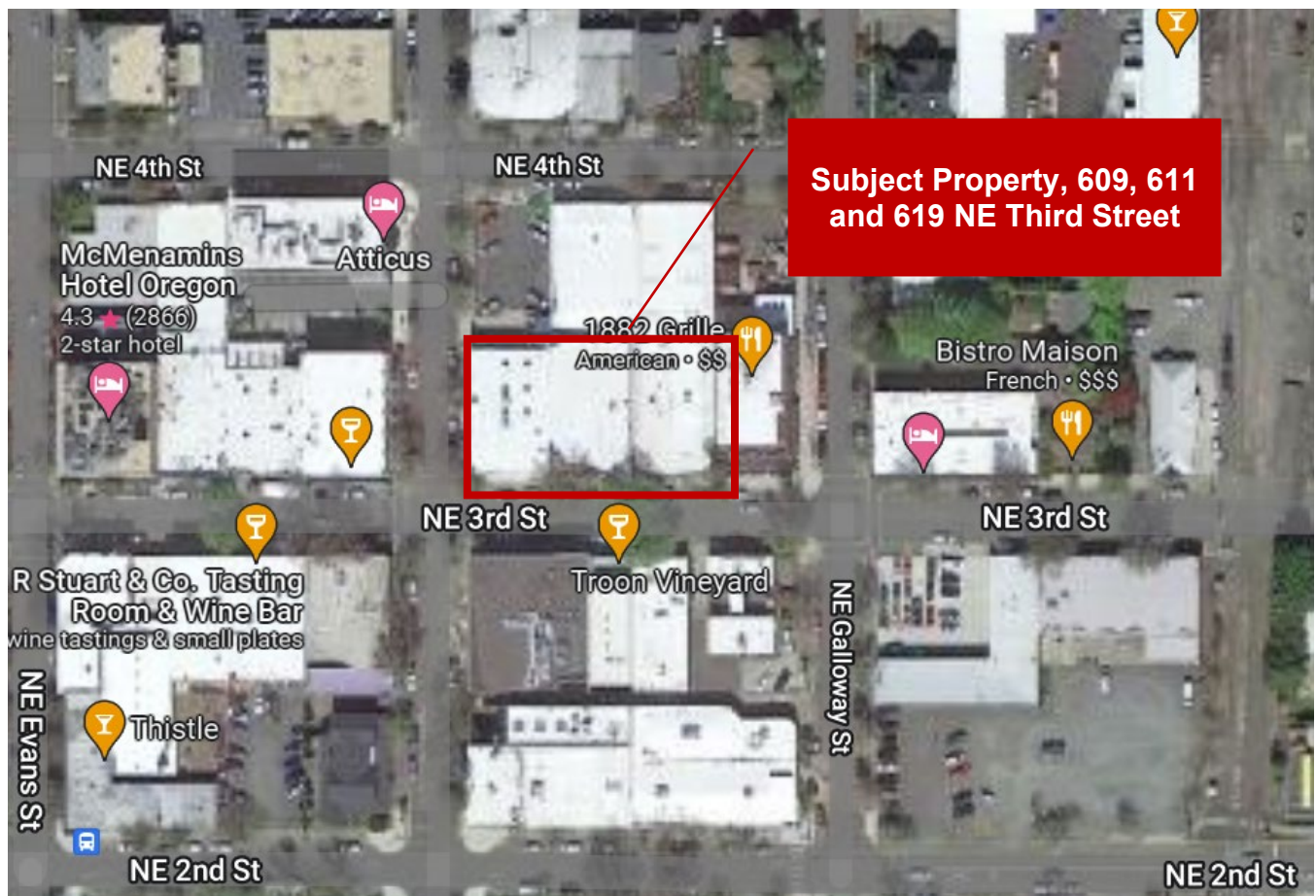
Per the McMinnville Municipal Code, Section 17.65.080, the Historic Landmarks Committee's decisions can be appealed to the Planning Commission. The applicant filed an application to appeal the Historic Landmarks Committee's decisions on February 10, 2023.

Background:

The subject property is located at 609, 611 and 619 NE Third Street. The property is identified as Tax Lots 4500, 4300, and 4201, Section 21BC, T. 4 S., R. 4 W., W.M. It is on the east end of Third Street, northern frontage between Ford Street and Galloway Street.

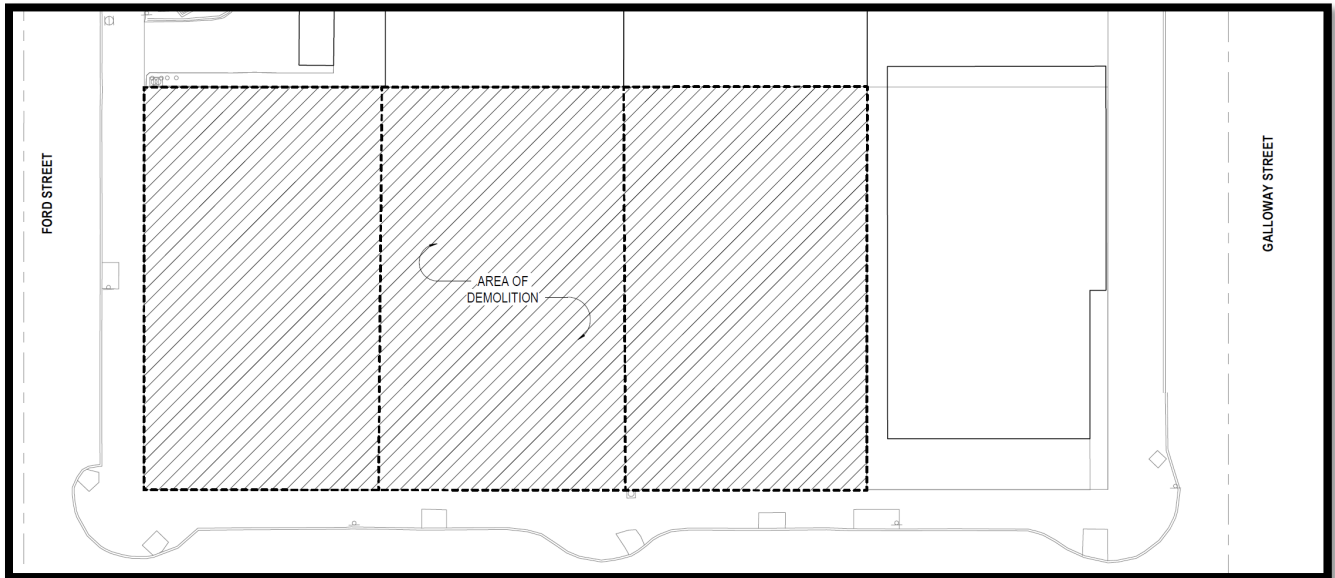
The site is at the northeast corner of NE 3rd Street and NE Ford Street and consists of three buildings: two tax lots addressed as 609 NE 3rd Street and 619 NE 3rd Street, and the southern portion of the tax lot addressed as 611 NE 3rd Street. All three tax lots are currently developed with buildings.

The property to the east of the development site, the KAOS Building at 645 NE 3rd Street, is a new construction project with restaurants and other commercial uses. The sites south of NE 3rd Street are developed with a variety of commercial uses consisting of the Tributary Hotel, in a rehabilitated historic resource on the southeast corner of NE 3rd Street and NE Ford Street, and Okta Restaurant to the east of it in a new building. On the north side of the site is a surface parking lot, and two historic warehouse buildings housing the Bindery event space and Type A Press. Please see vicinity map below.



All three buildings are listed both on the National Register of Historic Places as part of the McMinnville Downtown Historic District and on the McMinnville historic resources inventory.

Demolition Site



Structures to be Demolished:

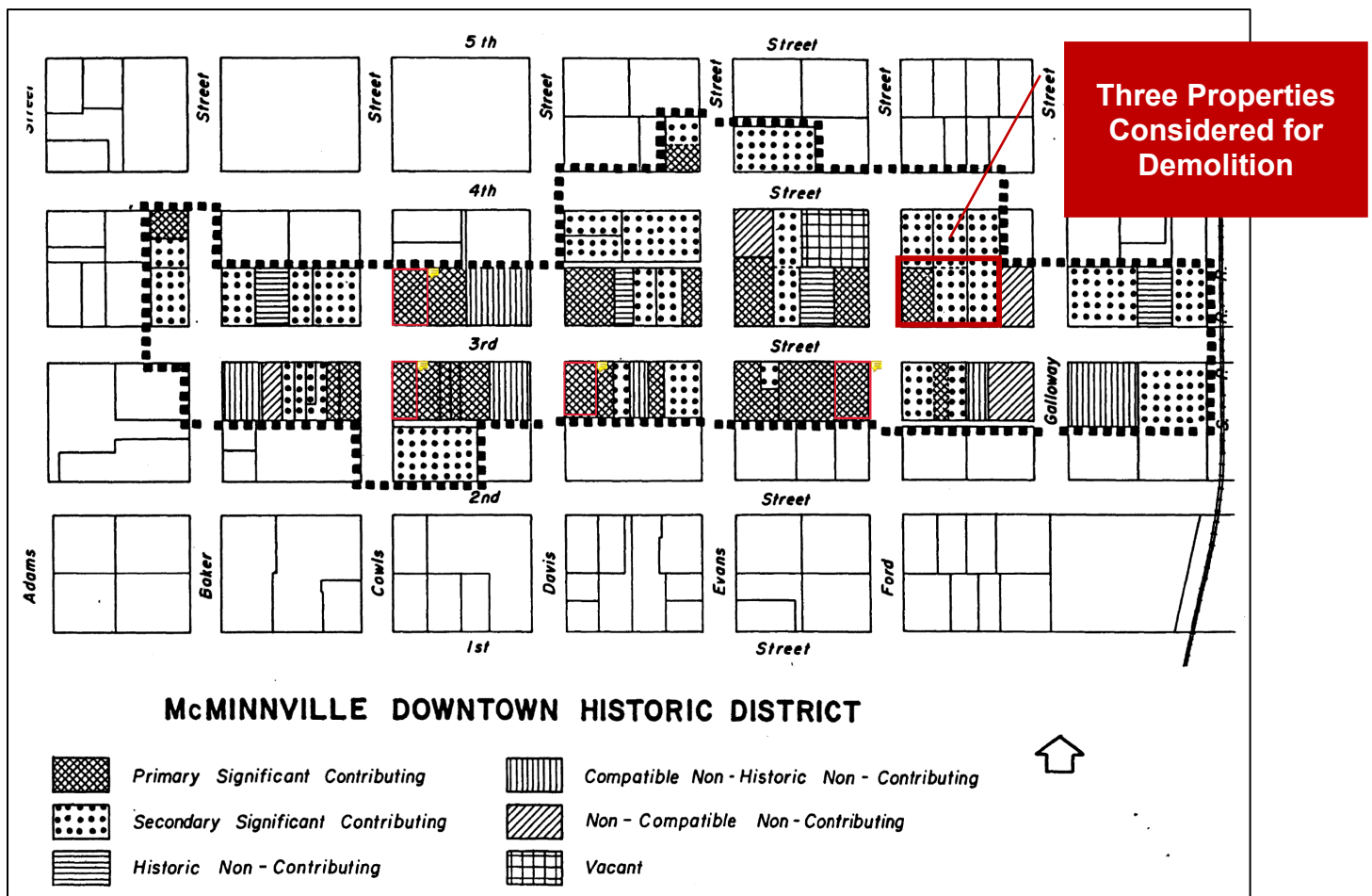


- 609 NE Third Street is considered a “Primary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a B (Significant) resource on the McMinnville Historic Resources Inventory (B865).
- 611 NE Third Street is considered a “Secondary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a B (Significant) resource on the McMinnville Historic Resources Inventory (B872).
- 619 NE Third Street is considered a “Secondary Significant Contributing” structure in the McMinnville Downtown Historic District and is listed as a D (Environmental) resource on the McMinnville Historic Resources Inventory (D876).

Per the McMinnville Municipal Code, the four different categories for a McMinnville Historic Resource are:

- **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 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
- **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.

Below is a map of the McMinnville National Register of Historic Places Downtown Historic District.



When the McMinnville Historic District nomination was prepared, assignment of primary and secondary contributing versus non-contributing was done based on the following: 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. 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 of [sic] Secondary Significant.*
4. *Compatible Non-Historic and Non-Contributing: Structures are classified as Compatible Non-Contributing if they were built after 1937 (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). 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).*

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant would like to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking for the project.

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 (this was changed to 67 parking stalls with the modified design after the September 29 public hearing) 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.

(Application Narrative, page 3)

The proposed project is a five-story building with ground floor commercial and retail space, four floors of hotel rooms (90-95 rooms), a roof-top deck with a spa, pool and restaurant, and an underground parking structure (67 parking stalls).

The application consists of:

Dockets HL 6-22, HL 7-22, HL 8-22:

Original Submittal, August 9, 2022:

- *Project Narrative*
- *Project Structural Analysis (609, 611 and 619 NE Third Street)*
- *Project Site Plan and Concept Drawings*
- *Project Traffic Impact Analysis*
- *Memorandum of Compliance with Criteria*
- *Neighborhood Meeting Materials*

Supplemental Submittal, November 4, 2022

- *609 NE Third Street Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- *611 NE Third Street Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- *619 NE Third Street Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- *Attachment 2: Historic Resources Assessment for 609, 611, and 619 NE Third Street by Architectural Resource Group*, dated November 2022.
- *Attachment 3: Contaminated Media Management Plan for 609, 611 and 619 NE Third Street*, by EVREN Northwest, dated October 13, 2022
- *Attachment 4: McMinnville Lease Rates* by Pacific Crest Real Estate Advisors, dated November 2, 2022
- *Attachment 5:*
609 NE Third Street Yamhill County Property Summary, dated October 31, 2022
611 NE Third Street Yamhill County Property Summary, dated October 31, 2022
619 NE Third Street Yamhill County Property Summary, dated October 31, 2022
- *Attachment 6: Contractor Assessment, Existing Buildings*, by Hugh Construction, dated October 11, 2022
- *Attachment 7: Overview of Historic Preservation Incentives for 609, 611 and 619 NE Third Street*, by OTAK, dated October 31, 2022.
- *Attachment 8: Economic Value of Structures in Downtown McMinnville, Oregon*, by Johnson Economics, dated November 2, 2022

Supplemental Submittal, November 7, 2022

- *Gwendolyn Hotel HHPR Structure Report – Response to City of McMinnville Staff Report dated September 29, 2022*, by Harper Houf Peterson Righellis Inc., dated November 6, 2022.

Supplemental Submittal, December 15 and 19, 2022

- *Supplemental Findings for HL 6-22, HL 7-22, and HL 8-22*
 - *Exhibit 1, Historic Resources Assessment, Architectural Resource Group*, November 2022
 - *Exhibit 2, Existing Building Structural Summary, HHPR*, November 6, 2022

- Exhibit 3, *Documentation of Existing Building Structures, HHPR*, July 29, 2022
 - Exhibit 4, *Contaminated Media Management Plan (Draft)*
 - Exhibit 5, *Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics*, November 2, 2022
 - Exhibit 6, *Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings*, Hugh Construction, November 2022
 - Exhibit 7, *McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins*, November 2, 2022
 - Exhibit 8, *Memorandum Regarding Historic Preservation Incentives, Otak*, October 31, 2022.
 - Exhibit 9, *2022 Tax Statements*
 - Exhibit 10, *The Gwendolyn Financial Pro-Forma*, December 15, 2022
- Otak Letter, December 19, 2022, Responding to Public Comments

Docket DDR 2-22:

Original Submittal, August 9, 2022:

- *Project Narrative*
- *Project Site Plan and Concept Drawings*
- *Project Traffic Impact Analysis*
- *Memorandum of Compliance with Criteria*
- *Neighborhood Meeting Materials*

Supplemental Submittal, November 4, 2022

- *Revised Architectural Plans*
- *The Gwendolyn Hotel, Response for Additional Information Memorandum*, by OTAK, dated November 4, 2022
- Attachment 1: *Contaminated Media Management Plan for 609, 611 and 619 NE Third Street*, by EVREN Northwest, dated October 13, 2022
- Attachment 2: *Transportation Impact Analysis Addendum, Gwendolyn Hotel*, by OTAK, November 4, 2022

All documents associated with these dockets can be found on the project web page at: [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street McMinnville Oregon](#)

Public Testimony: The Historic Landmarks Committee received written and oral testimony both in opposition and in support of the demolition of the historic resources and the new hotel project. However, the majority of the testimony was in opposition to both the demolition requests and the design of the new Gwendolyn Hotel project. Common themes in the testimony focused on retaining the historic properties as part of the overall fabric of the downtown historic district even if they themselves were not particularly historically compelling. Their massing, size, and historic skeleton contribute to the overall sense of place downtown. Opposition to the new construction, the Gwendolyn Hotel, focused primarily on the size of the building, both in terms of massing and height, (overall and against the street), and its compatibility with Third Street.

The applicants tried to mitigate some of those concerns with a revised design that they provided as part of their supplemental materials on November 4, 2022.

Supportive testimony focused on the poor condition of the existing buildings both in terms of historic integrity (all buildings have been considerably modified) and structurally, and the inability to properly invest in the buildings to restore their original integrity as well as upgrade their life/safety conditions (seismic) with the limited income that the building footprints would yield in the McMinnville downtown marketplace. Supportive testimony also commented on the value of the proposed investment in downtown McMinnville, the proactive willingness to provide dedicated parking when the code did not require it, and the customers that the project would bring to the downtown and surrounding businesses. Others commented that private property owners should be able to move forward with projects on their property if it is considered an allowed use on the property and that government should not be micromanaging how private property is used especially if it creates a financial detriment to the property owner.

Applicant Project Modification: In response to the public testimony on September 29, 2022, and the initial staff review of the project, the applicant modified the exterior design of the Gwendolyn Hotel to address issues about massing and scale within the downtown built environment by modifying the exterior elevation to resemble three buildings with a variety of setbacks and offsets, rather than one large building with a setback at the third floor.

Initial Design:

Original Third Street Elevation



Original View of Gwendolyn Hotel from Ford Street and Third Street



Original Mid-Block Street Perspective Along Third Street



Amended Design – Third Street Elevation:



Amended View of Gwendolyn Hotel from Ford Street and Third Street



Amended Mid-Block Street Perspective Along Third Street



Items of discussion during the Historic Landmarks Committee public hearing and deliberations: Given the complexity of the applications and the new construction there were many different items discussed during the Historic Landmarks Committee public hearing and deliberation. For clarity, below is a summary of some of the discussion points that were foundational to the deliberation and are sometimes misrepresented in the public record.

What are the historic periods of significance in the National Register of Historic Places McMinnville Historic District Nomination?

There was considerable discussion about whether or not the three historic resources retained their historic integrity and historic significance in their current forms. All three structures had been modified over time, especially on the ground floors and the Historic Landmarks Committee deliberated on the integrity of the historic structures in their current state as well as the historic significance of the structures to McMinnville.

The majority of the members of the Historic Landmarks Committee decided that based on the historic periods of significance identified in the National Register of Historic Places McMinnville Historic District Nomination and the subsequent classification of the resources within that nomination as primary contributing or secondary contributing structures, even with their modifications, that the three structures retained their historic significance and historic integrity. (Noting that the structure at 609 NE Third Street had been modified since the nomination was compiled and submitted). This decision was based on the fact that the nomination classified the buildings in the following way:

- Primary Significant Contributing: Built-in or before 1912, representing initial settlement and the arrival of the railroad.
- Secondary Significant Contributing: Built-in or between 1913 and 1937, representing the secondary period of construction with the advent of auto traffic.
- Historic Non-Contributing: Structures built in the primary or secondary periods of significance but have been so altered over time that their contributing elements had been lost or concealed.

Can the City consider the collective historic significance of the three structures – both in terms of preservation and demolition?

The majority of the Historic Landmarks Committee decided that the collective loss of all three historic resources would be a significant loss to the downtown historic district and for that reason their preservation outweighed the value of the new hotel project.

Will the demolition of three significant contributing structures in the McMinnville Downtown Historic District affect the National Register of Historic Places’ historic district designation?

The City asked the National Park Service representative for Oregon this question, and the answer was that the demolition of the three structures would not affect the historic district designation. The email thread with the National Park Service is part of the public record.

What is the height of the building?

There was significant confusion about the height of the new proposed building. As a point of clarification, the roof deck is 61’ 6”, the tallest roof structure is 73’10” (roof covering on the restaurant, spa and pool on the roof deck set back approximately 40’ from the vertical front elevation plane), and the tallest point of the building in the northeast corner is the elevator tower at approximately 81’. The maximum building height in the zone is 80’. Elevator towers are expressly exempted from building height limitations per Section 17.54.040 of the McMinnville Zoning Ordinance.

Is the criteria in Chapter 17.59 that states “should” and not “shall”, a mandated criterion or a guideline?

In their supplemental materials submitted after the initial public hearing on September 29, 2023, when there were concerns expressed by staff that the project as designed did not meet the criteria of 17.59.050(B)(1) that discussed the need for the new design to have the massing and configuration similar to adjacent or nearby historic buildings on the same block, the applicant argued that since the guideline stated “should” and not “shall” that it was a guideline and not a mandated criterion.

The majority of the Historic Landmarks Committee members determined that the should statements were mandated criteria and not guidelines, therefore requiring compliance or waivers.

Has the City required waivers for the “should” Guidelines in Chapter 17.59 in previous land-use decisions?

The record shows a mixed historical interpretation of these Chapter 17.59 guidelines, especially as it pertains to the requirement to request waivers. Most waivers requested and approved were specific to “shall” statements but two were relative to the “should” statement regarding the need for a minimum of 70% glazing on the ground floor.

There are three key guidelines in Chapter 17.59 that have been applied inconsistently in past decisions in McMinnville, either by not requiring compliance or by requiring a waiver for non-compliance. Those three guidelines are outlined below.

Section 17.59.050(B)

Building Design.

1. Buildings ***should*** (emphasis added) have massing and configuration similar to adjacent or nearby historic buildings on the same block. Buildings situated at street corners or intersections ***should*** (emphasis added) be, or appear to be, two-story in height.
2. Where buildings will exceed the historical sixty feet in width, the façade ***should*** (emphasis added) 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.
3. Storefronts (that portion of the building that faces a public street) ***should*** (emphasis added) include the basic features of a historic storefront, to include:
 - a. A belt course separating the upper stories from the first floor;
 - b. A 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;
 - d. A recessed entry and transom with transparent door; and
 - e. Decorative cornice or cap at the roofline.

Past New Construction Land-Use Decisions in the Downtown Design Overlay District:

645 NE Third Street, Docket DDW 1-12, (KAOS Building)

- Waiver for building setback for outdoor dining plaza on Third Street (*Shall*)
- Waiver for minimum 70% glazing from the sidewalk to eight (8) feet above the sidewalk (*Should*)
- Waiver for using a prohibited material (wood siding) (*Shall*)

645 NE Third Street, Docket DDW 2-13, (KAOS Building)

- Waiver for building setback for Galloway Street (*Shall*)

375 NE Ford Street, DDW 117 (Atticus Hotel)

- Waiver for minimum 70% glazing from the sidewalk to eight (8) feet above the sidewalk (*Should*)

618 NE Third Street, Docket DDR 2-19 (Okta Restaurant) – No Waivers

118 NE Third Street, Docket DDR 4-19, (First Federal Building)

- Waiver requested and approved for minimum 70% glazing from the sidewalk to eight (8) feet above the sidewalk *(Should)*
- Waiver to allow parking lot on Third Street *(Shall)*
- Waiver to allow access to parking lot from Third Street *(Shall)*
- Waiver to reduce the landscaping buffer strip between the new parking lot and Second Street *(Shall)*
- Waiver to allow a steel awning material *(Shall)*

631 NE First Street, Docket DDR 1-21, (New Mixed-Use Development):

- Waiver requested and approved for building setback to allow for a front yard plaza. *(Shall)*

There are also some notable instances when the guideline for the appearance of two stories at street corners and intersections was not applied nor was a waiver required (Atticus Hotel and First Federal). The Atticus Hotel is four stories in height at the corner and intersection and did not receive a waiver for non-compliance. The First Federal building is three stories in height at the corner and intersection and did not receive a waiver for non-compliance.

What Constitutes a Block?

A couple of the criteria in Chapter 17.59 describe performance metrics relative to the same block. The majority of the Historic Landmarks Committee determined that the same block referenced a full city block surrounded by street public right-of-way.

Discussion:

The City must consider several different regulations when deliberating on whether to approve, approve with conditions or deny the applications.

For the Certificate of Demolition Approvals, the regulations are:

Oregon Administrative Rule, 660-023-0200, which states the following for considering the demolition of properties that are on the National Register of Historic Places

Oregon Administrative Rule 660-203-0200 (Section 8(a)) states that:

- (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;*

This states that the City must factor into their decision a consideration of a series of factors but it does not state how the City uses those factors to render a decision and provides some discretion.

McMinnville Municipal Code, Section 17.65.040 and 17.65.050, Historic Preservation, which considers the following guiding principles:

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;*
 - 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;*
 - 3. *The value and significance of the historic resource;*
 - 4. *The physical condition of the historic resource;*
 - 5. *Whether the historic resource constitutes 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;*
 - 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*
 - 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.*
- C. *If the structure for which a demolition permit request has been filed has been damaged in excess of seventy percent (70%) of its assessed value due to fire, flood, wind, or other natural disaster, the Planning Director may approve the application without processing the request through the Historic Landmarks Committee.*
- D. *The Historic Landmarks Committee shall hold a public hearing to consider applications for the demolition or moving of any resource listed on National Register consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.*
- E. *Any approval may be conditioned by the Planning Director or the Historic Landmarks Committee to secure interior and/or exterior documentation of the resource prior to the proposed action. Required documentation shall consist of no less than twenty (20) black and white photographs with negatives or twenty (20) color slide photographs. The Historic Landmarks Committee may require documentation in another format or medium that is more suitable for the historic resource in question and the technology available at the time. Any approval may also be conditioned to preserve site landscaping such as individual plants or trees or to preserve selected architectural features such as doors, windows, brackets, mouldings or other details.*
- 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).*

And just like the Oregon Administrative Rules, the City's code does not provide a basis on how to consider the different elements of the code. The City has in the past rendered a decision for approval of demolition for projects that do not meet each principle and standard.

Below is a table identifying the combined factors the City should consider when balancing a decision of approval or denial of the demolition of a historic resource on the National Register of Historic Places (OAR 660-023-0200) and the local historic resources inventory (MMC 17.65.050):

State OAR 660 -023-0200	McMinnville Municipal Code, 17.65.050
Condition	Comprehensive Plan Policies
Historic Integrity	Economic Use of the Historic Resource
Age	Value and Significance of the Historic Resource
Historic Significance	Physical Condition of the Historic Resource
Value to the Community	Whether the Historic Resource is a Public Hazard
Economic Consequences	Whether the historic resource is a deterrent to an improvement program whose benefit substantially overrides the public interest in preservation
Design or Construction Rarity	Whether the retention of the historic resource would cause financial hardship to the owner not outweighed by the public interest in preservation
Comprehensive Plan Policies	Whether retention of the historic resource would be in the best interest of the majority of the citizens of the city and the resource could be documented and preserved in another way

Per the Historic Landmarks Committee’s deliberation on January 5, 2023, findings documents were prepared denying the land-use applications for Certificate of Approvals for Demolition for 609, 611, and 619 NE Third Street, and the Gwendolyn Hotel as a new construction project in the Downtown Design Overlay District and voted on by the Historic Landmarks Committee at their meeting on January 26, 2023. The Historic Landmarks Committee voted 3 – 2 to deny all three requests for the demolition of the historic resources, and voted 4 – 1 to deny compliance of the new construction with the City’s Downtown Design Standards and Guidelines.

Reasons to deny the Certificates of Approval for Demolition of 609, 611 and 619 NE Third Street:

- The City’s comprehensive plan historic preservation policies.
- The buildings should be preserved based on their historic integrity and significance to McMinnville as historic resources both individually and collectively within the downtown historic district.
- Preserving the historic resources is of more value to the community than the new hotel.
- The potential financial hardship is not outweighed by the public interest in the resources’ preservation.

Reasons to deny the Gwendolyn Hotel for the Downtown Design Overlay District:

- The project is not compliant with 17.59.050(B)(1) due to the size and massing of the project relative to adjacent and nearby historic buildings on the same block and that the building appears to be taller than two-stories in height at the street corner and intersection.
- The project is not compliant with 17.59.050(B)(2) since the façade is not visually subdivided into proportional bays similar in scale to adjacent historic buildings.
- The project did not apply for waivers for Section 17.59.050(B)(1) and (2).

In their notice of appeal (see attached), the appellant identified approximately 17 (seventeen) alleged issues with the Historic Landmarks Committee's denial of HL 6-22, HL 7-22, and HL 8-22, asserting that the committee unreasonably or incorrectly interpreted and applied the McMinnville Zoning Ordinance, failed to issue adequate findings and failed to reasonably weigh the evidence in the record such that its decision was not substantially supported by the evidence in the record; and approximately 4 (four) alleged issues with the Historic Landmarks Committee's denial of DDR 2-22. The notices of appeal also set forth that these are a non-exclusive list of alleged errors in the Historic Landmarks Committee's decisions. Ultimately, the Appellants believe that the applicable criteria are satisfied and the applications should be approved. The question for the Planning Commission is to review the Historic Landmarks Committee's decisions, the established public record, including the application and supplemental materials, the public testimony, and staff reports, and determine whether the Historic Landmarks Committee correctly applied the applicable criteria, based on the evidence provided.

The Planning Commission may find that some or all of the appellant's arguments have merit and that the findings, and potentially the decisions, need to be changed to reflect that determination. Or the Planning Commission may identify issues or criteria that are of particular concern that they want to discuss and explore further. Or the Planning Commission may determine that the Historic Landmarks Committee's decisions were appropriate but the findings need to be revised.

Attachments:

- Appeal Submittal by HD McMinnville LLC
- Historic Landmarks Committee Decision Documents
 - HL 6-22 (Demolition of Historic Resource at 609 NE Third Street)
 - HL 7-22 (Demolition of Historic Resource at 611 NE Third Street)
 - HL 8-22 (Demolition of Historic Resource at 619 NE Third Street)
 - DDR 2-22 (Downtown Design Review of New Construction – Gwendolyn Hotel)
- Testimony Received for Planning Commission Appeal Public Hearing
 - Letter from Oregon Restaurant and Lodging Association, 02.17.23
 - Email from Phyllice Bradner, 02.20.23
 - Letter from Ernie Munch, MAP Architecture, 02.21.23
 - Letter from Nathan Coopriider, 02.21.23

February 10, 2023

VIA E-MAIL

Ms. Heather Richards, Director
McMinnville Planning Department
230 NE Second Street
McMinnville, OR 97128

Garrett H. Stephenson
Admitted in Oregon
T: 503-796-2893
C: 503-320-3715
gstephenson@schwabe.com

RE: Notice of Appeal: HL 6-22, HL 7-22, HL 8-22, and DDR 2-22

Dear Director Richards and Members of the Planning Commission:

This office represents HD McMinnville LLC, the “Appellant” in the above-referenced appeals. Enclosed with this letter are the following:

1. HL 6-22 - Signed Appeal Application Form;
2. HL 7-22 – Signed Appeal Application Form;
3. HL 8-22 – Signed Appeal Application Form;
4. DDR 2-22 – Signed Appeal Application Form;
5. Supplemental Appeals Narrative with Exhibits 1 and 2.

The Appellant has separately paid the \$1,095.00 appeal fee for each of the four appeals. I am the Appellant’s representative. As a result, please provide me with copies of all notices and correspondence related to these appeals.

Very truly yours,



Garrett H. Stephenson

GST:jmhi
Enclosures

Cc: Mr. Andrew Clarke (*via email w/enclosures*)
Mr. Mark Vuong (*via email w/enclosures*)
Ms. Amanda Winter (*via email w/enclosures*)

PDX\137252\271814\HRW\35940952.1



Planning Department
231 NE Fifth Street o McMinnville, OR 97128
(503) 434-7311 Office o (503) 474-4955 Fax
www.mcminnvilleoregon.gov

Office Use Only:
File No. AP 1-23
Date Received 2/10/23
Fee \$1,095.00
Receipt No. 207495
Received by AW

569-23-000052-PLNG

Appeal Application

Applicant Information

Applicant is: [] Property Owner [x] Contract Buyer [] Option Holder [] Agent [] Other
[] Provided testimony prior to this appeal.

Applicant Name HD McMinnville LLC Phone

Contact Name Mark Vuong Phone (503) 308-0816
(If different than above)

Address 1619 NE Killingsworth Street, Suite A

City, State, Zip Portland, OR 97211

Contact Email mark@hughdev.com

Original Application Information

File No.: HL 6-22 Review Body: Historic Landmarks Committee

Decision: Denied Date of Decision: January 26, 2023

Date Decision Mailed: January 27, 2023 Appeal Date Deadline: February 13, 2023

Description of Original Application Request:
Applications HL 6-22, HL 7-22, and HL 8-22 requesting demolition of the existing historic buildings and construction of the Gwendolyn Hotel (DDR 2-22) on the combined sites of 609, 611 and 619 NE Third Street

Appeal of a decision made by the following review body is requested:

- [] PLANNING DIRECTOR (See Section 17.72.170 (Appeal from Ruling of Planning Director) of the Zoning Ordinance for further information.)
[x] PLANNING COMMISSION (See Section 17.72.180 (Appeal from Ruling of Planning Commission) of the Zoning Ordinance for further information.)



Planning Department
231 NE Fifth Street o McMinnville, OR 97128
(503) 434-7311 Office o (503) 474-4955 Fax
www.mcminnvilleoregon.gov

Office Use Only:
File No. AP 2-23
Date Received 12/10/23
Fee \$1,095.00
Receipt No. 207493
Received by AW

569-23-000052-PLNG-01

Appeal Application

Applicant Information

Applicant is: Property Owner Contract Buyer Option Holder Agent Other
Provided testimony prior to this appeal.

Applicant Name HD McMinnville LLC Phone
Contact Name Mark Vuong Phone (503) 308-0816
Address 1619 NE Killingsworth Street, Suite A
City, State, Zip Portland, OR 97211
Contact Email mark@hughdev.com

Original Application Information

File No.: HL 7-22 Review Body: Historic Landmarks Committee
Decision: Denied Date of Decision: January 26, 2023
Date Decision Mailed: January 27, 2023 Appeal Date Deadline: February 13, 2023

Description of Original Application Request:
Applications HL 6-22, HL 7-22, and HL 8-22 requesting demolition of the existing historic buildings and construction of the Gwendolyn Hotel (DDR 2-22) on the combined sites of 609, 611 and 619 NE Third Street

Appeal of a decision made by the following review body is requested:

- PLANNING DIRECTOR (See Section 17.72.170 (Appeal from Ruling of Planning Director) of the Zoning Ordinance for further information.)
PLANNING COMMISSION (See Section 17.72.180 (Appeal from Ruling of Planning Commission) of the Zoning Ordinance for further information.)



Planning Department
231 NE Fifth Street o McMinnville, OR 97128
(503) 434-7311 Office o (503) 474-4955 Fax
www.mcminnvilleoregon.gov

Office Use Only:
File No. AP 3-23
Date Received 2/10/23
Fee \$1,095.00
Receipt No. 207494
Received by AW

569-23-000052-PLNG-02

Appeal Application

Applicant Information

Applicant is: [] Property Owner [x] Contract Buyer [] Option Holder [] Agent [] Other
[] Provided testimony prior to this appeal.

Applicant Name HD McMinnville LLC Phone

Contact Name Mark Vuong Phone (503) 308-0816
(If different than above)

Address 1619 NE Killingsworth Street, Suite A

City, State, Zip Portland, OR 97211

Contact Email mark@hughdev.com

Original Application Information

File No.: HL 8-22 Review Body: Historic Landmarks Committee

Decision: Denied Date of Decision: January 26, 2023

Date Decision Mailed: January 27, 2023 Appeal Date Deadline: February 13, 2023

Description of Original Application Request:
Applications HL 6-22, HL 7-22, and HL 8-22 requesting demolition of the existing historic buildings and construction of the Gwendolyn Hotel (DDR 2-22) on the combined sites of 609, 611 and 619 NE Third Street

Appeal of a decision made by the following review body is requested:

- [] PLANNING DIRECTOR (See Section 17.72.170 (Appeal from Ruling of Planning Director) of the Zoning Ordinance for further information.)
[x] PLANNING COMMISSION (See Section 17.72.180 (Appeal from Ruling of Planning Commission) of the Zoning Ordinance for further information.)



Planning Department
231 NE Fifth Street o McMinnville, OR 97128
(503) 434-7311 Office o (503) 474-4955 Fax
www.mcminnvilleoregon.gov

Office Use Only:
File No. AP 4-23
Date Received 2/10/23
Fee \$1,095.00
Receipt No. 207492
Received by AW

569-23-000052-PLNG-03

Appeal Application

Applicant Information

Applicant is: [] Property Owner [x] Contract Buyer [] Option Holder [] Agent [] Other
[] Provided testimony prior to this appeal.

Applicant Name HD McMinnville LLC Phone

Contact Name Mark Vuong Phone (503) 308-0816
(If different than above)

Address 1619 NE Killingsworth Street, Suite A

City, State, Zip Portland, OR 97211

Contact Email mark@hughdev.com

Original Application Information

File No.: DDR 2-22 Review Body: Historic Landmarks Committee

Decision: Denied Date of Decision: January 26, 2023

Date Decision Mailed: January 27, 2023 Appeal Date Deadline: February 13, 2023

Description of Original Application Request:
Applications HL 6-22, HL 7-22, and HL 8-22 requesting demolition of the existing historic buildings and construction of the Gwendolyn Hotel (DDR 2-22) on the combined sites of 609, 611 and 619 NE Third Street

Appeal of a decision made by the following review body is requested:

- [] PLANNING DIRECTOR (See Section 17.72.170 (Appeal from Ruling of Planning Director) of the Zoning Ordinance for further information.)
[x] PLANNING COMMISSION (See Section 17.72.180 (Appeal from Ruling of Planning Commission) of the Zoning Ordinance for further information.)

1 **BEFORE THE CITY OF MCMINNVILLE PLANNING COMMISSION**

2 HD McMinnville LLC,
3 *Appellant*

NOTICE OF APPEAL
HL 6-22, HL 7-22, HL 8-22, AND DDR 2-
22 (GWENDOLYN HOTEL PROJECT -
609, 611 AND 619 NE THIRD STREET,
MCMINNVILLE OREGON)

5
6 HD McMinnville LLC (“**Appellant**”) hereby appeals the City of McMinnville
7 Historic Landmarks Committee’s (“**Committee**”) denial of four land use
8 applications HL 6-22, HL 7-22, HL 8-22, and DDR 2-22 (“**Applications**”)
9 requesting demolition of the existing historic buildings and design review of the
10 proposed Gwendolyn Hotel on the combined sites of 609, 611 and 619 NE Third
11 Street.

12 The first evidentiary hearing on the Applications was held on September 29,
13 2022, and continued to December 8, 2022, and further continued to January 5, 2023,
14 and further continued to January 26, 2023. The Applications were denied by the
15 Committee on January 26, 2023, and written notice of the Committee’s denial was
16 mailed to the Appellant on January 27, 2023.

17 **I. COMPLIANCE WITH APPEAL REQUIREMENTS**

18 The Appellant meets the appeal requirements of the McMinnville Zoning
19 Ordinance (“**MZO**”) for each appeal. The MZO requirements are shown below in
20 *italics* with responses following.

21 **A. Design Review Appeal (DDR 2-22)**

22 *MZO 17.59.030(E) – Appeal. An appeal of a decision by the Planning*
23 *Director or Historic Landmarks Committee, including an appeal of conditions*
24 *placed on the permit by the committee, may be made to the Planning Commission as*
25 *outlined in Section 17.72.170.*

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1 **RESPONSE:** The Appellant appeals the Committee’s decision to the
2 Planning Commission. Satisfaction of MZO 17.72.170 is addressed below.

3 *MZO 17.72.170 - Appeal from Ruling of Planning Director. The applicant,*
4 *property owner, or other parties that participated, may appeal a decision of the*
5 *Director to the Planning Commission within 15 (fifteen) calendar days of the date*
6 *the written notice of the decision is mailed. Written notice of the appeal shall be filed*
7 *with the Planning Department and shall set forth in detail the basis for and issues*
8 *raised in the appeal. If the appeal is not taken within the 15 (fifteen) day period, the*
9 *decision of the Planning Director shall be final. If an appeal is filed, the Planning*
10 *Commission shall receive a report and recommendation thereon from the Planning*
11 *Director and shall hold a public hearing on the appeal subject to the procedure*
12 *stated in Section 17.72.130. Notice of a Planning Commission hearing on an appeal*
13 *of a decision of the Planning Director shall take the form of that provided for in*
14 *Section 17.72.110(A).*

15 **RESPONSE:** The Appellant was the applicant in the underlying Committee
16 decision and files this Notice of Appeal on February 10, 2023, within 15 days of the
17 date the written notice of the decision was mailed on January 27, 2023. **Exhibit 1.**
18 The Appellant sets forth in detail the basis for and issues raised in the appeal in
19 Section II, below. The Appellant reserves the right and intends to add additional
20 argument and, if the Planning Commission allows it, evidence, addressing the appeal
21 issues below. The appeal application form is included at **Exhibit 2** and the Appellant
22 has paid the fee for each individual appeal.

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1 ***B. Historic Landmarks Demolition Appeal (HL 6-22, HL 7-22,***
2 ***HL 8-22)***

3 *MZO 17.65.080(A) - Appeals. Any appeal of a decision by the Historic*
4 *Landmarks Committee, including an appeal of conditions placed on the approval of*
5 *a Certificate of Approval by the committee, may be made to the City Planning*
6 *Commission within fifteen (15) days of the date the written notice of the decision is*
7 *mailed.*

8 *MZO 17.65.080(B) - If the appeal is filed, the Planning Commission shall*
9 *receive a report and a recommendation from the Historic Landmarks Committee*
10 *and shall hold a public hearing on the appeal consistent with the procedures in*
11 *Section 17.72.120 of the McMinnville Zoning Ordinance.*

12 **RESPONSE:** The Appellant was the applicant in the underlying Committee
13 decisions and appeals each decision to the Planning Commission. The Appellant
14 files this Notice of Appeal on February 10, 2023, within 15 days of the date the
15 written decision was mailed on January 27, 2023. **Exhibit 1.** The Appellant sets forth
16 the issues raised in the appeal in Section II, below. The Appellant reserves the right
17 and intends to add additional argument and, if the Planning Commission allows it,
18 evidence, addressing the appeal issues below. The application form for each appeal
19 is included at **Exhibit 2** and the Appellant has paid the fee for each appeal in the
20 amount of \$1,095.00.

21 **II. BASIS FOR AND ISSUES RAISED IN APPEAL**

22 As required by MZO 17.72.170, the Appellant identifies issues raised in these
23 appeals, but does not concede that the Planning Commission may limit its review to
24 only these issues. As explained above, the Appellant reserves the right to further
25 supplement the information provided in this Notice of Appeal prior to the Planning
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1 Commission’s hearing on the appeals. Please also note that the following list is not
2 an exclusive recitation of particular arguments and that these arguments likely apply
3 to all of the decisions at issue to some degree.

4 ***A. DDR 2-22 – 609, 611, and 619 NE Third Street***

5 The Committee denied application DDR 2-22 alleging failure to satisfy the
6 following criteria: MZO 17.59.040(A)(3); MZO 17.59.030(D); and MZO
7 17.59.050(B)(1)-(2). With respect to each of the foregoing criteria the Committee (i)
8 unreasonably or incorrectly interpreted and applied the MZO; (ii) failed to issue
9 adequate findings; and (iii) failed to reasonably weigh the evidence in the record
10 such that its decision is not substantially supported by the evidence in the record.

11 In particular, the Committee’s observation that the building’s mass is
12 inappropriate failed to account for changes made during the review process. In
13 committing this error, the Committee incorrectly equated “height” to “building
14 mass,” which is not supported by the text or context of the McMinnville Zoning
15 Ordinance. The Committee also misapplied the word “similar” in this regard. The
16 Committee erroneously rejected evidence offered by the Appellant showing the
17 building step-back at NE 3rd and Ford. Finally, the Committee erred in taking the
18 position that MZO 17.59.040 is not met because the Applicant did not request a
19 waiver of MZO 17.59.050(B)(1) and (2); City staff was clear during the proceedings
20 below that the language of the MZO does not require a waiver in this instance and
21 the Appellant believes that staff was correct in this regard.

22 The findings in the Committee’s decision with regard to massing are also
23 fairly conclusory and do not identify evidence upon which they rely. This is
24 particularly so with regard to its findings on the “proportional bays” required under
25 MZO 17.59.050.

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1 ***B. HL 6-22 – 609 NE Third Street***

2 The Committee denied application HL 6-22 alleging failure to satisfy the
3 following applicable criteria: OAR 660-203-0200(8)(a), Comprehensive Plan Vol.
4 II, Goal III.2, MZO 17.65.010(A), MZO 17.65.010(D), MZO 17.65.050(B)(1)-(4),
5 MZO 17.65.050(B)(6)-(8). With respect to each of the foregoing criteria the
6 Committee (i) unreasonably or incorrectly interpreted and applied the MZO; (ii)
7 failed to issue adequate findings; and (iii) failed to reasonably weigh the evidence in
8 the record such that its decision is not substantially supported by the evidence in the
9 record.

10 In addition to the reasons articulated with respect to HL 7-22 and HL 8-22,
11 the Committee’s erroneous findings include (but are not limited to) the following
12 particular findings.

- 13 • The Committee incorrectly weighed the factors set forth in OAR 660-
14 203-0200(8)(a), and incorrectly interpreted and applied the purpose
15 statement in MZO 17.03.020 and criteria at 17.65.050(B), and its
16 findings for denial were not adequately supported by evidence.
- 17 • The Committee misapplied and misconstrued OAR 660-203-
18 0200(8)(a) by impliedly interpreting the “condition of the property”
19 factor to being met only if “remediating existing conditions is
20 unreasonable or otherwise infeasible” or if the building “poses a
21 significant or imminent public safety hazard,” or if the building “is so
22 deteriorated as to require demolition.” Moreover, the Committee
23 ignored the substantial weight in the record when making this
24 determination.

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- 1 • The Committee’s finding that the building’s structural issues “should
2 be alleviated through routine maintenance” is not based on evidence
3 nor is it consistent with OAR 660-203-0200(8)(a).
- 4 • The Committee’s finding that “installation of stucco over the masonry
5 façade did not impact the appearance of the building so as to undermine
6 its integrity at the time of designation” misconstrued and misapplies
7 OAR 660-203-0200(8)(a) by ignoring the evidence in the record and
8 inappropriately setting the building’s historical significance at the time
9 of designation, rather than the historical periods in the City’s Historic
10 District Nominating Form. The Committee misconstrued and
11 misapplied MZO 17.65.050(B)(3) for similar reasons, and its finding
12 that the buildings convey a connection to the historic automotive
13 industry are not supported by evidence in the record.
- 14 • The Committee’s finding that “[d]emolishing this primary contributing
15 building, along with the two Secondary Contributing buildings to the
16 east, would have the effect of eliminating all of the significant historic
17 buildings on the north side of 3rd Street between Ford and Galloway”
18 is not related to nor responsive to the “age of the property” factor in
19 OAR 660-203-0200(8)(a).
- 20 • The Committee failed to characterize or balance the historic
21 significance of this building against the other factors in OAR 660-203-
22 0200(8)(a).
- 23 • The Committee inappropriately characterized the “value of the
24 community” as indicated by opposition testimony.

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- 1 • The Committee’s findings regarding economic consequences of
2 preservation and the costs of rehabilitation are not supported by
3 evidence in the record, and the Committee’s interpretation of related
4 policies, factors, and criteria include evidentiary requirements
5 concerning past building maintenance that are not supported by those
6 standards.
- 7 • The Committee wrongly interpreted certain Comprehensive Plan
8 Goals as approval criteria rather than policies to be weighed.
- 9 • The Committee incorrectly interpreted and applied MZO 17.65.010(D)
10 as equivalent to protection of historic resources rather than protection
11 and enhancement of the City’s attractions for tourists and visitors.
- 12 • The Committee incorrectly interpreted consistency with Historic
13 Preservation Plan Goal III Sub. 2 to require that a project be a
14 “preservation/rehabilitation/restoration project.”
- 15 • The Committee incorrectly interpreted and applied MZO
16 17.65.050(B)(2) as effectively requiring no future economic use case
17 in order to be met, and its findings on this criterion are not supported
18 by substantial evidence.
- 19 • The Committee’s finding that the building can still generate a
20 reasonable economic return and its assumption that the buildings will
21 grow in value by virtue of their preservation is not supported by
22 evidence in the record.
- 23 • On MZO 17.65.050(B)(4), the Committee incorrectly found that the
24 Applicant was required to bring evidence demonstrating that the owner

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1 has taken steps to protect the building and “avoid demolition by
2 neglect.”

- 3 • The Committee’s findings regarding MZO 17.65.050(B)(6) that other
4 sites that would be amenable for a hotel are not supported by evidence
5 in the record and appear to be based on the personal views and
6 knowledge of the Committee members themselves, which knowledge
7 is not admissible as record evidence.
- 8 • The Committee’s finding under MZO 17.65.050(B)(7) regarding “the
9 public interest in the resource’s preservation” misconstrues that
10 balancing test as requiring a demonstration that the public interest is
11 not served by preserving the buildings.
- 12 • The Committee erroneously equated the views of “the best interests of
13 the majority of citizens” with the views of the individuals who testified
14 in opposition. It is worth noting too, that under the Committee’s
15 interpretation, MZO 17.65.050(B)(8) becomes little more than a call
16 for a project popularity contest.

17 ***C. HL 7-22 – 611 NE Third Street***

18 The Committee denied application HL 7-22 alleging failure to satisfy the
19 following applicable criteria: OAR 660-203-0200(8)(a), Comprehensive Plan Vol.
20 II, Goal III.2, MZO 17.65.010(A), MZO 17.65.010(D), MZO 17.65.050(B)(1)-(4),
21 MZO 17.65.050(B)(6)-(8). With respect to each of the foregoing criteria the
22 Committee (i) unreasonably or incorrectly interpreted and applied the MZO; (ii)
23 failed to issue adequate findings; and (iii) failed to reasonably weigh the evidence in
24 the record such that its decision is not substantially supported by the evidence in the
25 record.

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1 In addition to the reasons articulated with respect to HL 6-22 and HL 8-22,
2 the Committee’s erroneous findings include (but are not limited to) the following
3 particular findings.

- 4 • The Committee incorrectly weighed the factors set forth in OAR 660-
5 203-0200(8)(a), and incorrectly interpreted and applied the purpose
6 statement in MZO 17.03.020 and criteria at 17.65.050(B), and its
7 findings for denial were not adequately supported by evidence.
- 8 • The Committee misapplied and misconstrued OAR 660-203-
9 0200(8)(a) by impliedly interpreting the “condition of the property”
10 factor to being met only if “remediating existing conditions is
11 unreasonable or otherwise infeasible” or if the building “presents a
12 significant or imminent public safety hazard,” or if the building “is so
13 deteriorated as to require demolition.” Moreover, the Committee
14 ignored the substantial weight in the record when making this
15 determination.
- 16 • The Committee’s finding that the building’s structural issues “should
17 be alleviated through routine maintenance” is not based on evidence
18 nor is it consistent with OAR 660-203-0200(8)(a).
- 19 • The Committee’s finding that the building’s “historic integrity remains
20 intact” and that “modifications were not so significant to warrant
21 exclusion of [611 NE Third Street]” misconstrued and misapplies OAR
22 660-203-0200(8)(a) by ignoring the evidence in the record and
23 inappropriately setting the building’s historical significance at the time
24 of Third Street’s historical district designation, rather than the
25 historical periods in the City’s Historic District Nominating Form.

1 Both this and the Committee’s observation that “the building has been
2 significantly modified since its original construction” undermine its
3 findings under OAR 660-203-0200(8)(a).

- 4 • The Committee misconstrued and misapplied MZO 17.65.050(B)(3)
5 by basing its finding that the 611 NE Third Street building had value
6 and significance as a historical resource due to its contribution to
7 preserving the Third Street’s historical register designation rather than
8 on the building’s individual merits. Similarly, the Committee’s finding
9 that “[d]emolishing this primary contributing building, along with the
10 two Secondary Contributing buildings to the east, would have the
11 effect of eliminating all of the significant historic buildings on the north
12 side of 3rd Street between Ford and Galloway” is not related to nor
13 responsive to the “age of the property” factor in OAR 660-203-
14 0200(8)(a).
- 15 • The Committee failed to characterize or balance the historic
16 significance of this building against the other factors in OAR 660-203-
17 0200(8)(a).
- 18 • The Committee inappropriately characterized the “value of the
19 community” as indicated by opposition testimony.
- 20 • The Committee’s findings regarding economic consequences of
21 preservation and the costs of rehabilitation are not supported by
22 evidence in the record, and the Committee’s interpretation of related
23 policies, factors, and criteria include evidentiary requirements
24 concerning past building maintenance that are not supported by those
25 standards.

- 1 • The Committee wrongly interpreted certain Comprehensive Plan
2 Goals as approval criteria rather than policies to be weighed.
- 3 • The Committee incorrectly interpreted and applied MZO 17.65.010(D)
4 as equivalent to protection of historic resources rather than protection
5 and enhancement of the City’s attractions for tourists and visitors.
- 6 • The Committee incorrectly interpreted consistency with Historic
7 Preservation Plan Goal III Sub. 2 to require that a project be a
8 “preservation/rehabilitation/restoration project.”
- 9 • The Committee incorrectly interpreted and applied MZO
10 17.65.050(B)(2) as effectively requiring no future economic use case
11 in order to be met, and its findings on this criterion are not supported
12 by substantial evidence.
- 13 • The Committee’s finding that the building can still generate a
14 reasonable economic return and its assumption that the buildings will
15 grow in value by virtue of their preservation is not supported by
16 evidence in the record.
- 17 • On MZO 17.65.050(B)(4), the Committee incorrectly found that the
18 Applicant was required to bring evidence demonstrating that the owner
19 has taken steps to protect the building and “avoid demolition by
20 neglect.”
- 21 • The Committee’s findings regarding MZO 17.65.050(B)(6) that other
22 sites that would be amenable for a hotel are not supported by evidence
23 in the record and appear to be based on the personal views and
24 knowledge of the Committee members themselves, which knowledge
25 is not admissible as record evidence.

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- 1 • The Committee’s finding under MZO 17.65.050(B)(7) regarding “the
2 public interest in the resource’s preservation” misconstrues that
3 balancing test as requiring a demonstration that the public interest is
4 not served by preserving the buildings.
5 • The Committee erroneously equated the views of “the best interests of
6 the majority of citizens” with the views of the individuals who testified
7 in opposition. It is worth noting too, that under the Committee’s
8 interpretation, MZO 17.65.050(B)(8) becomes little more than a call
9 for a popularity contest.

10 ***D. HL 8-22 – 619 NE Third Street***

11 The Committee denied application HL 8-22 alleging failure to satisfy the
12 following applicable criteria: OAR 660-203-0200(8)(a), Comprehensive Plan Vol.
13 II, Goal III.2, MZO 17.65.010(A), MZO 17.65.010(D), MZO 17.65.050(B)(1)-(4),
14 MZO 17.65.050(B)(6)-(8). With respect to each of the foregoing criteria the
15 Committee (i) unreasonably or incorrectly interpreted and applied the MZO; (ii)
16 failed to issue adequate findings; and (iii) failed to reasonably weigh the evidence in
17 the record such that its decision is not substantially supported by the evidence in the
18 record.

19 In addition to the reasons articulated with respect to HL 6-22 and HL 7-22,
20 Committee’s erroneous findings include (but are not limited to) the following
21 particular findings.
22

- 23 • The Committee incorrectly weighed the factors set forth in OAR 660-
24 203-0200(8)(a), and incorrectly interpreted and applied the purpose
25 statement in MZO 17.03.020 and criteria at 17.65.050(B), and its
26 findings for denial were not adequately supported by evidence.

- 1 • The Committee misapplied and misconstrued OAR 660-203-
2 0200(8)(a) by impliedly interpreting the “condition of the property”
3 factor to being met only if “remediating existing conditions is
4 unreasonable or otherwise infeasible” or if the building “poses a
5 significant or imminent public safety hazard,” or if the building “is so
6 deteriorated as to require demolition.” Moreover, the Committee
7 ignored the substantial weight in the record when making this
8 determination.
- 9 • The Committee’s finding that the building’s structural issues “should
10 be alleviated through routine maintenance” is not based on evidence
11 nor is it consistent with OAR 660-203-0200(8)(a).
- 12 • The Committee’s incorrectly weighed the seven qualities contributing
13 to historic integrity by giving too much weight to the location and
14 setting factors in deciding the even though “the [619 building] lacks
15 the historic integrity on its own,” its proximity to the historic district
16 and adjacent buildings under demolition request embeds it with historic
17 integrity.
- 18 • The Committee’s finding that “[d]emolishing three contributing,
19 would have the effect of eliminating all of the significant historic
20 buildings on the north side of 3rd Street between Ford and Galloway,
21 creating the only block along 3rd where there are no contributing
22 structures” is not related to nor responsive to the “age of the property”
23 factor in OAR 660-203-0200(8)(a).

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- 1 • The Committee failed to characterize or balance the historic
2 significance of this building against the other factors in OAR 660-203-
3 0200(8)(a).
- 4 • The Committee incorrectly weighed the value to the community factor
5 at OAR 660-203-0200(8)(a) by exaggerating “dozens” expressing
6 concern as representative of the community and the Committee failed
7 to account for the testimony it received in favor of Appellant’s proposal
8 and the how the underutilized building is an economic inhibition. The
9 Committee also incorrectly analyzed the value to the community factor
10 in weighing the financial elements involved, incorrectly concluding
11 that applicant need to prove that there were no other economically
12 viable options that also retain the building’s historic value.
- 13 • The Committee’s findings regarding economic consequences of
14 preservation and the costs of rehabilitation are not supported by
15 evidence in the record, and the Committee’s interpretation of related
16 policies, factors, and criteria include evidentiary requirements
17 concerning past building maintenance that are not supported by those
18 standards.
- 19 • The Committee wrongly interpreted certain Comprehensive Plan
20 Goals as approval criteria rather than policies to be weighed.
- 21 • The Committee incorrectly interpreted and applied MZO 17.65.010(D)
22 as equivalent to protection of historic resources rather than protection
23 and enhancement of the City’s attractions for tourists and visitors.

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- 1 • The Committee incorrectly interpreted consistency with Historic
2 Preservation Plan Goal III Sub. 2 to require that a project be a
3 “preservation/rehabilitation/restoration project.”
- 4 • The Committee incorrectly interpreted and applied MZO
5 17.65.050(B)(2) as effectively requiring no future economic use case
6 in order to be met, and its findings on this criterion are not supported
7 by substantial evidence.
- 8 • The Committee’s finding that the building can still generate a
9 reasonable economic return and its assumption that the buildings will
10 grow in value by virtue of their preservation is not supported by
11 evidence in the record.
- 12 • On MZO 17.65.050(B)(4), the Committee incorrectly found that the
13 Applicant was required to bring evidence demonstrating that the owner
14 has taken steps to protect the building and “avoid demolition by
15 neglect.”
- 16 • The Committee’s findings regarding MZO 17.65.050(B)(6) that other
17 sites that would be amenable for a hotel are not supported by evidence
18 in the record and appear to be based on the personal views and
19 knowledge of the Committee members themselves, which knowledge
20 is not admissible as record evidence.
- 21 • The Committee’s finding under MZO 17.65.050(B)(7) regarding “the
22 public interest in the resource’s preservation” misconstrues that
23 balancing test as requiring a demonstration that the public interest is
24 not served by preserving the buildings and is not supported by evidence
25 in the record.



City of McMinnville

PLANNING

COMMUNITY DEVELOPMENT DEPT.
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

SENT VIA EMAIL

January 27, 2023

HD McMinnville LLC
c/o Cristina Haworth, OTAK
808 SW Third Avenue, Ste 800
Portland, OR 97204
Cristina.haworth@otak.com

RE: Dockets HL 6-22, HL 7-22, HL 8-22 and DDR 2-22; Certificates of Approval for Demolition of Historic Resources at 609, 611 and 619 NE Third Street, and compliance with Downtown Design Standards and Guidelines for the Gwendolyn Hotel.

Dear Ms. Haworth:

This letter is to advise you that, at a meeting of the McMinnville Landmarks Committee on Thursday, January 26, 2023, your applications, for approval of a Certificate of Approval for Demolition of the historic resources at 609, 611 and 619 NE Third Street (HL 6-22, HL 7-22, and HL 8-22) and for the compliance of the Gwendolyn Hotel project with the City's Downtown Design Standards and Guidelines (DDR 2-22) were considered by the McMinnville Historic Landmarks Committee.

Based on the material submitted by the applicant, the testimony received, and material provided by the Planning Department, the Historic Landmarks Committee voted 3 to 2 to **DENY** your request for HL 6-22, HL 7-22, and HL 8-22 and voted 4 to 1 to **DENY** your request for DDR 2-22.

The Historic Landmarks Committee determined that your applications failed to meet the applicable criteria in state regulations and the McMinnville Municipal Code (MMC) per the attached decision documents.

Pursuant to Section 17.65.050(A) of the MMC, the decision of the Historic Landmarks Committee shall be final unless an appeal is filed.

Per Section 17.65.080 of the MMC, "Any appeal of a decision by the Historic Landmarks Committee, including an appeal of conditions placed on the approval of a Certificate of Approval by the committee, may be made to the City Planning Commission within fifteen (15) days of the

Exhibit 1
Page 1 of 3

Letter Re: HL 6-22, HL 7-22, HL 8-22, DDR 2-22

Date: January 27, 2023

Page 2

date the written notice of the decision is mailed.” The appeal shall be filed with the Planning Department and shall identify the decision sought to be reviewed, including the date of the decision and a statement of interest from the person seeking review specifying that they were party to the initial proceedings. If the appeal is filed, the Planning Commission shall receive a report and a recommendation from the Historic Landmarks Committee and shall hold a public hearing on the appeal consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.

If no appeal is filed with the Planning Department on or before February 13, 2023, the Historic Landmark Committee’s decision is final.

If you have any questions or comments, you may reach me at (503) 434-7311.

Sincerely,



Heather Richards, PCED
Community Development Director

HR

Attachments:

HL 6-22 Decision Document
HL 7-22 Decision Document
HL 8-22 Decision Document
DDR -22 Decision Document

c: Kira Barsotti (sent via email)
Shanna Dixon (sent via email)
Marianne Mills (sent via email)
Megan McCrossin (sent via email)
Courtney Cunningham (sent via email)
Jordan Robinson (sent via email)
Phyllice Bradner (sent via email)
Victoria Anderson (sent via email)
Patti Webb (sent via email)
Sylla McClellan (sent via email)
Meg and Zach Hixson (sent via email)
Sharon Julin (sent via email)
Daniel Kiser (sent via email)
Carol Dinger (sent via email)
Katherine Huit (sent via email)
Practice Hospitality (sent via email)
Kellie Peterson (sent via email)
JP and Ames Bierly

Exhibit 1
Page 2 of 3

Letter Re: HL 6-22, HL 7-22, HL 8-22, DDR 2-22

Date: January 27, 2023

Page 3

Elizabeth Goings (sent via email)
Abigail Neilan (sent via email)
Ilsa Perse (sent via email)
The Scott Family (sent via email)
Mandee Tatum (sent via email)
Crystal55dreams (sent via email)
Peter and Linda Enticknap (sent via email)
Karen Saxberg (sent via email)
Jeb Bladine (sent via email)
Nathan Coopriider (sent via email)
Ernie Munch (sent via email)
Marilyn Kosel (sent via email)
Carol Paddock (sent via email)
Michael Kofford (sent via email)
Beth Caster (sent via email)
Rachel Flores (sent via email)
Margaret Cross (sent via email)

Exhibit 1
Page 3 of 3

DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS OF THE MCMINNVILLE HISTORIC LANDMARKS COMMITTEE FOR THE APPROVAL OF A DEMOLITION OF THE HISTORIC LANDMARK LOCATED AT 609 NE THIRD STREET

DOCKET: HL 6-22 (Certificate of Approval for Demolition)

REQUEST: Approval of the demolition of an existing historic landmark and building that is listed on the McMinnville Historic Resources Inventory as a “Significant” historic resource (resource number B865). This building is also listed on the National Register of Historic Places as a Primary Significant Contributing building in the McMinnville Downtown Historic District.

LOCATION: 609 NE Third Street. The resource is located at the property that is identified as Tax Lot 4500, Section 21BC, T. 4 S., R. 4 W., W.M.

ZONING: C-3 General Commercial (Downtown Overlay District)

APPLICANT: Mark Vuong, HD McMinnville LLC

PROPERTY OWNER: Jon Bladine, Oregon Lithoprint, Inc.

STAFF: Heather Richards, Community Development Director

DATE DEEMED COMPLETE: September 7, 2022

HEARINGS BODY & ACTION: McMinnville Historic Landmarks Committee

HEARING DATE & LOCATION: First evidentiary hearing, September 29, 2022, 3:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 859 9565 0539, Meeting Password: 661305

Hearing continued to December 8, 2022, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 892 5565 1124, Meeting Password: 257277

Hearing continued to January 5, 2023, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 831 7965 5545, Meeting

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
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Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

Password: 725658. At the conclusion of this meeting, the record was closed to further testimony.

Meeting continued to January 26, 4:00 PM for Historic Landmarks Committee deliberation, a decision and adoption of written findings. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 885 9559 0268, Meeting Password: 925948.

PROCEDURE: An application for a Certificate of Approval for Demolition is processed in accordance with the procedures in Section 17.65.040 - 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule 660-203-0200 (8)(a).

CRITERIA: The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.040 and 17.65.050 of the McMinnville Municipal Code. In addition, since this is a structure listed as part of a historic district on the National Register of Historic Places, Oregon Administrative Rule 660-203-0200(8)(a) is applicable. In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. "Proposals" specified in Volume II are not mandated, but are to be undertaken in relation to all applicable land use requests.

APPEAL: As specified in Section 17.59.030(E) of the McMinnville Municipal Code, the Historic Landmarks Committee's decision may be appealed to the Planning Commission within fifteen (15) days of the date written notice of decision is mailed. The City's final decision is subject to a 120 day processing timeline, including resolution of any local appeal. The original 120-day deadline was January 5, 2023. Per an email dated September 29, 2022 from Garrett H. Stephenson, the applicant requested a 70-day extension to the 120 day decision deadline. As a result, the 120 deadline was extended to March 16, 2023. Per an email dated December 1, 2022 from Garrett H. Stephenson, the applicant requested an additional 30-day extension for a total of 100 days added to the 120 day decision deadline. The current deadline for taking final action on the application is April 15, 2023.

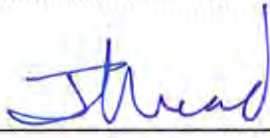
COMMENTS: This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Public Works; Yamhill County Planning Department; Frontier Communications; Comcast; Northwest Natural Gas; Oregon Department of Transportation; and State Historic Preservation Office. Their comments are provided in this document.

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Based on the findings and ~~conclusionary~~ findings, the Historic Landmarks Committee finds the applicable criteria are **SATISFIED / NOT SATISFIED** and **APPROVES / APPROVES WITH CONDITIONS / DENIES** the Certification of Approval for the demolition of the Historic Resource at 609 NE Third Street. (HL 6-22).

////////////////////////////////////
DECISION: **APPROVAL** **APPROVAL WITH CONDITIONS** **DENIAL**
////////////////////////////////////

Historic Landmarks Committee: 
John Mead, Chair

Date: 1/26/23

Planning Department: 
Heather Richards, Community Development Director

Date: 1/26/23

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I. APPLICATION SUMMARY:

The applicant has provided information in their application narrative and findings regarding the history of the subject site(s) and the request(s) under consideration. Staff has found the information provided to accurately reflect the current land use request, and excerpted portions are provided below to give context to the request, in addition to the Historic Landmarks Commission's findings.

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant has filed applications to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking.

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 (reduced to 67 parking spaces per supplemental materials provided on November 4, 2022) 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.

(Application Narrative, page 3)

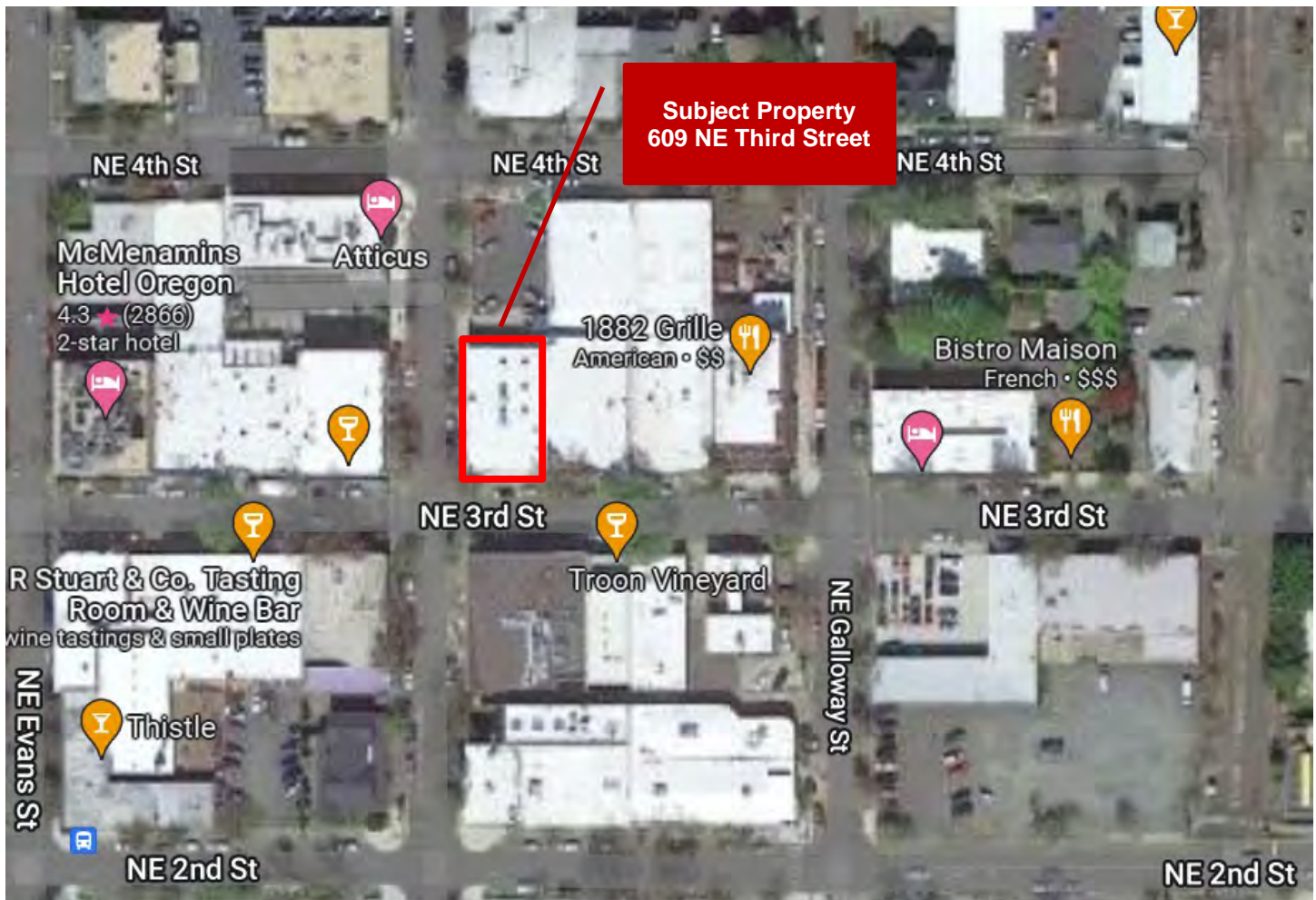
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Subject Property & Request

The subject property is located at 609 NE Third Street. The property is identified as Tax Lot 4500, Section 21BC, T. 4 S., R. 4 W., W.M. **See Vicinity Map (Figure 1) below, which identifies the approximate location of the building in question.**

Figure 1. Vicinity Map (Building Outline Approximate)

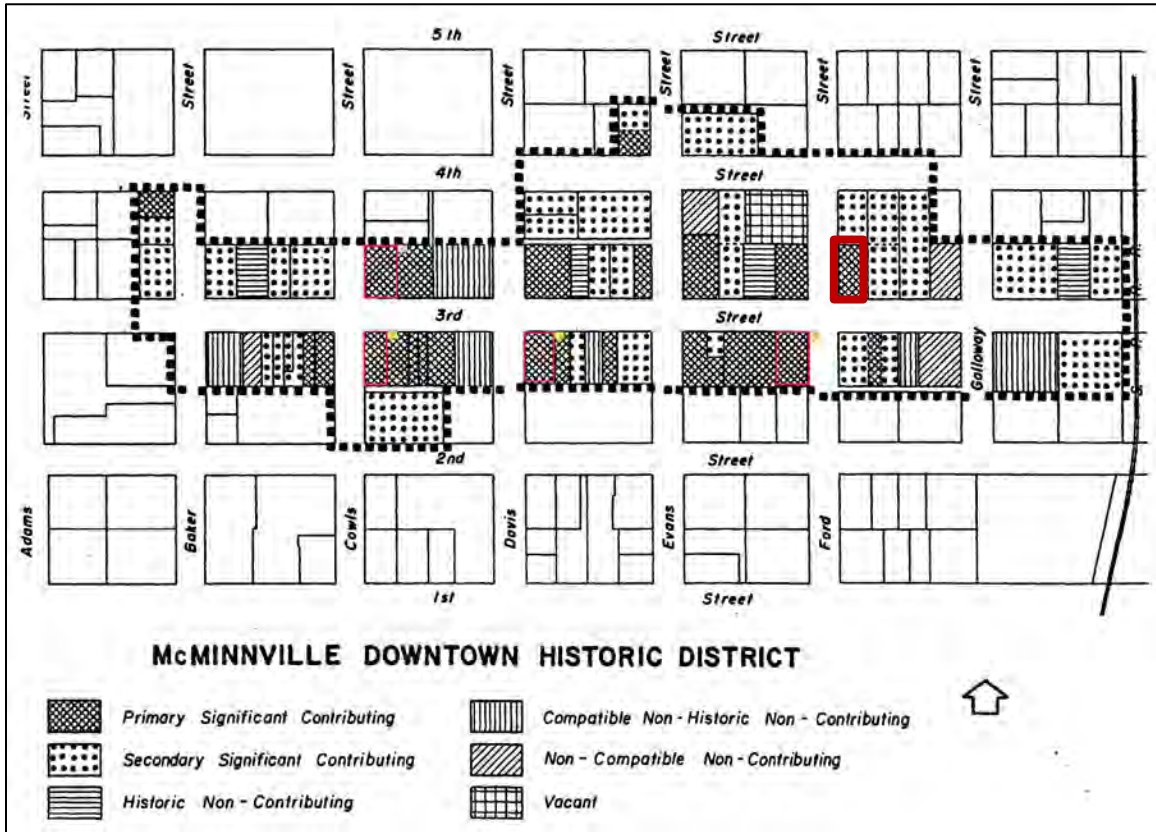


The existing building on the subject property is listed as a Primary Significant Contributing property in the McMinnville Downtown Historic District on the National Register of Historic Places. **See McMinnville Downtown Historic District Map (Figure 2) and Description of 609 NE Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Figure 3) below.**

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Figure 2. McMinnville Downtown Historic District Map



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Figure 3. Description of 228 East Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Section 7, Page 23-24) (1987)

30 ADDRESS: 609 East Third Street
 CLASSIFICATION: Primary Significant Contributing
 OWNER: Frances Fenton et al
 5 E. 5th Street
 McMinnville, Oregon 97128
 ASSESSOR MAP: 4421 BC TAX LOT: 4500
 PLAT: Rowland's Addition LOT: 5 BLOCK: 7
 YEAR BUILT: 1904 STYLE: Commercial
 ALTERATIONS: 1933, 1950's (moderate) USE: Commercial

DESCRIPTION: 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 wood 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 facade are identical in type to those on the Third Street facade but occur in a different configuration. This facade has four bays and the window series from north to south is three, two, one, one. A stuccoed beltcourse divides the stories. Two piers on the Third Street facade remain intact (one has been removed). The east end of the Third Street ground floor facade 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 facade 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 facade is also cut away and the bay is divided by the addition of a new pier. The three remaining bays on this facade 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 cutaway portion was an enclosed storefront.

Prior to the 1920's, 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. Odell's Garage moved to this location in 1933.

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The existing building on the subject property is listed on the McMinnville Historic Resources Inventory as a “Significant” resource (resource number B865). **Please see “Statement of Historical Significance and Description of the Property”, Figure 4 below.**

Figure 4. Statement of Historical Significance and Description of the Property, Historic Resources Survey, City of McMinnville, Yamhill County, Oregon (1983)

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 cutaway 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 a door upstairs. 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; 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, move to this location in 1933.

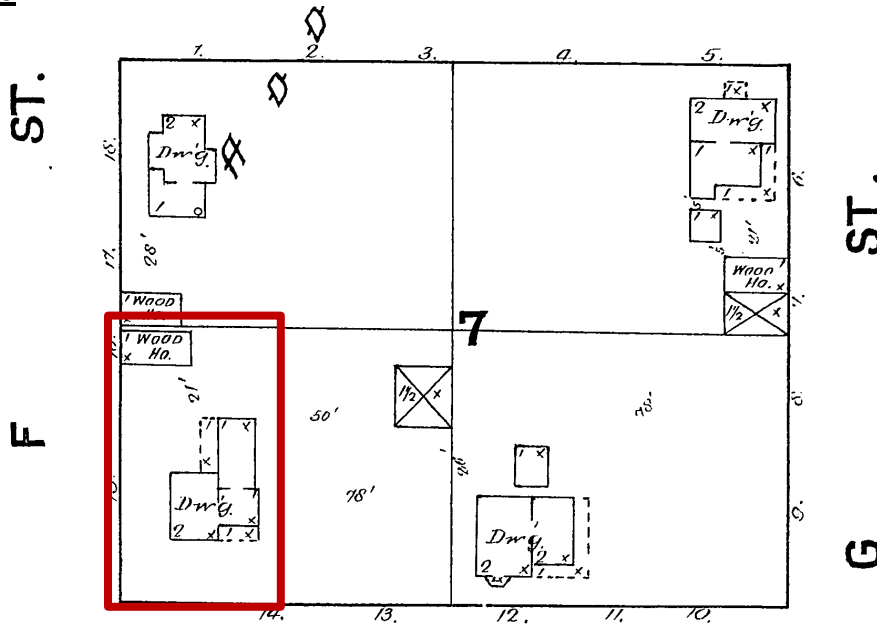
The property originally started off as a dwelling, prior to 1889, and between 1902 and 1912 it was redeveloped into an automobile garage and dealership. Then between 1928 and 1948 it was modified at the corner of Ford and Third Street to accommodate gas pumps. **Please see Figure 5, Series of Sanborn Maps below.**

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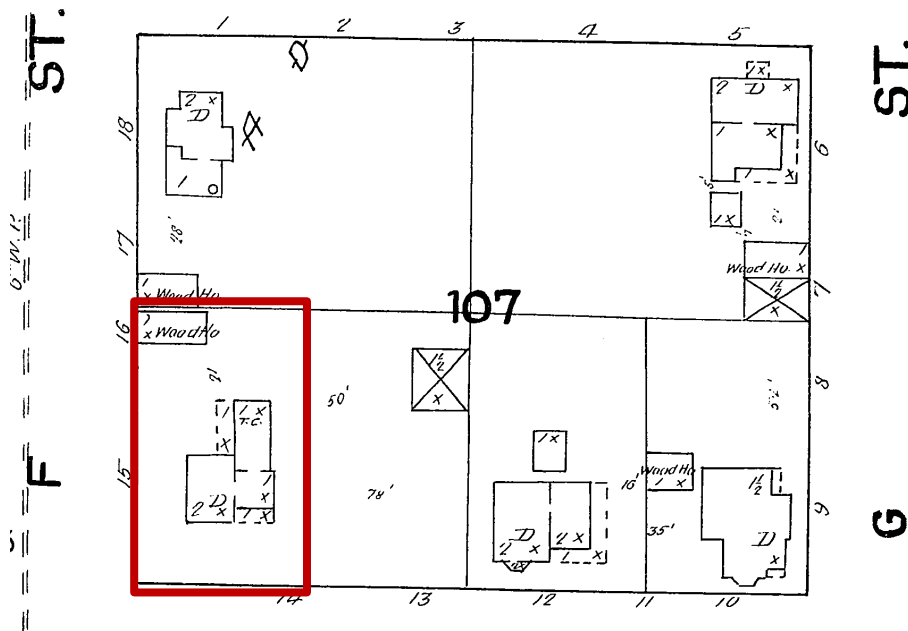
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Figure 5. Series of Sanborn Maps

Sanborn Map, 1889



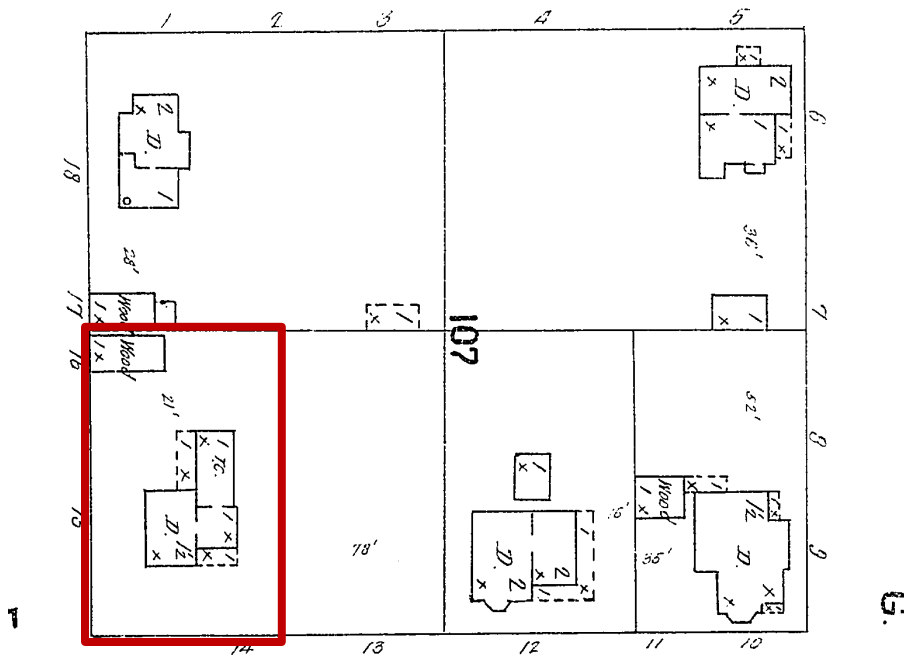
Sanborn Map, 1892



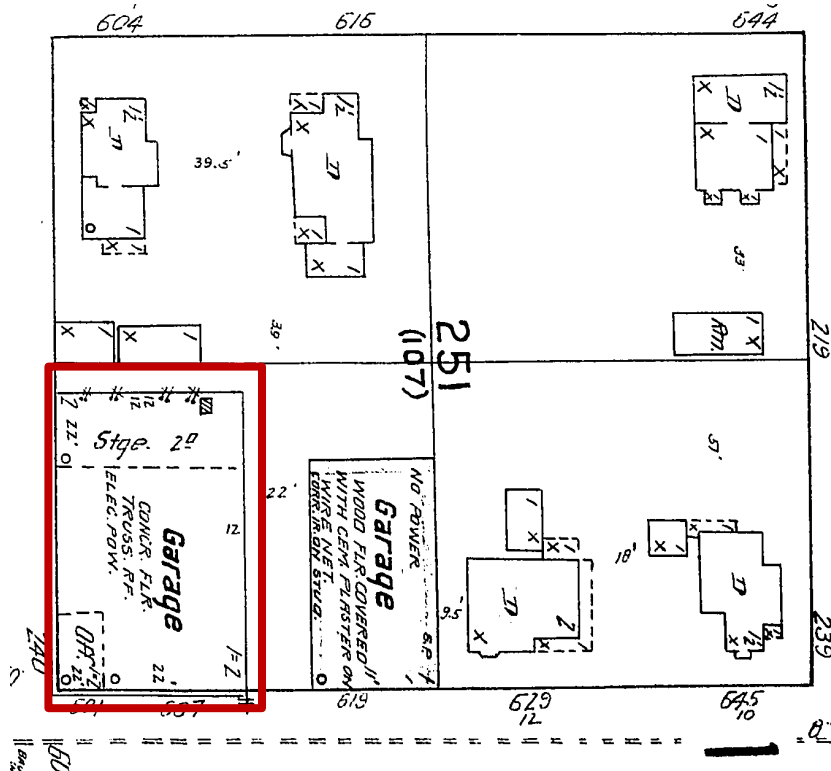
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Sanborn Map, 1902



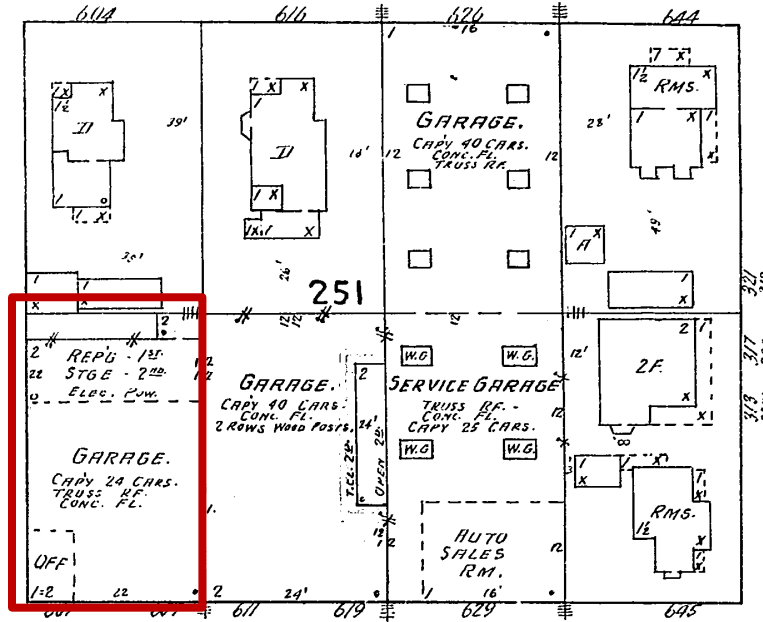
Sanborn Map, 1912



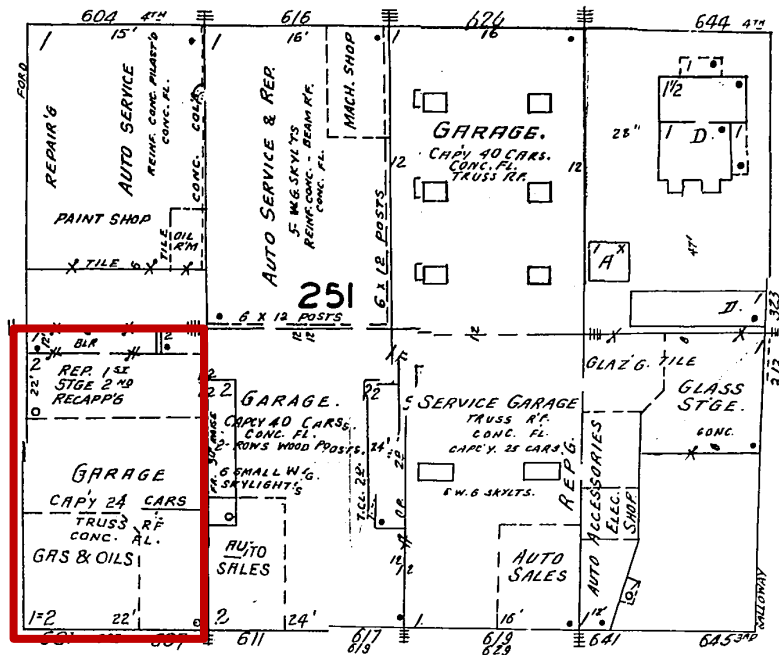
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Sanborn Map, 1928



Sanborn Map, 1948



Architecturally the subject property has changed overtime to accommodate the new uses on the property. **Please see Series of Photos, Figure 6 below.**

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Figure 6, Series of Photos Over Time

Circa 1904, A historic photo provided by the Yamhill County Historical Society shows the original brick building with storefronts on the ground floor.



1940 Photo of 609 NE Third Street showing modified corner storefront for the gas pumps. (Yamhill County News Register)



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1983 photo of the property shows the modified corner storefront for the gas pumps, the removal of the brick corbeling on the second floor and the stucco veneer that was applied all over., (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)



2018, Photo of 609 NE Third Street, shows the modified corner storefront filled in with a street facing storefront.



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Background

The property was originally surveyed in 1983 and 1984, which are the dates that the “Statement of Historical Significance and Property Description” were drafted and included on the Historic Resources Inventory sheet (resource number (B865) for the subject property. This survey work led to the inclusion of the property on the Historic Resources Inventory, and the Historic Resources Inventory was adopted by the McMinnville City Council on April 14, 1987 by Ordinance 4401. The Historic Resources Inventory has since been incorporated into the McMinnville Municipal Code (MMC) through its adoption and reference in MMC Section 17.65.030(A).

The McMinnville Downtown Historic District was entered in the National Register of Historic Places on September 14, 1987. The McMinnville Downtown Historic district was designated for meeting Criteria A (“association with events that have made a significant contribution to the broad patterns of our history”) and C (“distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction”) and is “most noteworthy as the place where the community’s largest, best preserved and most noteworthy historic commercial buildings are concentrated.” (Nomination p 51). Although the nomination acknowledges the alteration of a number of the ground story storefronts including the addition of stucco, the nomination emphasizes the “density, common scale, materials and overall design elements” as providing visual continuity conveying the evolution of the downtown commercial core.

Summary of Criteria & Issues

The application (HL 6-22) is subject to Certificate of Approval for Demolition review criteria in Section 17.65.050 of the Zoning Ordinance and Oregon Administrative Rule 660-203-0200 (Section 8(a)). The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

Oregon Administrative Rule 660-203-0200 (Section 8(a)) states that:

- (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;*

Section 17.65.050 of the McMinnville Zoning Ordinance state that:

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*

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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;
 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;
 3. The value and significance of the historic resource;
 4. The physical condition of the historic resource;
 5. Whether the historic resource constitutes 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;
 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
 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.
- C. If the structure for which a demolition permit request has been filed has been damaged in excess of seventy percent (70%) of its assessed value due to fire, flood, wind, or other natural disaster, the Planning Director may approve the application without processing the request through the Historic Landmarks Committee.
- D. The Historic Landmarks Committee shall hold a public hearing to consider applications for the demolition or moving of any resource listed on National Register consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.
- E. Any approval may be conditioned by the Planning Director or the Historic Landmarks Committee to secure interior and/or exterior documentation of the resource prior to the proposed action. Required documentation shall consist of no less than twenty (20) black and white photographs with negatives or twenty (20) color slide photographs. The Historic Landmarks Committee may require documentation in another format or medium that is more suitable for the historic resource in question and the technology available at the time. Any approval may also be conditioned to preserve site landscaping such as individual plants or trees or to preserve selected architectural features such as doors, windows, brackets, mouldings or other details.
- 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).

The applicant has provided findings to support the request for a Certificate of Approval for Demolition and the HLC heard testimony from the public regarding the same. These will be discussed in detail in Section VI (Conclusionary Findings) below.

II. ATTACHMENTS:

❖ HL 6-22 Application and Attachments

Original Submittal (August 9, 2022)

- Application Form
- Application Narrative
- Project Structural Analysis
- Project Site Plan and Concept Drawings
- Traffic Impact Analysis
- Memorandum

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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- Neighborhood Meeting Materials

Supplemental Submittal (November 4, 2022)

- Approvability Memorandum
- Structural Report
- Historic Resources Assessment
- Contaminated Media Management Plan (October 13, 2022)
- MAC Lease Rates
- 609 NE Third Street Tax Statement
- Third Party Contractor Assessment
- Historic Preservation Incentives Memorandum
- Economic Report
- Architectural Plans
- Traffic Impact Analysis Addendum

Supplemental Submittal (December 15, 2022)

- Letter to City with Additional Findings
- Exhibit 1, Historic Resources Assessment, Architectural Resource Group, November 2022
- Exhibit 2, Existing Building Structural Summary, HHPR, November 6, 2022
- Exhibit 3, Documentation of Existing Building Structures, HHPR, July 29, 2022
- Exhibit 4, Contaminated Media Management Plan (Draft)
- Exhibit 5, Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022
- Exhibit 6, Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022
- Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022
- Exhibit 8, Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.
- Exhibit 9, 2022 Tax Statements
- Exhibit 10, The Gwendolyn Financial Pro-Forma, December 15, 2022

❖ Department/Agency Comments

❖ Public Testimony

III. COMMENTS:

Agency Comments

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and Oregon State Historic Preservation Office. The following comments were received:

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McMinnville Engineering Department**TRANSPORTATION**

Comments and/or conditions of approval related to transportation include:

1. ADA Sidewalk and Driveway Standards are now being applied to all new construction and remodels. These standards are intended to meet the current ADA Standards as shown in the "PROWAG" Design Guidelines. The standards can be found at the following webpage: <https://www.access-board.gov/files/prowag/PROW-SUP-SNPRM-2013.pdf> prior to final occupancy, the applicant shall construct new driveways and sidewalks in the right-of way that conform to these standards.
2. Study shows that queue lengths exceed storage length at the eastbound thru and westbound all of 2nd St at Baker St. Queue lengths also exceed storage lengths at the westbound thru and southbound left at the intersection of Johnson St/Lafayette St & 3rd St.

SANITARY SEWER

Comments and/or conditions of approval related to sanitary sewer service include:

1. The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.
2. Sewer Capacity may be an issue with the change of use of the property, the developer shall enter into an agreement with the City to perform a sewer capacity analysis. The cost of this analysis shall be born by the developer.

MISCELLANEOUS

Additional comments and/or suggested conditions of approval:

1. In the narrative, Part 4. B. Chapter 17.54.050 Yards part F. Response (Page 23) – 3rd St is listed as a Local Street. It is a Major Collector, please change to reflect the correct street classification.
2. Provide detailed plans for the parking structure, email correspondence has been provided by the developers engineer mentioning a possible encroachment into the city right-of-way for the structure of the underground parking. This needs to be reviewed prior to permit issuance.
3. Provide details for valet parking so the City can review the location and the size of the parking for approval prior to building permit issuance.
4. The engineering department will need to review building permit submittals that show in detail items that could be missing in the applications provided. These reviews will be prior to any issuance of building permits.
5. The Contaminated Media Management Plan dated July 20, 2022, is not included in this application. This is a key point of discussion and should be included in the application.

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6. CPP (Comprehensive Plan Policy): 2.00 “The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.”
 - a. The Applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city’s right of ways.
7. CPP 8.00 “The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.”
 - a. The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.
8. CPP 132.40.05 Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:
 - a. Improvement of on-site transportation facilities,
 - b. Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards.
9. The Applicant shall demonstrate its demolition, excavation and onsite construction activities do not create safety concerns related to the DEQ LUST matter and its site and known polluted soil and water. Additionally, the Applicant shall demonstrate how its demolition and construction activities will improve the use of the city’s off-site transportation facility, including but not limited to underground facility uses.
10. CPP 132.46.00 Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010).
 - a. The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.
11. CPP 142.00 The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.
 - a. The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

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12. CPP 151.00 The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:

- a. Federal, state, and local water and waste water quality standards can be adhered to.
- b. The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

McMinnville Building Department

No building code concerns. Analysis of IEBC appears to be accurate and based on Oregon adopted code.

McMinnville Water and Light

Water: Please contact MW&L to turn off water meters and disconnect customer side of the meter – A16972894, C47575190 & A16972900 prior to demolition of property.

Power: Please contact MW&L to coordinate the removal of existing electric services prior to demolition. The Bindery Event space does not appear to have a dedicated electric service. There will need to be a provision for re-serving the Bindery Event Space with electricity during demolition.

Public Comments

Notice of this request was mailed to property owners located within 300 feet of the subject site on September 8, 2022, and notice of the public hearing was published in the News Register on Tuesday, September 20, 2022 and Friday, September 23, 2022. The following testimony has been received by the Planning Department.

- Email from Kira Barsotti, 09.16.22
- Email from Shanna Dixon, 09.16.22
- Email from Marianne Mills, 09.18.22
- Email from Megan McCrossin, 09.18.22
- Email from Courtney Cunningham, 09.20.22
- Email from Jordan Robinson, 09.20.22
- Email from Phyllice Bradner, 09.20.22
- Email from Victoria Anderson, 09.20.22
- Letter from Marilyn Kosel, 09.20.22
- Letter from Patti Webb, 09.20.22
- Email from Sylla McClellan, 09.21.22
- Email from Meg and Zach Hixson, 09.22.22
- Email from Sharon Julin, 09.25.22
- Email from Daniel Kiser, 09.27.22
- Letter from Carol Dinger, 09.28.22
- Letter from Carol Paddock, 09.28.22
- Letter from Katherine Huit, 09.28.22

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- Letter from Jeb Bladine, 09.28.22
- Letter from Practice Hospitality, 09.28.22
- Email from Kellie Peterson, 09.28.22
- Letter from JP and Ames Bierly, 09.28.22
- Memo from Nathan Coopriider, 09.28.22
- Email from Elizabeth Goings, 09.29.22
- Email from Abigail Neilan, 09.29.22
- Letter from Ilsa Perse, 09.29.22
- Email from The Scott Family, 09.29.22
- Email from Mande Tatum, 10.05.22
- Email from Crystal55dreams, 10.25.22
- Email from Peter and Linda Enticknap, 11.22.22
- Letter from Karen Saxberg, 11.17,22
- Letter from Jeb Bladine, 11.29.22
- Letter from Nathan Coopriider, 11.29.22
- Letter from Ernie Munch, 11.30.22
- Letter from Marilyn Kosel, 11.30.22\
- Letter from Nathan Coopriider, 1.3.23
- Letter from Carol Paddock, 1.3.23
- Email from Daniel Kizer, 1.3.23
- Email from Michael Kofford, 1.3.23
- Email from Paul Lusignan, National Park Service, 1.3.23
- Email from Ernie Munch, 1.3.23
- Email from Beth Caster, 1.4.23
- Letter from Ernie Munch, 1.5.23

IV. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. The applicant, Mark Vuong, on behalf of HD McMinnville LLC submitted the Certificate of Approval application (HL 6-22) on August 9, 2022.
2. The application was deemed complete on September 7, 2022. Based on that date, the 120-day land use decision time limit expires on January 5, 2023. The applicant twice extended the 120-day deadline and the new deadline is April 15, 2023.
3. Notice of the application was referred to the following public agencies for comment in accordance with Section 17.72.120 of the Zoning Ordinance: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and the Oregon State Historic Preservation Office on September 7, 2022.

Comments received from agencies are addressed in the Decision Document.

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4. Notice of the application and the September 29, 2022, Historic Landmarks Committee public hearing was mailed to property owners within 300 feet of the subject property in accordance with Section 17.65.070(C) of the Zoning Ordinance on Thursday, September 8, 2021.
5. A public hearing notice was published in the News Register on Tuesday, September 20, 2022, and Friday, September 23, 2022.
6. On September 29, 2022, the Historic Landmarks Committee held a duly noticed public hearing to consider the request.
7. At the public hearing on September 29, 2022, the Historic Landmarks Committee chose to continue the public hearing to December 8, 2022. The applicant requested to extend the 120-day decision deadline by 70 days.
8. On November 4, 2022, the applicant provided supplemental application materials based on the requests from the Historic Landmarks Committee.
9. On December 1, 2022, the applicant requested, with the concurrence of city staff, to continue the public hearing from December 8, 2022, to January 5, 2023, and to extend the 120-day decision deadline by an additional 30 days for a total extension of 100 days.
10. On December 8, the Historic Landmarks Committee continued the public hearing to January 5, 2023.
11. On December 15, 2022, and December 19, 2022, the applicant provided supplemental materials per the request of city staff.
12. On January 5, 2023, the Historic Landmarks Committee hosted a public hearing, closed the public hearing, deliberated, and instructed staff to draft written findings of denial consistent with its deliberation for consideration at its meeting on January 26, 2023.
13. On January 26, the Historic Landmarks Committee voted to deny this application based on the following written findings.

V. FINDINGS OF FACT – GENERAL FINDINGS

1. **Location:** 609 NE Third Street. The resource is located at the property that is identified as Tax Lot 4500, Section 21BC, T. 4 S., R. 4 W., W.M.
2. **Size:** The subject site and property is approximately 6,000 square feet.
3. **Comprehensive Plan Map Designation:** Commercial
4. **Zoning:** C-3, General Commercial
5. **Overlay Zones/Special Districts:** Downtown Overlay District, Section 17.59 of the McMinnville Municipal Code.

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6. **Current Use:** Office
7. **Inventoried and Designated Significant Resources:**
 - a. **Historic Resources:** Historic Resources Inventory – Resource Number B865.
 - b. **Other:** Primary Significant Contributing resource, McMinnville National Register of Historic Places Downtown Historic District
8. **Other Features:** The building is property tight with no setbacks, two stories, unreinforced brick with a stucco finish.
9. **Utilities:**
 - a. **Water:** Water service is available to the subject site.
 - b. **Electric:** Power service is available to the subject site.
 - c. **Sewer:** Sanitary sewer service is available to the subject site.
10. **Transportation:** The site is located on the northeast corner of Ford Street and Third Street. Third Street is a major collector in the McMinnville Transportation System Plan.

VI. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application. The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule, Chapter 660 Division 23: Procedures and Requirements for Complying with Goal 5.

In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated but are to be undertaken in relation to all applicable land use requests.

Compliance with Oregon State Land Use Goals:

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

- (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.*

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- (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.
- (2) Relationship of Historic Resource Protection to the Standard Goal 5 Process.
- (a) Local governments are not required to amend acknowledged plans or land use regulations in order to provide new or amended inventories, resource lists or programs regarding historic resources, except as specified in section (8). Local governments are encouraged to inventory and designate historic resources and must adopt historic preservation regulations to protect significant historic resources.
- (b) The requirements of the standard Goal 5 process in [OAR 660-023-0030 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#), in conjunction with the requirements of this rule, apply when local governments choose to amend acknowledged historic preservation plans and regulations.
- (c) Local governments are not required to apply the ESEE process pursuant to [OAR 660-023-0040 \(ESEE Decision Process\)](#) in order to determine a program to protect historic resources.

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE.

- (3) Comprehensive Plan Contents. Local comprehensive plans should foster and encourage the preservation, management, and enhancement of significant historic resources within the jurisdiction in a manner conforming with, but not limited by, the provisions of [ORS 358.605 \(Legislative findings\)](#). In developing local historic preservation programs, local governments should follow the recommendations in the Secretary of the Interior’s Standards and Guidelines for Archeology and Historic Preservation, produced by the National

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Park Service. Local governments should develop a local historic context statement and adopt a historic preservation plan and a historic preservation ordinance in conjunction with inventorying historic resources.

- (4) *Inventorying Historic Resources. When a local government chooses to inventory historic resources, it must do so pursuant to [OAR 660-023-0030 \(Inventory Process\)](#), this section, and sections*
- (5) *through (7). Local governments are encouraged to provide opportunities for community-wide participation as part of the inventory process. Local governments are encouraged to complete the inventory in a manner that satisfies the requirements for such studies published by the Oregon State Historic Preservation Office and provide the inventory to that office in a format compatible with the Oregon Historic Sites Database.*
- (5) *Evaluating and Determining Significance. After a local government completes an inventory of historic resources, it should evaluate which resources on the inventory are significant pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(4) and this section.*
- (a) *The evaluation of significance should be based on the National Register Criteria for Evaluation, historic context statement and historic preservation plan. Criteria may include, but are not limited to, consideration of whether the resource has:*
- (A) *Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;*
- (B) *Significant association with the lives of persons significant to local, regional, state, or national history;*
- (C) *Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;*
- (D) *A high likelihood that, if preserved, would yield information important in prehistory or history; or*
- (E) *Relevance within the local historic context and priorities described in the historic preservation plan.*
- (b) *Local governments may delegate the determination of locally significant historic resources to a local planning commission or historic resources commission.*
- (6) *Designating Locally Significant Historic Resources. After inventorying and evaluating the significance of historic resources, if a local government chooses to protect a historic resource, it must adopt or amend a resource list (i.e., “designate” such resources) pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(5) and this section.*
- (a) *The resource list must be adopted or amended as a land use decision.*
- (b) *Local governments must allow owners of inventoried historic resources to refuse historic resource designation at any time during the designation process in subsection (a) and must not include a site on a resource list if the owner of the property objects to its designation on the public record. A local government is not required to remove a historic resource from an inventory because an owner refuses to consent to designation.*
- (7) *Historic Resource Protection Ordinances. Local governments must adopt land use regulations to protect locally significant historic resources designated under section (6). This section replaces [OAR 660-023-0050 \(Programs to Achieve Goal 5\)](#). Historic protection ordinances should be consistent with standards and guidelines recommended in the Standards and Guidelines for Archeology and Historic Preservation published by the U.S. Secretary of the Interior, produced by the National Park Service.*

APPLICANT’S RESPONSE: None.

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FINDING: SATISFIED. The City of McMinnville has an acknowledged Historic Preservation program, including an adopted Historic Preservation Plan as a supplemental document to the McMinnville Comprehensive Plan, Comprehensive Plan policies, an adopted Historic Resources Inventory that is actively maintained, historic resource protection ordinances, and an appointed Historic Landmarks Committee that administers and manages the historic preservation program, and makes quasi-judicial decisions on historic landmarks land-use decisions.

(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 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#) 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;*

APPLICANT'S RESPONSE: For the reasons explained below, consideration of the several factors addressed herein demonstrates that the value of these buildings to the historic character of the Historic District is relatively low, that the buildings' values with their current or similar uses are very limited and likely insufficient to provide for needed repairs, that the buildings cannot be economically seismically-retrofitted in their current configuration to allow for a hospitality or other adaptive re-use, and that the public interest in preserving them is outweighed by the public and private benefits achieved by construction of the proposed Gwendolyn Hotel.

The above provision requires local governments to consider a number of factors when deciding whether to allow demolition of structures that are located within National Historic Districts. However, the obligation of the City is to consider these factors; the applicant is not required to prove that one or all of them are "met" as would be the case with a mandatory criterion begging a "yes or no" question. *Frankton Neighborhood Association v. Hood River County*, 25 Or LUBA 386, 395 (1993); *Von Lubken v. Hood River County*, 18 Or LUBA 18, 21-22 (1989). No particular balancing of these factors is required, either. The Historic Landmarks Committee ("HLC") can find (1) that these factors have all been considered with respect to the three buildings proposed for demolition and (2) consideration of these factors supports the Applicant's demolition proposal for each building, which are addressed separately, below.

FINDING: Oregon Administrative Rule (OAR) 660-023-0200(1)(g) defines districts listed in the National Register of Historic Places as a National Register Resource, therefore this state rule applies to the significance of the district as a whole, in addition to the contribution offered by individual resources on their own. Although the rule lists "factors" that must be considered, the purpose of considering those factors is to ensure that National Register Resources are "protected." Just giving "consideration" to these factors but not using those considerations when making decisions about demolition of National Register Resources, as the applicant advocates, would not achieve the preservation objective provided. Rather, it is only through the weighing and consideration of the listed factors that the Commission can determine if demolition can occur without sacrificing protection. Per Figure 2 of this decision document, 609 NE Third Street is considered a Primary Significant Contributing resource in the McMinnville Downtown Historic District.

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OAR 660-023-0200(8)(a) Factors to Consider – Condition of the Property

APPLICANT RESPONSE: All three of the buildings are constructed of unreinforced brick. As noted in the structural report included as Appendix C of the original application, 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 applicant is not requesting demolition of the property due to significant structural issues or imminent public safety hazards. However, additional information from the structural engineer has been provided in response to HLC requests. See Attachment 1 per the supplemental materials provided on November 4, 2022.

Attachment 1 – Memo from Jason Dhanens PE SE, Structural Manager, Harper Houf Peterson Righellis Inc. (HHPR) dated November 6, 2022.

FINDING: The structural analysis does not indicate any structural issues that pose a significant or imminent public safety hazard. The structural analysis provided by the applicant does not suggest that remediating existing conditions is unreasonable or otherwise infeasible. The Historic Landmarks Committee views this concern as one that, not only should be alleviated through routine maintenance, this condition does not offer any indication that the structure is in a physical condition that is so deteriorated as to require demolition. Further, the Historic Landmarks Committee rejects the proposition that historic masonry buildings are not structurally sound simply by virtue of being unreinforced. This would assume that all historic unreinforced masonry buildings that have not been maintained adequately are justification for demolition of historic resources.

OAR 660-023-0200(8)(a) Factors to Consider – Historic Integrity of the Property

APPLICANT RESPONSE: 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.

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 Photo 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.

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Photo 1 609 NE 3rd Street ca. 1904



Source: Yamhill County Historical Society

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- Attachment 3: Public Testimony

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

Photo 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.

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

A 1940 photo in the News-Register 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.

Photo 3 609 NE 3rd Street in 1940



Source: Yamhill County News-Register

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 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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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.

Photo 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](https://www.mcminnvilleoregon.gov/sites/default/files/archives/Historic%20Resources/B%20Book/b865%20inventory.pdf).

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Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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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 Photo 5 below.

Photo 5 609 NE 3rd Street in 2017



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

Given the resurfacing with stucco, reconfiguration and replacement of the storefronts on the ground floor 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.

In this context, the "Historic Integrity" of the building refers to features that existed within the date range of secondary significance. The building has been updated since 1983, when the Historic District was established. The Historic District Nominating Form did not identify any period after 1937 as historically significant; therefore, features added after that date are not considered historically significant.

The historic integrity of the building has been substantially compromised since it was originally constructed, based on the HRA report (Historic Resources Assessment, Architectural Resource Group, November 2022). The following is a list of alterations to the building since it was constructed:

- o Resurfacing with stucco.
- o Reconfiguration of the ground floor at the southwest corner of the building between 1928 and 1940 to a more open plan to accommodate gas pumps. Infill of these same bays (west two bays facing NE 3rd Street and south three bays facing NE Ford Street) after 1983.

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
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 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

- o Storefront in fill of north bay of NE Ford Street.
- o Replacement of ground floor windows at easternmost bay (original transom windows remain above).
- o Loss of historic garage blade signage.
- o Addition of brick chimney at rear (north) elevation.
- o Likely addition of the one-story north bay at the rear of the building (its materials differ from the original structure, with stucco-covered concrete masonry unit walls, and steel windows).

The HRA Report goes on to conclude that the only "character defining features" confirmed to be remaining on the building¹ include the following:

- o Wood sash windows.
- o One wood storefront window and transom at the easternmost bay of NE 3rd Street, although the glass at the storefront unit was replaced and subdivided with metal mullions.
- o Two bays of wood storefront windows and transoms at the NE Ford Street Elevation.
- o Interior finishes, such as window mill work, remain at several second-floor offices at the south end of the building.

Note that the HRA, while helpful, does not address "historic integrity" specifically but only "character defining features." Even if the above are components of "historic integrity," these are far outweighed by the fact that the building has been reskinned, its corner removed and later replaced in a manner not reflective of its original historic character, windows have been replaced, a chimney added, and addition of a one-story garage bay at the north side of the building.

For the above reasons, the historic integrity of the building is minimal.

FINDING: "Historic integrity" is generally defined as the ability for a property or resource to convey its significance. Historic properties either retain integrity (that is, convey their significance) or they do not. Within the concept of integrity, the National Register criteria recognize seven aspects or qualities that, in various combinations, define integrity. These seven aspects include location, setting, design, materials, workmanship, feeling, and association. To retain historic integrity a property will always possess several, and usually most, of the aspects. OAR 660-0230-0200(8)(a) opens by noting that local governments have an obligation to protect National Register Resources, without regard to local designation. As a result, rather than rely on the HRI report which served as the basis for local designation, the National Register nomination identifies the relevant periods of significance and an evaluation of structural integrity. Historic structures were given the Primary Significant Contributing designation when they were built before 1912 during a time when railroad service prompted new development in the downtown area. In addition to the date of construction, common features distinguishing buildings of Primary Significance include their density, scale, materials, and overall design elements, particularly with respect to the second floors. For 609 NE

¹ The Report also lists the building's location, massing, flat roof, and structural members (i.e. the building's existence) as "character-defining features," but loss of these features would only occur if the building had been demolished to some extent and are not properly considered part of the building's "historic integrity," as they indicate no more than that the building still exists with the same number of stories. Indeed, all of these characteristics would be the same even if the building had been gutted and refinished entirely. Regardless, the above factor concerns "historic integrity," not "character defining features."

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

Third Street, there are several elements that are original to the building (several wood windows on the second floor Third Street elevation and the storefronts on the ground floor of the NE Ford Street elevation and some on the Third Street elevation, with respect to the overall form and the massing.)

All of these elements work to reinforce the two-story commercial store front character that signifies the District.



South Elevation facing NE Third Street, illustrating original features (ARG, October 2022).



West Elevation facing NE Ford Street, illustrating original features (ARG, October 2022).

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

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Attachment 3: Public Testimony



The bays at the corner of the ground floor have been infilled with the current street-facing storefront; three original storefront bays remain (ARG, October 2022).

The two-story scale, the overall form, the longstanding commercial use and its association with a prominent McMinnville attorney are the basis for finding that 609 NE Third Street retains historic integrity and contributes to the primary period of significance. Substantial alterations to the ground floor including removal of the two westernmost storefront bays to accommodate a drive-through service station in 1928 and in 1948, and the installation of stucco over the masonry façade, did not impact the appearance of the building so as to undermine its integrity at the time of designation. It is important to note that there are other buildings within the District boundaries that were so altered that they no longer contributed to the integrity of the District suggesting that the modifications were not so significant to warrant exclusion of this building.

The Historic Landmarks Committee finds that the historic integrity of the structure at 609 NE Third Street warrants preservation for the community.

OAR 660-023-0200(8)(a) Factors to Consider – Age of the Property

APPLICANT RESPONSE: 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.

The building was constructed in 1904. While this is within the 1881-1912 date range for a "primary contributing resource," it is the latter end of that range. Other than its age qualifying it as a contributing resource in the Historic District, its build year does not convey significance.

FINDING: The National Register evaluation factors do not place greater importance on resources constructed early in the period of significance over those that may have been created later. Demolishing this primary contributing building, along with the two Secondary Contributing buildings to the east, would have the effect of eliminating all of the significant historic buildings on the north side of 3rd Street between Ford and Galloway, creating the only block along 3rd where there are no

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Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

contributing structures. As noted above, this building does not show any greater “signs of its age” than any other historic building within the District.

OAR 660-023-0200(8)(a) Factors to Consider – Historic Significance of the Property

APPLICANT RESPONSE: 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. 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 (When the nomination was being prepared in 1987, buildings constructed in 1937 were then 50 years old and met the threshold for

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

National Register eligibility). 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.

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.

The City's Historic District's 1983 statement of historic significance is as follows:

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 cutaway 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 a door upstairs. 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; 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, move to this location in 1933.

The first paragraph explains how the building looked in 1983. The second paragraph explains who constructed the building and describes a photograph of the building taken in 1904. The third paragraph explains which businesses operated in the building (a battery shop, Plymouth dealership, and auto shop) between 1904 and 1933.

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"Historic Significance" is not defined in OAR 660-033-023. However, OAR 660-033-023(5)(a) explains that the "evaluation of significance" should be based on the following²:

"(A) Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;

(B) Significant association with the lives of persons significant to local, regional, state, or national history;

(C) Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;

(D) A high likelihood that, if preserved, would yield information important in prehistory or history; or

(E) Relevance within the local historic context and priorities described in the historic preservation plan. "

With respect to (A), the Historic District's significance statement does not connect the building with any significant events. With respect to (B), while the building's original owner was identified as prominent attorney Frank W. Fenton, the statement of significance does not explain how Mr. Fenton's life was particularly significant to local, regional, state or national history. It is also notable that by at least 1912 it was an automobile garage and dealership. With respect to (C), there is no evidence that the building possessed a particularly distinctive or notable design, artistic values, "or represents a significant and distinguishable entity whose components may lack individual distinction." Even if it did, the substantial changes to the building would have eliminated any such distinctiveness. With respect to (D), given the substantial changes to the building since Mr. Fenton built it, there is nothing about this building that "yields information important in prehistory or history." Assuming that Mr. Fenton was important to local history, the building's appearance and use as an auto-shop for most of its existence does nothing to evoke his importance to history, unlike the other building he constructed in the Historic District, which is not proposed for demolition.³ Finally, with respect to (E) the Historic District's nominating form describes the local historic context for primary contributing buildings as follows:

"Structures are classified as Primary Significant if they were built in or before 1912, or reflect the building styles, traditions, or patterns of structures constructed before this date. These buildings represent the primary period of construction and development in downtown McMinnville from its initial settlement in 1881 to 1912, when city improvements and use of the Oregon Electric and Southern Pacific Railroad Service promoted new construction in the downtown area."

² Note that these are virtually identical to the National Register's "Criteria for Evaluation."

³ Mr. Fenton built the Fenton Building at 448 E Third Street, which is the only building in the District bearing his name, and which (according to the Historic District Nomination Form), is considered to be his "masterpiece."

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Attachment 1: Application and Attachments (Provided August 9, 2022)
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Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

According to its nomination form, the building was included because it was built before 1912, not because it "reflects the building styles, traditions or patterns of structures constructed before this date." Therefore, it appears to be a "primary contributing" building by virtue of its date of construction alone.

FINDING: Both the National Register of Historic Places and the City of McMinnville have adopted provisions that identify the property as historically significant. Under the National Register, the district was deemed to qualify under Criteria A and C. The City of McMinnville's classification of the property as a "B" (Significant) historic resource on the McMinnville Historic Landmarks Inventory.

Although, if reviewed now, the property could be classified differently, that does not negate the policy action that has occurred. With that said, the assigned historic significance is not a stand-alone factor for preservation or demolition. Rather, all of the factors must be considered

The McMinnville Downtown Historic District National Register of Historic Places nomination provides the following as the overall summary of the statement of significance for the historic district for a time period of 1880 – 1937.

The McMinnville Historic District is an area of approximately 15 acres in which the unifying theme represented by the 51 contributing buildings is the parallel development of commerce and railroad and highway transportation in the bustling Willamette Valley farming community and county seat between 1880 and 1937. The district meets National Register Criteria A and C in the context of local history as the place where the community's largest, best preserved and most noteworthy historic commercial buildings are concentrated. The district extends 6½ blocks along Third Street, historically the main, east-west stem of the business district. Buildings along Third Street represent several phases of development but have a marked cohesion by virtue of their density, common scale, materials and overall design elements. While ground story storefronts have been altered over the years, distinguishing features of the upper stories are intact and provide visual continuity. Descendants of many of the community's early settlers are owners of property or businesses within the district today.

The McMinnville Historic Preservation Plan has the following language for the historic context of McMinnville's historic resources for the time period that most influenced the building at 609 NE Third Street:

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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Motor Age, Boom and Bust (1903—1940)

This period marked the arrival of the automobile. Most of the garages added to the houses surveyed were built during this period. The city was amid a massive population growth extending from 1900 through 1910 and increased prosperity with industrial growth provided jobs and steady wages. By 1914 a spur from the main interurban railroad corridor along the Willamette Valley linked the city with Portland and cities to the south. Building construction grew considerably from 1900 to 1909 relative to pre-1900 construction, and then nearly doubled during the 1910s.⁵

Population growth continued between 1910 and 1940, increasing from 2,767 in 1920 to 3,706 in 1940.⁶ New industries established in the city and surrounding area included including a small foundry, a machine shop, a planning mill, a creamery, and an incandescent and arc light factory. The launch of Prohibition in 1919 devastated the hops industry, the area’s second-most profitable crop, motivating farmers to diversify their products to include legumes, clover, and animal products.

(McMinnville Historic Preservation Plan, page 16)

However, based on the methodology at the time, the subject property is listed as a “Primary Significant Contributing” property in the McMinnville Downtown Historic District National Register of Historic Places nomination and is identified as a “Significant” resource on the McMinnville Historic Resources Inventory.

As discussed above, the Historic Landmarks Committee finds that although the historic integrity of the building has been significantly modified since its original construction in 1904, and then since its modification prior to 1912 to an automobile garage that reflects the “Motor Age, Boom or Bust” in the McMinnville Historic Preservation Plan, the property was deemed to contribute to the overall commercial character of the district. The Historic Landmarks Committee concludes that the building retains historic significance, either as part of the primary period of significance or to the automobile boom period that followed.

OAR 660-023-0200(8)(a) Factors to Consider – Value to the Community

APPLICANT RESPONSE: The value the buildings current(ly) 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.

Within living memory the building has been used as an automotive repair shop, gas station, and more recently, as offices of the New Register and small retail space, which occupies only the bottom floor. The building is not associated with any particularly meaningful community history, has never

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2: Department/Agency Comments
- Attachment 3: Public Testimony

been used as a community gathering place, and does not appear to have any value to the community beyond its inclusion in the Historic District.

FINDING: The HLC received testimony from dozens of city residents expressing concern over the loss of these buildings. The testimony from Ernie Munch, an architect, provided evidence suggesting that the value of this building to the community is not just in its post-railroad two-story, storefront commercial design as set forth in the National Register documentation but also its conversion to a service-station early on to serve the burgeoning auto-focused culture of the late 1920s and 1930s.

Several people also testified that the height, mass, and form of the building contributed to the overall sense of place of Third Street, which as McMinnville’s award-winning Main Street, is the heart and soul of the community.

609 NE Third Street also is a two-story building where both floors have not been adequately maintained and the full vitality of the building is not realized. The applicant provided a cost analysis in their application that indicates that the cost of rehabilitating the structure and the return yield on the square footage of the rehabilitated space would not be financed as the project would not yield a positive return for 40 years.

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.

(Application Narrative, page 3)

The applicant argues that the underutilization of the building for revenue-generating commercial uses undercuts the value of the building to the community. Although this might be true in the abstract, the HLC did not hear this concern voiced in the testimony it received. Further, the Historic Landmarks Commission concludes that the building is only financially infeasible to rehabilitate because the applicant assumes that the only viable economic solution includes either doing nothing, restoring the building including full seismic upgrades or the most intense development that might be allowed in the zone. The Historic Landmarks Commission believes that there may be other options that the applicant did not fully explore that would retain the preservation value of this building and also allow for a greater return on investment.

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2: Department/Agency Comments
- Attachment 3: Public Testimony

OAR 660-023-0200(8)(a) Factors to Consider – Economic Consequences

APPLICANT RESPONSE: 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.

FINDING: The replacement plan for a multi-story hotel and ground floor retail may benefit McMinnville economically but the Historic Landmarks Committee also finds that it is the historic district, its historic charm and coziness, that have made this downtown an economic success. McMinnville needs more Class A office space, especially in its city center. However, due to long-term disinvestment in the second story of this building the costs of stabilizing the building and providing Class A office space is more than the market will bear which would lead to continued disinvestment in the second story and no office vitality outside of the ground floor. This long-time disinvestment cannot be used as a basis to claim economic hardship.

OAR 660-023-0200(8)(a) Factors to Consider – Design or Construction Rarity

APPLICANT RESPONSE: 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.

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The building is not identified as being rare at all in terms of design or construction.

FINDING: 609 NE Third Street does not possess any specific design or construction standard that would be described as rare or significant for McMinnville, except for the interior structural design to allow for a large car dealer showroom.

OAR 660-023-0200(8)(a) Factors to Consider – Consistency and Consideration of other Policy Objectives in the Comprehensive Plan.

APPLICANT RESPONSE: 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.*

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:

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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.

FINDING: Please see below for a discussion of compliance with the City of McMinnville's Comprehensive Plan policies. In summary, the proposed demolition of 609 NE Third Street does not meet the City's Comprehensive Plan goals for preservation of historic resources, however the demolition of the subject structure coupled with the redevelopment of the site does meet many of the City's economic development comprehensive plan policies. That said, the Historic Landmarks Committee finds that these goals are not mutually exclusive and, in fact, it is the historic protections offered by the Downtown Historic District, that have contributed to its economic success. Existing commercial land exists in the downtown area, both within and outside of the Historic District, to accommodate a luxury hotel, including many of the amenities identified by the applicant. This building has been occupied with numerous different uses since construction, all resulting in neighborhood-serving uses and there is no reason to believe that either these uses, or new uses other than a 6-story hotel, could not be pursued in the future.

OAR 660-023-0200, Section 8(a):

OVERALL FINDING: OAR 660-023-0200, Section 8(a) states that the following factors must be considered when making a decision to approve, approve with conditions or deny an application for a historic resource on the National Register of Historic Places: 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. But OAR 660-023-0200, Section 8(a) does not provide clear and objective criteria as to how to consider the factors and how many factors need to support an approval, approval with conditions or denial. Per the analysis above, 609 NE Third Street does not appear to be in bad structural condition and does appear to retain some historic integrity, components that are still extant from its original condition or historic significance. The applicant has tried to make the case that the economic value realized from a new 6-story luxury hotel outweighs what they have identified as limited historic integrity. The Historic Landmarks Commission finds that this presents

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a false choice with respect to both the economic value and the historic integrity. The District enjoys economic vitality today because of the choices made to preserve it. This building has generated a reasonable economic return for generations, as evidenced by its variety of uses, and there is no evidence to believe such return would be foreclosed in the future, but for this long-standing owner's failure to maintain the building in a state commensurate with other owners along NE Third Street.

The value to the community could be described in two ways – historic value and overall value. The applicant has argued that the historic value has been compromised as an individual structure but this determination fails to consider the contribution this building, in conjunction with the other two, makes to the overall McMinnville downtown historic district and building fabric. When considering all of the factors in OAR 660-023-0200(8)(a) together, the Historic Landmarks Commission finds that demolition of 609 NE Third Street is not appropriate.

OAR 660-023-0200, Section 8

(b) May apply additional protection measures. for a National Register Resource listed in the National Register of Historic Places after the effective date of this rule, additional protection measures may be applied only upon considering, at a public hearing, the historic characteristics identified in the National Register nomination; the historic significance of the resource; the relationship to the historic context statement and historic preservation plan contained in the comprehensive plan, if they exist; the goals and policies in the comprehensive plan; and the effects of the additional protection measures on the ability of property owners to maintain and modify features of their property. Protection measures applied by a local government to a National Register resource listed before the effective date of this rule continue to apply until the local government amends or removes them; and

APPLICANT'S RESPONSE: None.

FINDING: NOT APPLICABLE. In adopting the criteria for demolition in 17.65.050, the City adopted protection measures as provided by this requirement.

OAR 660-023-0200, Section 8

(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.

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's response.

(9) Removal of a historic resource from a resource list by a local government is a land use decision and is subject to this section.

(a) A local government must remove a property from the resource list if the designation was imposed on the property by the local government and the owner at the time of designation:

- (A) Has retained ownership since the time of the designation, and*
- (B) Can demonstrate that the owner objected to the designation on the public record, or*
- (C) Was not provided an opportunity to object to the designation, and*
- (D) Requests that the local government remove the property from the resource list.*

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- Attachment 3: Public Testimony

(b) Except as provided in subsection (a), a local government may only remove a resource from the resource list if the circumstances in paragraphs (A), (B), or (C) exist.

(A) The resource has lost the qualities for which it was originally recognized;

(B) Additional information shows that the resource no longer satisfies the criteria for recognition as a historic resource or did not satisfy the criteria for recognition as a historic resource at time of listing;

(C) The local building official declares that the resource poses a clear and immediate hazard to public safety and must be demolished to abate the unsafe condition.

APPLICANT'S RESPONSE: None.

FINDING: As explained in these findings, the demolition request is not approved and the building will remain on the McMinnville Historic Resources Inventory.

(10) A local government shall not issue a permit for demolition or modification of a locally significant historic resource during the 120-day period following:

(a) The date of the property owner's refusal to consent to the historic resource designation, or

(b) The date of an application to demolish or modify the resource if the local government has not designated the locally significant resource under section (6).

APPLICANT'S RESPONSE: None.

FINDING: NOT APPLICABLE. The structure at 609 NE Third Street has already been designated a McMinnville Historic Resource.

Comprehensive Plan Volume II:

The following Goals, Policies, and Proposals from Volume II of the Comprehensive Plan provide criteria applicable to this request:

The implementation of most goals, policies and proposals as they apply to this application are accomplished through the provisions, procedures, and standards in the city codes and master plans, which are sufficient to adequately address applicable goals, policies, and proposals as they apply to this application.

The following additional findings are made relating to specific Goals and Policies:

GOAL II 1: TO PRESERVE THE QUALITY OF THE AIR, WATER, AND LAND RESOURCES WITHIN THE PLANNING AREA.

2.00 The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.

APPLICANT RESPONSE: A draft Contaminated Media Management Plan (CMMP) that addresses all three properties has been included (Contaminated Media Management Plan, October 13, 2022). The CMMP is a requirement of the Prospective Purchaser Agreement between the Applicant and Oregon Department of Environmental Quality ("DEQ"). As a practical matter, former automotive shops and fuel stations are routinely redeveloped and there is nothing about these buildings that presents a unique risk. The draft CMMP requires

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Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

removal and safe disposal of any contaminated media (i.e. soil or ground water), and recommends only standard protective measures to mitigate the limited identified risk of petroleum contamination.

This is sufficient to satisfy Goal II of the City's Comprehensive Plan, which implements Statewide Planning Goal 6. Goal 6 requires that the local government establish that there is a reasonable expectation that the use for which land use approval is requested will also be able to comply with the state and federal environmental quality standards that it must satisfy to be built. *Hess v. City of Corvallis*, 70 Or LUBA 283 (2014). The City's comprehensive plan does not address soil contamination, and with respect to water, Policy 10.00 of the Comprehensive Plan provides that "The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area." The Applicant's ongoing work with DEQ through the PPA process is evidence not only that DEQ will provide sufficient oversight to ensure the safety of workers and the public, but also demonstrates that the Application will be able to comply with DEQ's standards.

FINDING. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST). The Lithoprint LUST site involves underground gasoline storage tanks that were removed in the mid-1980s. The tanks were located beneath the sidewalk on the east side of NE Ford Street, just north of NE Third Street. Some gasoline-contaminated soil was excavated during the tank removal, but further investigation indicated that soil contamination extended beneath the O'Dell Building, which is owned by Lithoprint and is adjacent on the east of the former tanks. Groundwater contamination originating at the former tanks' location extends to the southwest beneath NE Ford Street, the Oddfellows Building across NE Ford Street on the west, and into NE Third Street. Soil and groundwater conditions associated with the LUST site have been monitored for the past 30+ years and contamination persists in both soil and groundwater at concentrations exceeding Oregon's cleanup requirements. Lithoprint's consultant produced a Supplemental Site Investigation Summary Report in June 2022 that does not contemplate redevelopment of the O'Dell Building and states:

"Based on the current Site use, the primary potential risk exposure that was identified as being of potential concern is limited to construction worker exposure beneath the southwest corner of the O'Dell Building and in the vicinity of MW-4. This exposure would only present a potential risk if construction or excavation activities were undertaken without appropriate precautions. The potential for unacceptable risk to construction workers beneath the O'Dell Building is further limited by the fact that the building would need to be razed or excavation activities would need to be conducted within the existing building footprint for potential exposures to occur."

This implies that if the building is razed and excavation occurs, there is a potential exposure that should be considered. The Supplemental Site Investigation Summary Report does not recommend whether additional remedial activities should occur if the O'Dell Building is demolished and allows access to contaminated soil. The Supplemental Site Investigation Summary Report should be expanded to consider the demolition of the O'Dell building.

FINDING: SATISFIED WITH CONDITION OF APPROVAL

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If approved, the following condition of approval would be necessary: The applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city's right of ways.

- 8.00 *The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST).

If approved, the following condition of approval would be necessary: The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City's Right of Way and downstream users and properties.

- 10.00 *The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST).

If approved, the following condition of approval would be necessary: The Applicant must demonstrate compliance with the Department of Environmental Quality and other appropriate agencies that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City's Right of Way and downstream users and properties.

GOAL III 2: TO PRESERVE AND PROTECT SITES, STRUCTURES, AREAS, AND OBJECTS OF HISTORICAL, CULTURAL, ARCHITECTURAL, OR ARCHAEOLOGICAL SIGNIFICANCE TO THE CITY OF McMINNVILLE.

APPLICANT 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.

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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.

FINDING: NOT SATISFIED. The focus of this comprehensive plan goal is to preserve and protect structures that have special historical or architectural significance. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the application materials and receiving testimony, decided that the value and significance of the building, its condition, the owner's failure to maintain the building commensurate with other owners and contributing to any modest economic returns, and its overall contribution to the significance to the District all work against approving this request for demolition. Findings for those other applicable review criteria are provided below.

16.00 The City of McMinnville shall support special assessment programs as well as federal grants-in-aid programs and other similar legislation in an effort to preserve structures, sites, objects, or areas of significance to the City.

FINDING: SATISFIED. The City is supportive of all of these programs to aid historic preservation. The property owner, Oregon Lithoprint, Inc., participated in the 20% Federal Tax Credit Program in 2000 on 609 NE Third Street. With a rehabilitation expense of \$390,915, the property owner was able to access approximately \$78,000 of tax credits. The payback period for the Federal Tax Credit Program is five years if the property is demolished. That payback period has since expired. The property owner also completed the State Special Assessment program at 609 NE Third Street and met all of the requirements for participation so there is no payback provision on this program either if the property is demolished.

17.00 The City of McMinnville shall enact interim measures for protection of historic sites and structures. Those measures are identified in the McMinnville Comprehensive Plan, Volume I, Chapter III.

FINDING: SATISFIED. Chapter III of Volume 1 of the McMinnville Comprehensive Plan states the following:

A viable preservation program for the city will involve four steps:
 (1) the adoption of goals and policies in the Comprehensive Plan supporting the preservation of historic resources and establishing a process to achieve stated objectives; (2) the formation of a historic preservation/landmarks committee; (3) the completion of a comprehensive inventory of the historic resources in the planning area; and (4) the implementation of preservation techniques, possibly through an historic preservation ordinance, to protect and conserve the identified resources.

Based on the information contained herein, and the work of the Citizens' Advisory Committee Community Needs Subcommittee, the City finds that:

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1. There are sites, structures, objects, and areas that are of importance to McMinnville because of their historical, cultural, architectural archeological significance at the local, state, or national level. Some of the sites and structures are (or are in the process of being) designated to state and national historical lists.
2. There may be pressure to destroy or alter historically significant sites and structures in the future. There is no active historical, or preservation program in McMinnville at this time to resolve conflicts between historical resources and developmental proposals.
3. Completion of Phase I of the inventory of the historic resources in McMinnville has been completed. Approximately 0.9 of a square mile of the McMinnville core (the area bounded by Fifteenth Street on the north, Fellows Street on the south, Elmwood Avenue on the west, and Kirby Street on the east) has been surveyed and some 500 potential historic resources have been identified. The survey, under the direction of Janice Rutherford, involved the efforts of some 30 volunteers, who, after attending training sessions by professional preservationists, conducted the field work and research necessary to identify the resources. Completion of this survey for the remainder of the city should be a priority concern in the historic preservation program established by the City.
4. Historical structures should be recognized as underutilized resources that could potentially be restored and/or adapted for beneficial urban uses. Preservation techniques applicable to the historical structures identified in the core area of the city could assist in the continued redevelopment of the central business district.
5. The historical designation of sites and structures within the core business area could involve large economic ramifications for the city and property owners. A variety of incentives for rehabilitation of historically designated properties does exist. A feasibility analysis of the economic advantages and disadvantages of establishing historical sites and/or districts downtown needs to be made.
6. Preservation of historical sites and structures will necessarily involve procedures that regulate the alteration, and/or demolition of historically designated properties. The cooperation of owners of potential historical sites and structures will, therefore, be necessary for a viable preservation program.
7. A number of local groups and citizens, including the Chamber of Commerce, Committee on Redevelopment, various civic and social groups, and local historical groups, have expressed interest in an historical preservation program. Enlistment of volunteers for the completion of the comprehensive inventory of historical resources and other preservation projects should be explored.

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8. There are a number of state and federal antiquity codes that may assist in the preservation of the historical resources in our city, and provide some financial incentives for preserving our heritage. Those codes are noted in the background information for the comprehensive plan.
9. The involvement of the private sector of the city is of paramount importance to the development of a preservation program. The primary initiative for setting up such a program will come from the governmental sector. However, it is only through the cooperation of property owners, volunteer workers, knowledgeable citizens, and governmental leaders that such a program will be made workable.
10. A program involving creation of an Historical Landmark Committee, a local Historical Landmarks Register, and an Historical Ordinance is being proposed by the City to establish a historical presentation program. Implementation of the program is expected to take a considerable amount of study, discussion, and therefore, time. Interim preservation measures shall be enforced until formal adoption and implementation of a preservation program.

The City of McMinnville has implemented most of the programs outlined above.

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.

APPLICANT 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

COMMERCIAL DEVELOPMENT

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.

APPLICANT 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.

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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

GOAL IV 3: TO ENSURE COMMERCIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USE THROUGH UTILIZATION OF EXISTING COMMERCIALY 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.*

APPLICANT 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.

FINDING: SATISFIED. The proposed project maximizes the existing commercially designated lands by building a higher density commercial program on the site, which will also serve to revitalize the east side

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 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

of Third Street that was identified as a redevelopment area in the adopted 2000 Downtown Improvement Plan.

- 25.00 *Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.*

FINDING: SATISFIED WITH CONDITIONS OF APPROVAL: Higher density commercial development in the city center utilizes existing infrastructure efficiencies. The following conditions of approval will need to be met to ensure that the existing infrastructure will support the development.

If approved, the following condition of approval would be necessary: The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

If approved, the following condition of approval would be necessary: Prior to submittal for building demo permit provide Engineering with detailed demolition plans for review and approval.

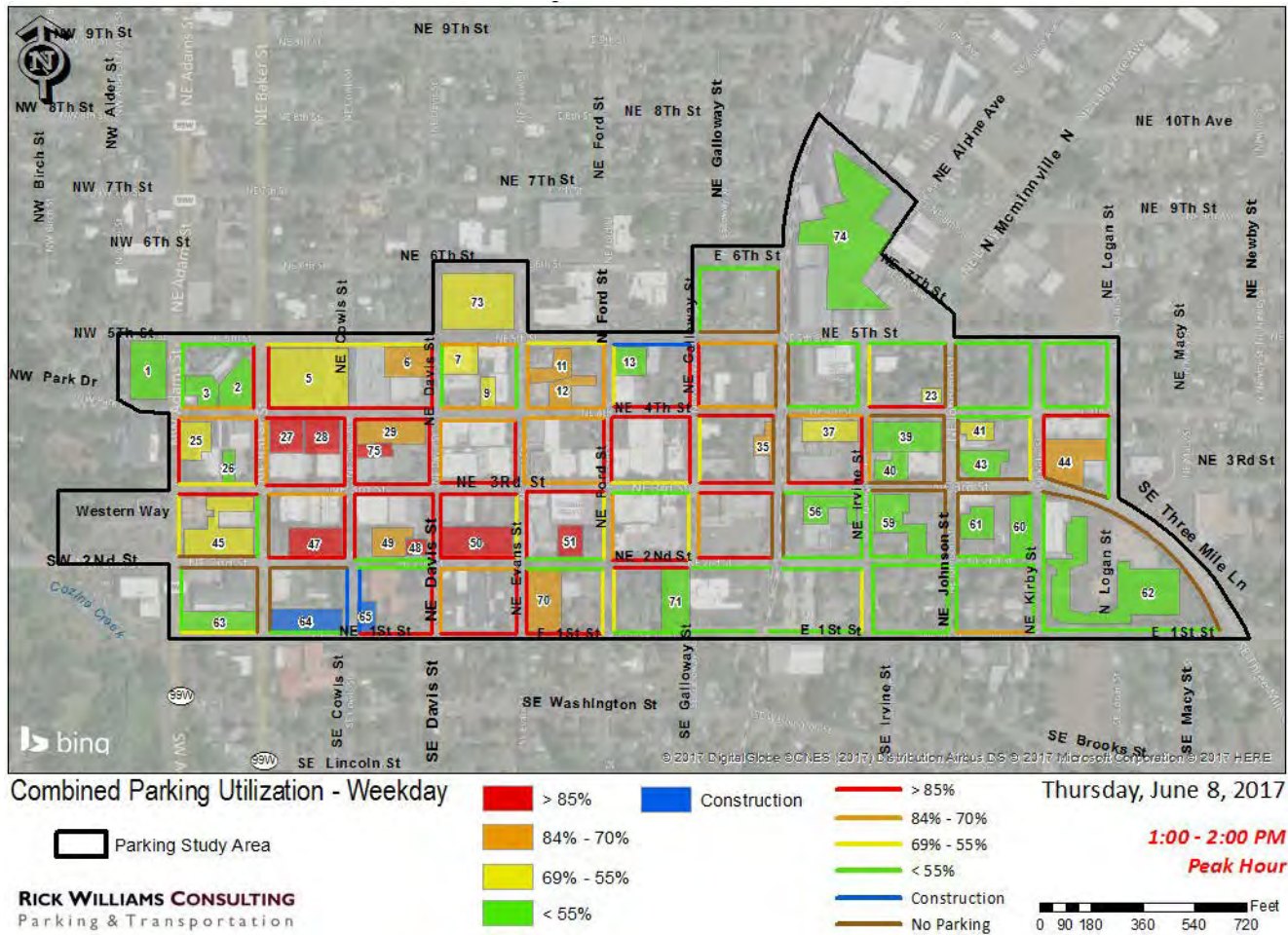
- 26.00 *The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district, and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.*

FINDING: SATISFIED. The replacement plan project will be located in the Central Business District. The Transportation Impact Analysis provided as part of the application indicates that all intersections studied perform within mobility standards with the project as developed. No mitigation measures were identified.

Parking in the core downtown area is limited. However, a utilization study conducted in 2017 identified that parking on Ford Street between 3rd and 4th Streets was maximized at the peak hour of a weekday. Although the McMinnville Municipal Code does not require the provision of off-street parking for new developments on this site, the replacement project is providing 67 off-street parking stalls in an underground parking structure.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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(City of McMinnville, Oregon, Downtown Strategic Parking Management Plan, March 27, 2018, page 17)

GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.

Downtown Development Policies:

36.00 *The City of McMinnville shall encourage a land use pattern that:*

1. *Integrates residential, commercial, and governmental activities in and around the core of the city;*
2. *Provides expansion room for commercial establishments and allows dense residential development;*
3. *Provides efficient use of land for adequate parking areas;*
4. *Encourages vertical mixed commercial and residential uses; and,*

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5. *Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED.

- 37.00 *The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)*

FINDING: NOT APPLICABLE. Phase II of the Downtown Improvement Plan is a list of public improvement projects that are not associated with this application.

- 38.00 *The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.*

FINDING: SATISFIED. The City provides grants and loans to encourage the renovation and rehabilitation of buildings in the downtown area.

- 44.00 *The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER.

- 127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

- 132.40.05 *Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:*

1. *Improvement of on-site transportation facilities,*
2. *Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards; and*
3. *Transportation Demand Management strategies. (Ord. 4922, February 23, 2010)*

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FINDING: SATISFIED. Due to the size of the replacement plan project, the City required the applicant to provide a Transportation Impact Analysis that identified no need for mitigating measures with the development of the project.

132.46.00 *Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.

142.00 *The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: he Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

151.00 *The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:*

1. *Sufficient municipal water system supply, storage and distribution facilities, as determined by McMinnville Water and Light, are available or can be made available, to fulfill peak demands and insure fire flow requirements and to meet emergency situation needs.*
2. *Sufficient municipal sewage system facilities, as determined by the City Public Works Department, are available, or can be made available, to collect, treat, and dispose of maximum flows of effluents.*
3. *Sufficient water and sewer system personnel and resources, as determined by McMinnville Water and Light and the City, respectively, are available, or can be made available, for the maintenance and operation of the water and sewer systems.*
4. *Federal, state, and local water and waste water quality standards can be adhered to.*
5. *Applicable policies of McMinnville Water and Light and the City relating to water and sewer systems, respectively, are adhered to.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

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If approved, the following condition of approval would be necessary: The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMinnville.

GOAL X 2: TO MAKE EVERY EFFORT TO ENGAGE AND INCLUDE A BROAD CROSS SECTION OF THE COMMUNITY BY MAINTAINING AN ACTIVE AND OPEN CITIZEN INVOLVEMENT PROGRAM THAT IS ACCESSIBLE TO ALL MEMBERS OF THE COMMUNITY AND ENGAGES THE COMMUNITY DURING DEVELOPMENT AND IMPLEMENTATION OF LAND USE POLICIES AND CODES.

Policy 188.00 The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The process for a Certificate of Approval for Demolition provides an opportunity for citizen involvement throughout the process through the public notice and the public hearing process. Throughout the process, there are opportunities for the public to review and obtain copies of the application materials and the completed staff report prior to the advertised public meeting(s). All members of the public have access to provide testimony and ask questions during the public review and meeting process.

McMinnville Municipal Code

The following Sections of the McMinnville Municipal Code (MMC) provide criteria applicable to the request:

Chapter 17.03. General Provisions

17.03.020 Purpose. *The purpose of this ordinance is to encourage appropriate and orderly physical development in the City through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, and adequate community facilities; to provide assurance of opportunities for effective utilization of the land resource; and to promote in other ways public health, safety, convenience, and general welfare.*

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The purpose of the Zoning Ordinance is met by the proposal as described in the Conclusionary Findings contained in this Decision Document.

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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;*

APPLICANT 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.

FINDING: NOT SATISFIED. This application is for a demolition permit and not a restoration project.

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

APPLICANT 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.

FINDING: SATISFIED WITH CONDITION OF APPROVAL. One of the challenges of restoring historic properties in downtown McMinnville is the differential between the market value of the land/property and the costs of rehabilitating a historic structure that has experienced minimal code upgrades over its lifetime with the community value of maintaining low lease rates to support local businesses. In many cases, the proforma is not yielding the necessary returns for a successful project.

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If approved, the following condition of approval would be necessary: Prior to the issuance of a building permit, the applicant will need to meet with the McMinnville Downtown Association to develop a program that will educate local citizens on the benefits associated with an active historic preservation program, that will then be approved by the Planning Director.

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

APPLICANT 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.

FINDING: SATISFIED.

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

APPLICANT 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.

FINDING: NOT SATISFIED. As the findings for the replacement plan project explain, the new construction fails to be compatible with the nearby buildings with respect to massing and overall building width. As such, it does not enhance the overall historic sense of place of downtown McMinnville by replicating the form and design of the building stock on Third Street.

E. *Strengthen the economy of the City.*

APPLICANT 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.

FINDING: SATISFIED

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.*

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APPLICANT 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.

FINDING: SATISFIED. The proposal includes the demolition of a resource on the National Register of Historic Places that is considered a Primary Significant Contributing Resource. Per 17.65.040(A), section 17.65.050 of the McMinnville Municipal Code applies. The applicant has applied for a Certificate of Demolition.

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.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The applicant filed an application and request to demolish 609 NE Third Street that is designated as a Significant resource on the Historic Resources Inventory. The application was reviewed by the Historic Landmarks Committee within 30 days of the application being deemed complete.

17.65.050 Demolition, Moving, or New Construction.

A. *The Historic Landmarks Committee may approve, approve with conditions, or deny the application.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The Historic Landmarks Committee issued a decision that denied the application.

B. *The Historic Landmarks Committee shall base its decision on the following criteria:*

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

APPLICANT'S RESPONSE: The purpose of this ordinance is addressed in the responses to subsection 17.65.010 (in the narrative). The relevant Comprehensive Plan policies are addressed in Section 5 of the narrative. The applicant has demonstrated that the proposed development meets this criterion.

FINDING: NOT SATISFIED. Most of the City's historic policies in the comprehensive plan focus on the establishment of the Historic Landmarks Committee, public awareness of historic preservation, and other activities for the City to pursue to increase documentation of historic resources. However, the goal most specifically related to historic preservation is as follows:

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Goal III 2: To preserve and protect sites, structures, areas, and objects of historical, cultural, architectural, or archaeological significance to the City of McMinnville.

Per the analysis above, this application achieves some of the purpose statements but not all of them. This is a demolition project and not a preservation/rehabilitation/restoration project and therefore, does not satisfy the policies directed at protecting historic resources.

The focus of the comprehensive plan goal and the purpose of the Historic Preservation chapter are to preserve structures that have special historical or architectural significance through restoration efforts. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the evidence and hearing the public testimony, decided that the structure at 609 NE Third Street retains historic integrity, contributes to the significance of the District, and has an economic use that favors continued preservation and protection. Therefore the demolition is denied.

17.65.050(B)(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;*

APPLICANT’S 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.

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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

APPLICANT SUPPLEMENTAL RESPONSE (November 4, 2022): The applicant has provided the following additional information as described in Attachments 4-8:

- Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memo includes high-level profit and loss information. See Attachment 4.
- 2022 Yamhill County Tax Assessor data including Assessed Value, Taxable Value, and Real Market Value and property taxes paid between 2018 and 2022 has been provided. See Attachment 5.
- An estimate of the cost of rehabilitation of the property from Hugh Construction, which is an entity separate from Hugh Development, provided the enclosed pro-forma showing the costs and likely returns from rehabilitation of the three structures. While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction’s estimate was reasonable. See Attachment 6.
- A report of available economic incentives for rehabilitation of the existing buildings is included as Attachment 7.
- A report by Johnson Economics comparing the economic value of the project vs. preservation of the buildings is enclosed as Attachment 8.

The following table, provided by Hugh Construction, further defines the findings included in Attachment 6:

	Current Results	Ideal Results (Gwendolyn Hotel)
Cash on Cash return	3%	23%
Unlevered IRR	-9.10%	13%
Levered IRR	0%	26.80%
Equity Multiple	0.82x	4.11x

The Application proposes demolition of the three structures discussed above in order to allow it to construct the Gwendolyn Hotel. The economic value of the three buildings and their future use case are substantially limited. When compared to the potential economic value of the proposed hotel, the economic factors weight in favor of demolition for all three buildings.

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While certainly not a model of linguistic clarity, 17.65.050(8)(2) appears to get at the comparative economic value when compared to the historic value of the buildings proposed for demolition. It appears to also evaluate the comparative economic value of the buildings if preserved or renovated.

The potential economic value of the Gwendolyn Hotel is addressed in Exhibit 5 (Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022), and can be summarized as follows:

- Total project value: \$59,735,000
- Construction cost: \$36,500,000
- Annualized property tax project: \$576,197 (2026), \$590,602 (2027), \$605,367 (2028).

In comparison, a preservation use case (with similar occupancies and no renovation) are of very limited future value. Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memorandum includes projected profit and loss information. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). Mr. Higgins findings are summarized below:

"Combined rents across all 3 properties are \$11,365 (assuming fully occupied) or \$136,380 annual gross. The owners did not report taxes, insurance, utility costs, but an easy assumption is that a buildings operating costs are 45-55% of the gross revenue. Using the lower ratio: \$243,280 -45% = \$75,009 Net operating income. At a 6% CAP rate this would result in a [current] Market Value of \$1,250,150."

Mr. Higgins notes that the lease rates result in a net operating income is roughly \$75,000 annually, before any loan service, tenant improvements, or major repairs:

"The Current Market Valuation excludes any debt service, excludes tenant improvements, excludes any cost to bring the buildings up to current occupancy standards/ code compliance, with the addition of these line items the [net operating income] would shrink significantly below lender underwriting standards for OCR/ Debt Coverage Ratios for income to payments."

Based on this analysis, the buildings in their current form are of little or no net economic value to a new owner, given the need to service acquisition debt at their current value. Stated simply, the cost of debt and tenant improvements is likely so near the net operating income that a sound financial institution is unlikely to lend on such an acquisition with an as-is use case.

Even so, the July 29, 2022 HPR Report (Exhibit 3) demonstrates that significant work must be done on these buildings in order for them to remain viable even for this use case. Necessary repairs would include the following:

- "The 2nd level of the 609 Building would require repair and remediation should that space be occupied.
- The 2nd level of the 611 Building would require repair and remediation should that space be occupied.

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- As noted in the General Conditions section, each of the three buildings have structural conditions that we recommend be further analyzed for possible remedial actions should they remain.
 - o This includes the roof truss node that is out of plane in the 609 Building, the removed built up floor beam in the 611 Building, and the rotten truss bearing in the 619 Building.
- Additionally, all three buildings have sections of the roof framing that is deteriorated and requires repair."

While there are some grants and historic preservation tax credits that may be available, work to bring the buildings back into a sound condition is likely in the hundreds of thousands of dollars. The primary historic tax benefit, the "Special Assessment of Historic Property Program" is no longer available for the 609 and 611 Buildings. The most beneficial available federal program, the Federal Historic Tax Preservation Tax Incentive Program, provides a 20% income tax credit. With a current federal income tax rate of 21%, this would yield only about \$5,700 per year for all three buildings collectively, and this assumes that the gross income from these properties would otherwise be fully taxable. State grants for particular historic buildings generally yield a maximum \$20,000. Exhibit 8 (Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.) All of this assumes successful competition for such grants, which is certainly not a guarantee given the diminished historic character of these buildings. In summary, there is no reason to believe that historic grant programs and tax credits will be even close to sufficient to provide the repairs identified in the HHPR report.

Upgrading the buildings to a different use would almost certainly require seismic upgrades. To explore an alternative use case that would preserve but reuse the buildings for a hotel, the Applicant engaged its subsidiary Hugh Construction Company to prepare a financial pro-forma for re-use of the buildings as a hotel with ground-floor retail.⁴ This is enclosed as Exhibit 6 (Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022). The key findings are as follows:

- The base construction costs are anticipated to be \$11,430,000, with a total project cost of roughly \$20,000,000, excluding land acquisition.
- The total construction costs, along with soft costs and land acquisition costs are anticipated to be \$24,994,838.
- Due to the limited number of rooms, high cost of historic rehabilitation and retrofit, and debt service, the total net operating income from the project will be approximately \$813,419, with an annual cash flow of only \$516,922. Note that this is before debt service. Net cash flow from the property as a whole is negative, with cash investments in the negative throughout the period to fiscal year 2032, as demonstrated by the cash income statement on pg. 8 of Exhibit 6 (Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022).

4 While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction's estimate was reasonable.

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 Attachment 3: Public Testimony

Considering this alternative program, the Johnson Economic Study dated Nov. 2, 2022 analyzed the potential returns as follows:

"Renovation of the site for lodging uses would require a significant investment in restoration to bring the structure into conformance with current code. The estimated current costs to develop this program is just under \$20 million in current dollars (excluding acquisition), with an overall cost of roughly \$25 million. The projected net operating income at stabilization is estimated at \$580,500, representing a 2.3% return on cost."

"The estimated capitalization rate for this type of project is likely in the 6.5% to 7.5% range. Assuming a 7.0% cap rate, the estimated value of the project would only be \$8.3 million in this configuration, roughly a third of estimated costs."

While the assumptions may shift, renovation of the current structure for retail and hotel space is highly unfeasible."

"Renovation of the structure does not provide the owner with a "reasonable economic use". There would be no expectation that the property owner or a rational developer would pursue this project as a renovation."

The upshot of the above discussions is that there is no rational economic value to a rehabilitation and re-use case for the buildings.

FINDING: The focus of this criterion is on the "economic use of the historic resource", the proposed action, and "their relationship to the historic resource preservation or renovation." Nothing about this criterion contemplates ensuring the owner the highest and best use or the greatest economic anticipated return on their property. Rather, the focus is on whether the proposed demolition is "reasonable" given the current and projected economic use. Although it would not be "reasonable" to put money into improvements that are unlikely to realize a return, the Historic Landmarks Commission disagrees with the applicant's assumptions that serve to foreclose other preservation options. For example, in its current condition, the building is safe to occupy, functions and is able to generate an economic use just as it has for generations. The applicant's desire for greater profit does not make the existing economic use in its historic condition unreasonable.

The Historic Landmarks Committee disagrees with the applicant's premise that restoration, including a full seismic upgrade, is the only reasonable alternative for preservation or that the "do nothing" option necessarily means making no capital improvements or changing the use in order to generate greater revenue as a reasonable commercial owner might do. All parties agree that the popularity of NE Third Street in attracting and accommodating tourists has transformed this area in recent years, making these properties more valuable. It is likely that this popularity, as a direct result of preserving the unique character of an intact historic district, will continue. This natural pace of development suggests that rents in this area will continue to increase. The fact that owners are making choices to rehabilitate their Third Street historic structures, particularly properties that are adjacent to this property, suggests that such restoration is profitable and therefore, "reasonable." The Committee also notes that there are likely alternative uses or less expensive design changes that may alter the profit margins that should be considered before concluded that the historic resource has no economic use.

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Further, although there may be some cost in building out the space converting from office to tourist-focused uses, those same costs affect any building owner within the Historic District equally and do not justify demolition in this particular case. The rehabilitation cost includes seismic retrofitting, which the Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant's expert, an out of plane roof truss, can be repaired and it is not clear how much of the \$11 million dollars relates to that particular repair over other restoration expenses. Moreover, the applicant's expert economics analysis does not disclose how much the applicant expended on building maintenance and interior upgrades in the past so that the Committee can determine how much of these repairs are the result of deferred maintenance. Evaluating economic reasonableness with respect to preservation alternatives requires some evaluation of the lengths to which a property owner tried to protect the value of its investment over time.

In conclusion, the Historic Landmarks Committee was not convinced that the only reasonable economic choice was demolition. There may be not less expensive and more profitable alternatives that would include preservation of the existing structure. For this reason, this criterion is not satisfied.

17.65.050(B)(3). *The value and significance of the historic resource;*

APPLICANT'S 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

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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 plat 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

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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.

FINDING: 609 NE Third Street was designated on the City's HRI and the National Register of Historic Places as a primary significant resource in its contribution to the Historic District. As explained above, this was based on the time of building construction but also its two-story scale, some original components on the second story and its association with Frank W. Fenton, a prominent attorney and well-known family within McMinnville. The primary period of significance between 1881 -1912, reflects the growth of the commercial main street, made possible by the railroad, to which this building contributes, notwithstanding major modifications to the ground floor. The building still conveys these historic circumstances, making it worthy of saving. The Historic Landmarks Committee further finds that the testimony from Architect Ernie Munch compelling where he makes the case for finding an additional basis for significance under criterion (A) and (C) for the contribution that this building made to the burgeoning auto industry as both an Overland car dealership and the Odell's Garage, a gasoline service station.

Demolition of this building alone, and when coupled with the other two proposed for removal, would create the first (and only) block along Third Street to have no contributing historic structures. Allowing demolition of this building would erode the historic integrity of the District as a whole.

For these reasons, the Historic Landmarks Committee finds that the historic value and significance of the resource does not support demolition.

17.65.050(B)(4). *The physical condition of the historic resource;*

APPLICANT'S 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.

HHPR 's Existing Building Summary identified a number of structural issues with these buildings, which are explained in detail below. Its general conclusions are that the buildings need significant work soon: "If we were in a position to advise the building owner, we would recommend that these items be addressed in the very near future." Exhibit 2 (Existing Building Structural Summary, HHPR, November 6,

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2022). This is just to get the building back to something resembling their original design structural capacity. All have significant structural issues. For example, the 609 Building has a major truss that must be replaced. The 611 Building has load-bearing laminated beams that have been cut. Most of the roof trusses in the 619 Building are rotten where they intersect the party wall along the 611 Building. All of these conditions must be addressed.

The buildings are also all constructed of unreinforced masonry. Exhibit 2 (Existing Building Structural Summary, HHPR, November 6, 2022) provides a detailed literature review explaining why seismic reinforcement of these buildings is advisable, and concludes as follows:

"Like other similar URM buildings, the three buildings under review in this report would have the potential for similar failure points. Generally, these failure points could be attributed to the lack of ductility associated with URM construction and the lack of positive connections between the floor and roof framing and the walls of the structure. The anticipated failure points could be:

- In plane shear failure of the URM walls
- Out of plane bending failure of the URM walls
- URM walls pulling away from the roof or floor framing resulting in roof or floor collapse

Given their higher risk profile, URM buildings represent a unique and complicated challenge to the structural engineering community, to the building owners and to the community at large."

It is important to recognize that any significant changes to these buildings (such as significant tenant improvement) would likely trigger seismic retrofit to some degree. This is a likely scenario, for example, if the upper floors of the 609 and 611 Buildings are put back into use and qualify as an "alteration." Also, changes in occupancy and structural alterations (such as those required to address the buildings' identified structural problems) would likely trigger additional upgrades under the Existing Building Structural Code, as adopted by the State Building Codes division.

The costs of such upgrades are likely infeasible for these buildings in their current occupancy; as explained by the Western States Seismic Policy Council, "upgrading existing buildings to resist earthquake forces is more expensive than meeting code requirements for new construction." <https://www.wsspc.org/public-policy/legislation/oregon/>. This is also demonstrated by the memorandum provided by Mr. Higgins (Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022), which demonstrates that such improvements are not financially feasible.

The physical condition of certain building elements-particularly those from the historic period of significance-is provided in the HRA. Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022). However, the HRA does not characterize the general condition of the buildings as a whole. The physical condition of the buildings is explained below:

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609 E 3rd Street. The condition of the building in general was not characterized by the HRA. Condition of the original features of the building are described as follows:

- o "The three original wood storefront windows and transoms, and south, west, and north elevation second-floor windows, are in fair to good condition.
- o The second-floor interior, at the south side of the building, is vacant and has been unused for a significant time period. As noted previously, the windows are in fair to good condition, including original mill work surrounds. Where plaster remains, it is in poor condition.
- o Original wood trusses at the interior appear to be in good condition."

It is notable, however, that a return of the ground-floor facade to its historic character is likely very difficult:

"The brick may have been scarified for application of the stucco, and there may also be areas of wire mesh, wood blocking or other materials added to infill the original corbelled brick configuration. If a return to the original brick appearance were desired, the removal of the stucco would likely require substantial if not full replacement of the underlying brick."

The HPR Existing Building Summary (Exhibit 2, Existing Building Structural Summary, HPR, November 6, 2022) identifies the following structural deficiency in the building:

"The most southern roof truss in the building has a top chord node that is out of plane by over 6 inches. This represents a significant structural concern and should be evaluated further with possible remedial actions should the building remain. The remedial action includes installing a new girder and columns to support the truss thereby removing mezzanine and roof loading from the truss."

HPR's initial structural review of the building, dated July 29, 2022 (Exhibit 3), identified the following identified the following issues:

- o "The roof framing over the original 2nd level offices is significantly deteriorated in several locations.
- o The south brick wall at the 2nd level offices is deteriorating and the mortar is no longer sound.
- o There are multiple diagonal cracks following the mortar lines at the 2nd level offices.
- o The 1st truss from the south elevation is displaced over 6 inches horizontally at the top which represents a significant structural concern."

The July 29, 2022 HPR report describes the general condition of the buildings as follows:

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*Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

- o "Each of the three buildings has portions of brick wall that are in poor condition that would require significant work to remediate including new mortar and the replacement of bricks.
- o Each of the three buildings has portions of the roof structure that are rotting and are in poor condition. While it may be that the roofing has been repaired, it does not appear that in certain areas the supporting structure has been repaired. These areas also coincide with areas of the brick wall that are in poor condition
- o The most southern roof truss in the 609 Building has a top chord node that is out of plane by over 6 inches. This represents a significant structural concern and should be evaluated further with possible remedial actions should the building remain. The remedial action includes installing a new girder and columns to support the truss thereby removing mezzanine and roof loading from the truss
- o The removed floor beams distributing roof load in the 611 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain.
- o The rotting bearing points of the roof trusses in the 619 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain."

Based on the information provided in Exhibits 1 (Historic Resources Assessment, Architectural Resource Group, November 2022), 2 (Existing Building Structural Summary, HHPR, November 6, 2022), and 3 (Documentation of Existing Building Structures, HHPR, July 29, 2022), the general condition of the buildings is best characterized as poor or marginal at best, depending on the proposed use case. While the buildings are not "dangerous" (which condition would require removal of the existing tenants), it is clear that significant work must be undertaken to ensure these buildings' future preservation, even if they are not seismically upgraded. Bear in mind that this is the requirement for continued use of the buildings for ground-floor retail or limited-occupancy offices; any more intensive uses will require substantially more structural upgrades. It is also important to note that, under both state and local criteria, the buildings need not be considered "dangerous" in order for their condition to be a major factor in allowing their demolition.

FINDING: The applicant argues that the combination of structural issues associated with a lack of building maintenance and investment and the structural costs of reinforcing unreinforced masonry buildings is a significant cost burden for a one or two-story building to overcome. And the city concurs. However, unreinforced masonry buildings are rehabilitated all of the time and lack of maintenance should not be justification for demolition of a historic resource.

The Historic Landmarks Committee finds that the applicant's identification of an out-of-plane roof truss, brick scarification as a result of applying stucco, mortar failure between bricks or diagonal cracks following mortar lines are not physical conditions that are uncommon to historic buildings or circumstances that are so extreme as to justify demolition rather than restoration. Further, the record

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 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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 Attachment 3: Public Testimony

does not reflect what steps the owner has taken to protect the building and avoid demolition by neglect, which the Committee finds is directly relevant to evaluating how a building's poor physical condition might serve as a basis for demolition.

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

APPLICANT'S RESPONSE: Each of the buildings are currently occupied and is assumed to not constitute a hazard to the safety of the public or its occupants.

FINDING: The historic resource is not a hazard to the safety of the public.

17.65.050(B)(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;*

APPLICANT'S 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
- 67 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.

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- *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.

As noted in the land use application narrative dated August 6, 2022, the MAC-Town 2032 Economic Development Strategic Plan includes several relevant goals. The application to these goals focused on the potential of the proposed new Gwendolyn Hotel to implement the MAC-Town 2032 Plan.

Per staff’s request, these addition responses focus on how the existing buildings could, or could not, implement the Plan.

Goal 6 : *Be a leader in hospitality and place-based tourism*

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.

[...]

Following the adoption of the MAC-Town 2032 plan, the City revised its off-street parking and site landscaping requirements to exempt large portions of downtown, allowing more efficient use of the limited area in the downtown core.

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Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

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Attachment 3: *Public Testimony*

Staff does not dispute that the current 1- and 2-story buildings do not represent the highest and best use of the site. The C-3 zone is applied to downtown McMinnville and other commercial areas, and includes a height allowance of 80 ft. The zero setback requirements, off-street parking exemptions, and landscaping exemptions encourage buildings that occupy the entire site. The proposed development will intensify the use of the corner of NE Third and Ford streets and will offer the highest and best use for the site under current zoning regulations.

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.

"Hospitality" generally includes housing and entertaining visitors, including lodging, food and drink, and activities. Likewise, "local opportunities" typically refer to available properties with willing sellers.

The proposed development includes hotel, restaurant, and retail uses, as well as a rooftop deck and lap pool. The rooftop space will be available for rent for special events and gatherings, filling an identified need in downtown McMinnville.

The existing buildings are available for sale by willing sellers. They do not currently include hospitality uses and cannot be upgraded to accommodate them without triggering substantial seismic and building code upgrades.

As noted in Attachment 6, upgrading the buildings to add 13 hotel guestrooms would cost almost \$25 million, which is not financially feasible. The building could be converted to a wine tasting or food service use, which would trigger the same seismic and building code upgrades noted above and would provide even less income.

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.

The current buildings include small meeting areas to serve the tenants. They do not include conference space or lodging for conference attendees. In order to accommodate conference space, the existing uses would need to be removed or downsized.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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The HLC can find that this factor favors demolition for the following reasons.

- As explained in detail in response to OAR 660-023-0200(8)(a), the buildings are listed as contributing to the district primarily due to their dates of construction. All appear to have been constructed (or at least re-constructed) for use as automobile garages and a car dealership and, in the case of the 609 Building, a gas station. The buildings were designed and adapted to this purpose. The buildings have each lost at least half of their historic facades (indeed, the 609 Building has lost its entire original facade), and the upper floors of the 609 and 611 Buildings are unoccupied and have few remaining interior historic finishes. Remaining historic features generally include some window casings on the 609 Building, the parapets on the 611 and 619 Buildings, and some interior features. Otherwise, their remaining characteristics are simply their masses and structural elements. For this reason, their historic value is low after having been substantially compromised prior to establishment of the Downtown Historic District.

There is no evidence that any of these buildings are connected with important historical events. While the 609 Building was built by McMinnville resident Frank W. Fenton, Mr. Fenton was a developer and built several buildings, and there is no evidence that he made personal use of the building for long, if at all. And, this building does not resemble at all its original exterior during the period in which Mr. Fenton might have made use of it. There is also no evidence that these buildings served as community gathering spaces during their periods of historic significance.

Based on the above, the public interest in preservation of these buildings is confined to the fact that they are listed as contributing structures within the Historic District. There are no other factors that reasonably weigh in favor of preservation. On the other hand, they are not remarkable in relation to the other contributing buildings within the Historic District and they retain very little of their respective historically-relevant features, most of which have been covered with stucco or removed. For all of the above reasons, the HLC can find that the public interest in their preservation is low.

- The buildings will require substantial structural repairs to continue to be used for the limited retail and office uses they have been used for since the establishment of the Historic District. Seismic retrofit of the buildings is unaffordable if their current configuration is maintained, and there is no positive return on investment if they were to be rehabilitated for use as a hotel.
- As explained in the HRA, the primary historical value of these buildings is their location, massing, and roof configuration. Assuming that the buildings' massing must be retained for that reason, no owner will be able to meaningfully intensify their uses. This is a further headwind against any substantial repair or seismic upgrade. Therefore, the economic value of the buildings to the City is represented by their current uses, with a Current Market Value of \$1,250,150 for all three buildings, collectively. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). This is less than the combined assessed value of the buildings, noted below. Even excluding debt service obligations and tenant improvements, the collective market value of the buildings is only \$2,230,066. On the other hand, the projected market value of the Gwendolyn after construction and occupancy in FY 2025 is roughly \$64M after an investment of approximately \$61 M. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

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The combined assessed value of all three buildings in 2022 is \$1,793,470; at a combined rate of 16.4925 these collectively generate roughly \$29,500 in annual property tax revenue, with roughly \$10,670 of that amount going to the City of McMinnville. Exhibit 9 (2022 Tax Statements). Assuming a standard rate (non-historic) of 16.5854, property taxes after completion and occupancy of the Gwendolyn in 2025 would be \$327,917. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

Construction of the Gwendolyn will be a significant draw to McMinnville's downtown, increasing traffic to businesses within the Historic District. Given that this will increase the value of the other buildings in the Historic District, construction of the hotel is likely not only a benefit to the City from a financial perspective, but also a long-term benefit to the district itself. According to the Nov. 2, 2022 Johnson Economics Report, "[t]he proposed new hotel would provide significant economic value on the site, supporting the ongoing positive investment patterns in downtown McMinnville. Keeping the existing structures would effectively preclude new investment on the site, and result in underutilization of the parcels while yielding no economic return.'

- For the above reasons, the HLC can find that the proposed Gwendolyn Hotel is an "an improvement program of substantial benefit to the City." Preservation of these buildings presents a substantial barrier to this program because these buildings must be removed to allow for construction of the Gwendolyn, because they have little to no economic viability for adaptive re-use, and because their value under their current use case is miniscule compared to the proposed development. It is also worth considering that the value of the buildings is likely to decline even in their current or similar tenancies unless structural repairs are made; as explained above, such repairs are likely not financially rational without a more intensive use case for the buildings, which itself may trigger seismic upgrades.

FINDING: The Historic Landmarks Committee finds that, although the Gwendolyn Hotel would further the economic development interests identified in the Comprehensive Plan, the subject property is not the only location in which to accomplish these objectives. For example, there are non-contributing and/or non-historic structures on the corner of Galloway Street and NE Third Street that might be able to accommodate a hotel with many of the high-end luxury accommodations that the applicant seeks. Further, there are other uses that could be accomplished within the existing structures that would move the needle in attracting tourists and greater businesses downtown. The Historic Landmarks Committee notes that it received dozens of statements from residents expressing a desire to see these buildings preserved which serves as substantial evidence that there is a strong interest in seeing these buildings preserved and the significance of retaining the historic integrity of the district.

For these reasons, the Committee finds that denying this demolition request is not a deterrent to achieving other public interest objectives.

17.65.050(B)(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*

APPLICANT'S 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

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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.

The public interest in the resource's preservation is not clearly articulated in any adopted document. However, the HLC can find that the public interest in preservation of these buildings is related to their ability to reflect their historical period of significance. As explained above, these buildings do so to only a limited degree because their facades have been largely replaced. Therefore, the public interest in their preservation should be viewed as reduced as compared to buildings that have not been substantially altered, and such interest is largely a factor of their year of construction.

The public interest in their preservation must necessarily include their ability to serve an economic function to McMinnville's historic Downtown. As explained above, the current economic viability of these buildings and their future prospects are poor. Adaptive re-use is not a realistic option because of the significant structural upgrades that would be required, and re-use of the buildings for the hotel use proposed by the Applicant is not economically feasible.

In view of both of these factors, the public's interest in these buildings' preservation seems limited at best, and low when compared to buildings in the District which have better future economic use prospects or better reflect their original appearance, or both.

The question posed by this criterion was directly evaluated in the Johnson Economics Report (Exhibit 5). This report concludes as follows:

"Keeping the buildings in their current use would negate the requirement to upgrade the structures but would also limit the amount of investment that could be made within triggering the requirement. The buildings have structural deficiencies and obvious deterioration that would need to be addressed prior to re-tenanting in any of the buildings.

Building the hotel above the existing structures would require a complete seismic upgrade of the structures, and new columns to support the hotel would need to penetrate the structures. The cost of this type of structure would be substantially higher than new construction and the resulting development would be significantly less efficient.

As a result of these myriad factors, the retention of the existing structures would cause substantial financial hardship to the owners. Based on our previous experience, the likely cost of the necessary improvements and upgrades would render the cost of space to likely be hundreds of dollars more per square foot than new construction. If the redevelopment was not done and the buildings were kept in their current use without significant upgrades, they would pose a life safety hazard and may not be insurable. The structures are depreciated to a point in which Investments in the structures would be unlikely over time as they would not yield an economic return. As a result the properties would be likely to face an extended period of declining condition and underutilization for the foreseeable future."

This conclusion is consistent with the other information discussed above, which generally demonstrates that the buildings are not likely to generate a meaningful return for Hugh Development with a current or similar tenant mix. This is reflected by the fact that the actual market value when accounting for debt service is actually less than the assessed value of the property. See Exhibits 7 (McMinnville Lease rates,

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609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022) and 9 (2022 Tax Statements).

For the above reasons, the HLC can find that retention of the buildings in their current configurations would not just be a financial hardship to the owner, but will likely result in the eventual degradation of the buildings to the point where demolition for safety reasons becomes increasingly likely. These practical headwinds against continued use of the buildings in their current configurations far outweigh the buildings' relative contribution to the objectives of the Historic District, as discussed above, and therefore outweighs the public's interest in preservation.

FINDING: The Historic Landmarks Committee disagrees with the applicant's premise in response to this criterion that "the public interest in the resource's preservation is not clearly articulated in any adopted document." First, Comprehensive Plan Goal III 2 requires that the "preserve and protect...structures....of historical, [or] architectural...significance to the City of McMinnville. This significance is well established by the HRI and the National Register designation documentation set forth in the record. This is not just the building's age, but its scale, roof, and original 2nd floor elements. The Historic Landmarks Committee further rejects the idea the public interest is not served in protecting , as well as the other two buildings for their contribution to the Historic District. Therefore, this criterion is not satisfied.

17.65.050(B)(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.*

APPLICANT'S 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.

For the above reasons, the HLC can find that the retention of these three buildings would not be in the best interests of the citizens of the City. These reasons can be summarized as follows:

- The buildings do not reflect their appearance or use during their respective periods of significance.

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- The building have few remaining residual historic features charactering the Historic District, aside from their masses, structural frames, and roof lines.
- The buildings have limited value under current uses.
- Current or similar uses are probably unable to generate sufficient value to repair the buildings.
- Adaptive re-use would require seismic upgrades and the buildings cannot be economically used for hospitality.

On the other hand, the economic opportunity for the Historic District presented by the proposed Gwendolyn Hotel far outweighs the limited benefits of building preservation, as discussed above.

Historic features identified by the HRA, such as belt courses and cornices, are emulated by the proposed architectural design of the Gwendolyn. Any moveable historic features of these buildings, such as windows, can be incorporated into the proposed building. The remaining characteristics of the buildings-their massing and roof line-can be easily documented with photographs.

For these reasons, the HLC can find that on balance, retention of these buildings would not be in the best interest of the City's citizens when weighed against the benefits of the proposed Gwendolyn Hotel.

FINDING: Although the applicant relies on expert consultants to downplay the importance of the resource, the Commission findings that determining what is the “best interests of a majority of the citizens of the City is best represented by the testimony of those who testified which overwhelmingly favored denying this application. It is because these buildings retain the historic integrity that made them suitable for designation, communicate a historic significance of automobile culture that is not reflected in those designations and the claimed economic hardship particular to this owner is not established, the Commission finds that demolition is not in the best interests of the citizens.

17.65.070 Public Notice.

- After the adoption of the initial inventory, all new additions, deletions, or changes to the inventory shall comply with subsection (c) of this section.*
- Any Historic Landmarks Committee review of a Certificate of Approval application for a historic resource or landmark shall comply with subsection (c) of this section.*
- Prior to the meeting, owners of property located within 300 feet of the historic resource under consideration shall be notified of the time and place of the Historic Landmarks Committee meeting and the purpose of the meeting. If reasonable effort has been made to notify an owner, failure of the owner to receive notice shall not impair the validity of the proceedings*

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. Notice of the Historic Landmarks Committee’s consideration of the Certificate of Approval application was mailed to property owners located within 300 feet of the historic resource. A copy of the written notice provided to property owners is on file with the Planning Department.

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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.

APPLICANT'S RESPONSE: This submittal includes the required materials.

FINDING: SATISFIED.

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

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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;

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- 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).*

APPLICANT’S 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.

FINDING: SATISFIED.

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DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS OF THE MCMINNVILLE HISTORIC LANDMARKS COMMITTEE FOR THE APPROVAL OF A DEMOLITION OF THE HISTORIC LANDMARK LOCATED AT 611 NE THIRD STREET

DOCKET: HL 7-22 (Certificate of Approval for Demolition)

REQUEST: Approval of the demolition of an existing historic landmark and building that is listed on the McMinnville Historic Resources Inventory as a "Significant" historic resource (resource number B872). This building is also listed on the National Register of Historic Places as a Secondary Significant Contributing building in the McMinnville Downtown Historic District.

LOCATION: 611 NE Third Street. The resource is located at the property that is identified as Tax Lot 4300, Section 21BC, T. 4 S., R. 4 W., W.M.

ZONING: C-3 General Commercial (Downtown Overlay District)

APPLICANT: Mark Vuong, HD McMinnville LLC

PROPERTY OWNER: Jon Bladine, Bladine Family Limited Partnership.

STAFF: Heather Richards, Community Development Director

DATE DEEMED COMPLETE: September 7, 2022

HEARINGS BODY & ACTION: McMinnville Historic Landmarks Committee

HEARING DATE & LOCATION: First evidentiary hearing, September 29, 2022, 3:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 859 9565 0539, Meeting Password: 661305

Hearing continued to December 8, 2022, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 892 5565 1124, Meeting Password: 257277

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Hearing continued to January 5, 2023, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 831 7965 5545, Meeting Password: 725658. At the conclusion of this meeting, the record was closed to further testimony.

Meeting continued to January 26, 4:00 PM for Historic Landmarks Committee deliberation, a decision and adoption of written findings. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 885 9559 0268, Meeting Password: 925948.

PROCEDURE: An application for a Certificate of Approval for Demolition is processed in accordance with the procedures in Section 17.65.040 - 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule 660-203-0200 (8)(a).

CRITERIA: The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.040 and 17.65.050 of the McMinnville Municipal Code. In addition, since this is a structure listed as part of a historic district on the National Register of Historic Places, Oregon Administrative Rule 660-203-0200(8)(a) is applicable. In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated but are to be undertaken in relation to all applicable land use requests.

APPEAL: As specified in Section 17.59.030(E) of the McMinnville Municipal Code, the Historic Landmarks Committee’s decision may be appealed to the Planning Commission within fifteen (15) days of the date written notice of decision is mailed. The City’s final decision is subject to a 120 day processing timeline, including resolution of any local appeal. The original 120-day deadline was January 5, 2023. Per an email dated September 29, 2022 from Garrett H. Stephenson, the applicant requested a 70-day extension to the 120 day decision deadline. As a result, the 120 deadline was extended to March 16, 2023. Per an email dated December 1, 2022 from Garrett H. Stephenson, the applicant requested an additional 30-day extension for a total of 100 days added to the 120 day decision deadline. The current deadline for taking final action on the application is April 15, 2023.

COMMENTS: This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Public Works; Yamhill County Planning Department; Frontier Communications; Comcast; Northwest Natural Gas; Oregon Department of Transportation; and State Historic Preservation Office. Their comments are provided in this document.

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I. APPLICATION SUMMARY:

The applicant has provided information in their application narrative and findings regarding the history of the subject site(s) and the request(s) under consideration. Staff has found the information provided to accurately reflect the current land use request, and excerpted portions are provided below to give context to the request, in addition to the Historic Landmarks Commission's findings.

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant would like to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking for the project.

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 (reduced to 67 parking spaces per supplemental materials provided on November 4, 2022) 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.

(Application Narrative, page 3)

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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Subject Property & Request

The subject property is located at 611 NE Third Street. The property is identified as Tax Lot 4500, Section 21BC, T. 4 S., R. 4 W., W.M. **See Vicinity Map (Figure 1) below, which identifies the approximate location of the building in question.**

Figure 1. Vicinity Map (Building Outline Approximate)

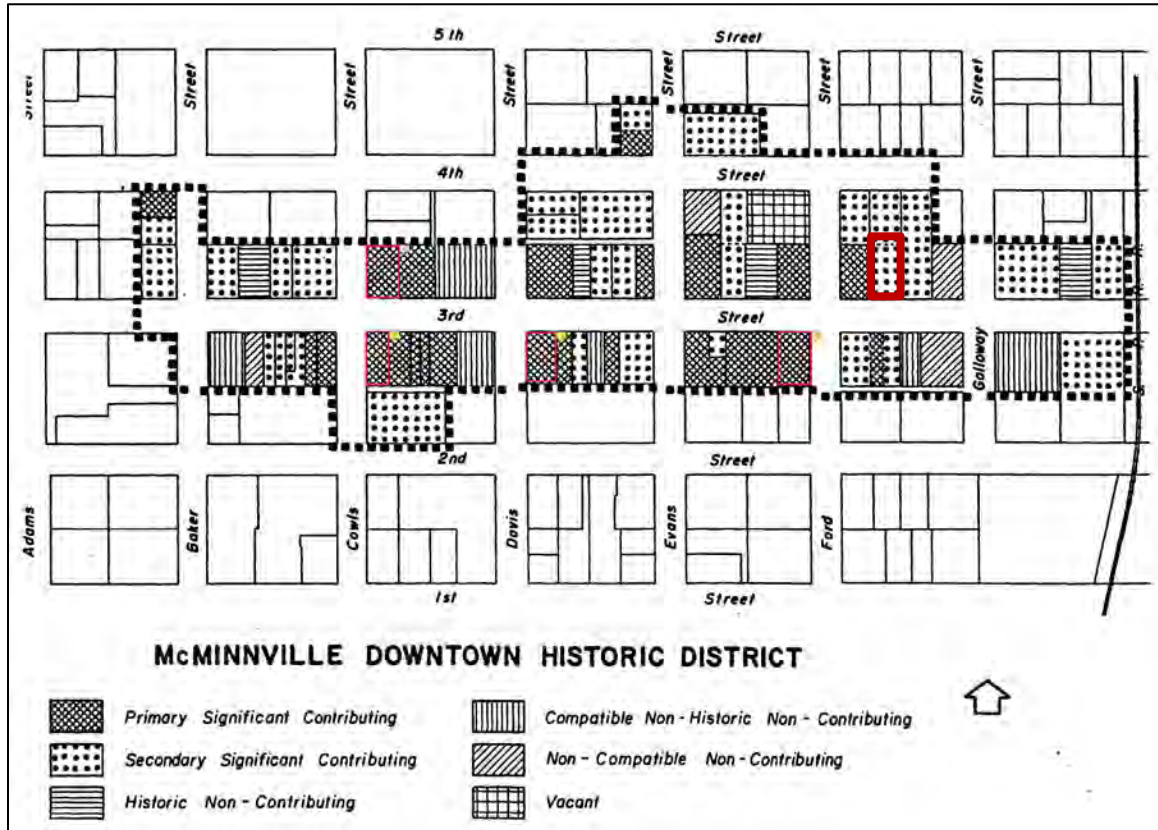


The existing building on the subject property is listed as a Primary Significant Contributing property in the McMinnville Downtown Historic District on the National Register of Historic Places. **See McMinnville Downtown Historic District Map (Figure 2) and Description of 611 NE Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Figure 3) below.**

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Figure 2. McMinnville Downtown Historic District Map



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Figure 3. Description of 611 (misabeled as 619) East Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Section 7, Page 22) (1987)

28b ADDRESS: 619 East Third Street
 CLASSIFICATION: Secondary Significant Contributing
 OWNER: Francis Fenton Estate
 536 E. 5th Street
 McMinnville, Oregon 97128
 ASSESSOR MAP: 4421 BC TAX LOT: 4300
 PLAT: Rowland's Addition LOT: 3, 6 BLOCK: 7
 YEAR BUILT: Between 1912-1928 STYLE: Commercial
 ALTERATIONS: 1976 (moderate) USE: Commercial

DESCRIPTION: This rectangular buff and red brick two-story structure has a pedimented parapet with a raised stucco or cast stone cornice with dentils. A large projecting pressed metal frieze with modillions extends across the entire facade. The second floor is divided into five bays with each bay containing a pair of one over one double-hung wood sash windows. The windows are topped with a row of stretcher brick and squares of cast stone are located at each corner of each window. A low relief beltcourse divides the stories. The first floor transom level has been filled in with scored stucco. New aluminum framed plate glass windows and door have been installed in the recessed storefront. Located at the easternmost end of the facade is the entrance to the second floor. Two large metal posts divide the three storefront bays. The facade is buff brick and the sides and back are red brick. This building does not appear on the Sanborn Fire Insurance Company maps for McMinnville until 1928. A smaller building, a garage, shows on the map on this site prior to this time. The building has been joined to another building at its rear, which faces Fourth Street.

The existing building on the subject property is listed on the McMinnville Historic Resources Inventory as a "Significant" resource (resource number B872). **Please see "Statement of Historical Significance and Description of the Property", Figure 4 below.**

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Figure 4. Statement of Historical Significance and Description of the Property, Historic Resources Survey, City of McMinnville, Yamhill County, Oregon (1983)

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.

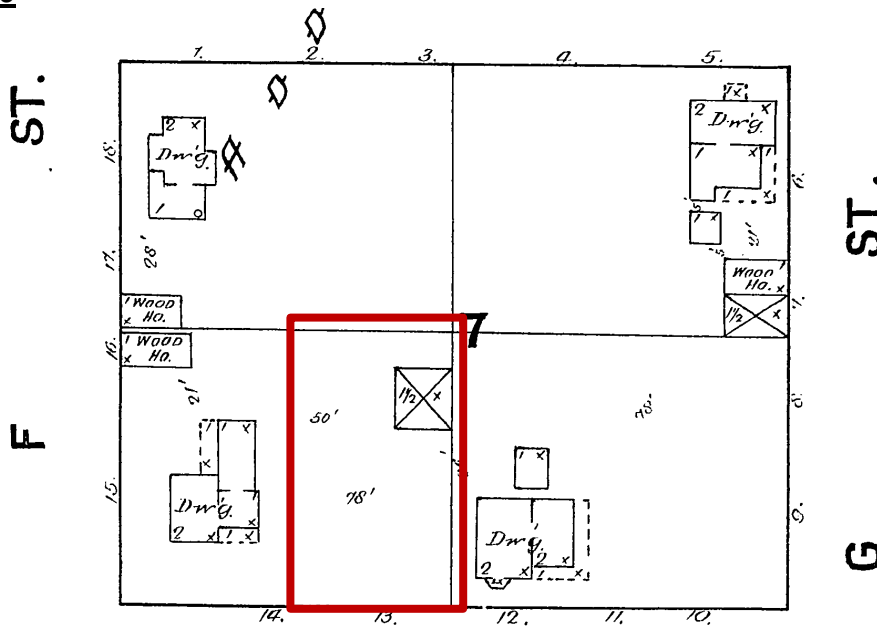
The property originally started off as an accessory structure, prior to 1889, and between 1902 and 1912 it was redeveloped into an automobile garage. **Please see Figure 5, Series of Sanborn Maps below.**

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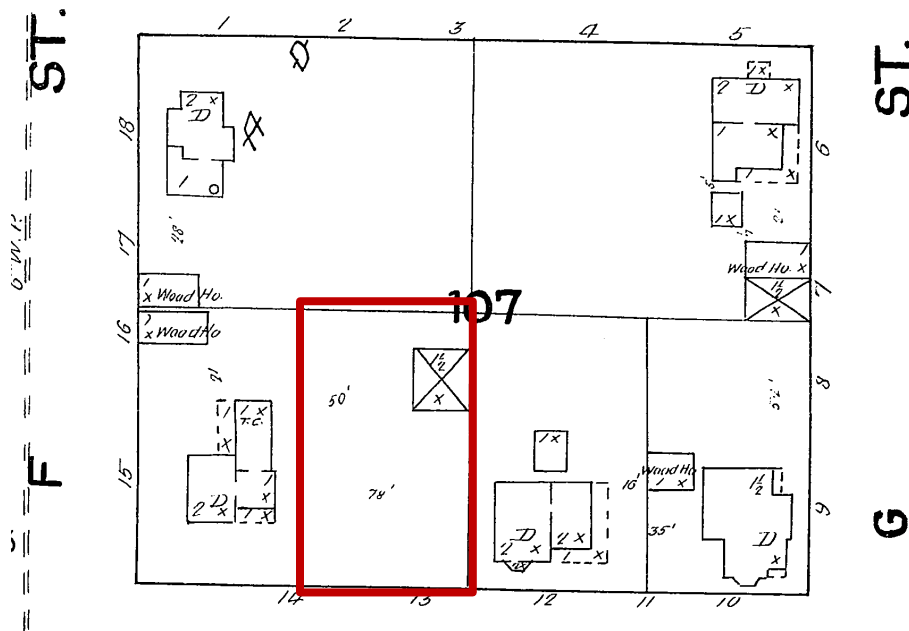
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Figure 5. Series of Sanborn Maps

Sanborn Map, 1889



Sanborn Map, 1892



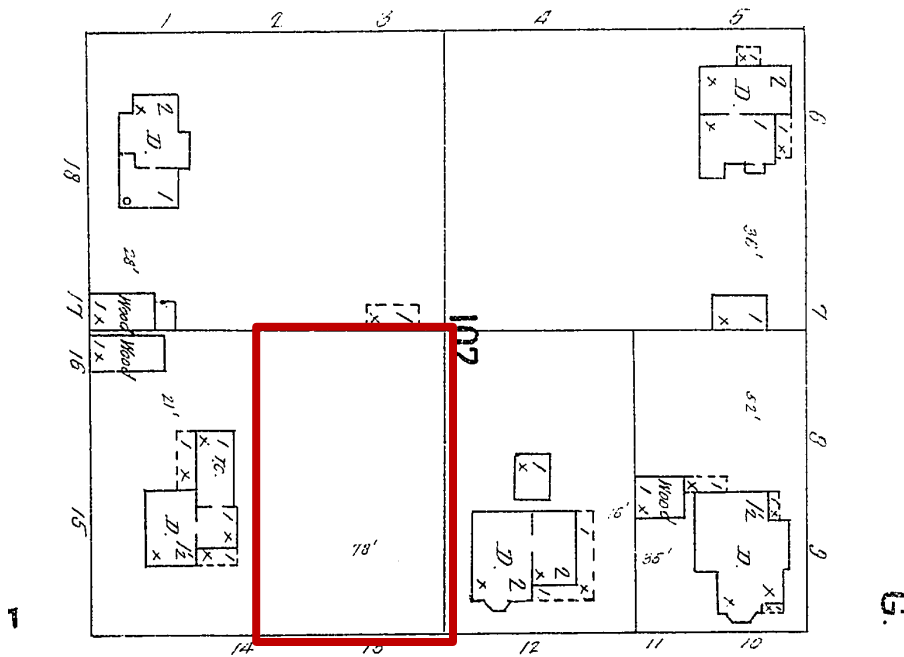
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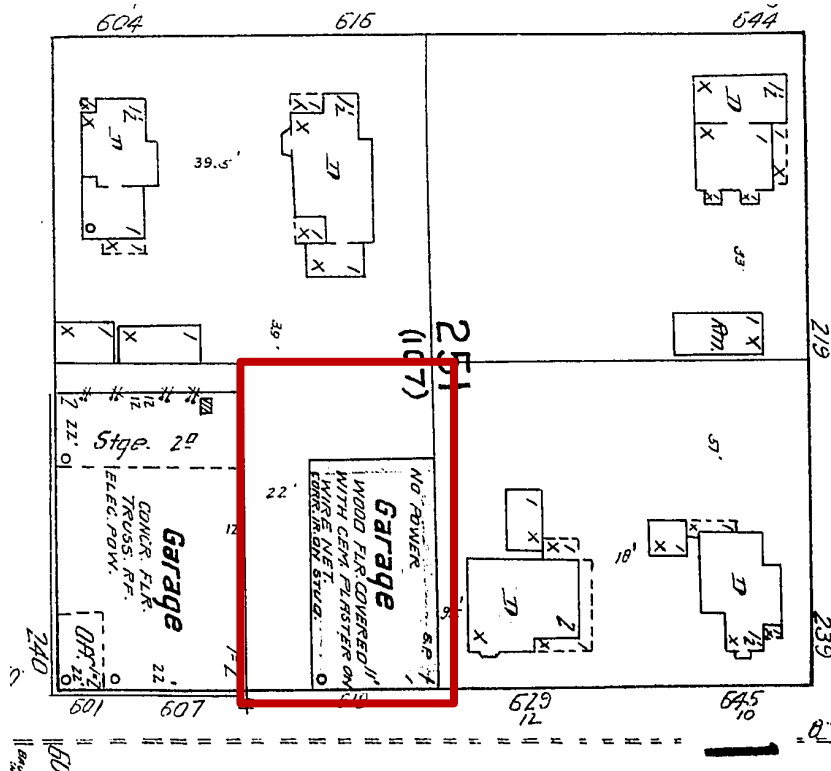
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Sanborn Map, 1902



Sanborn Map, 1912



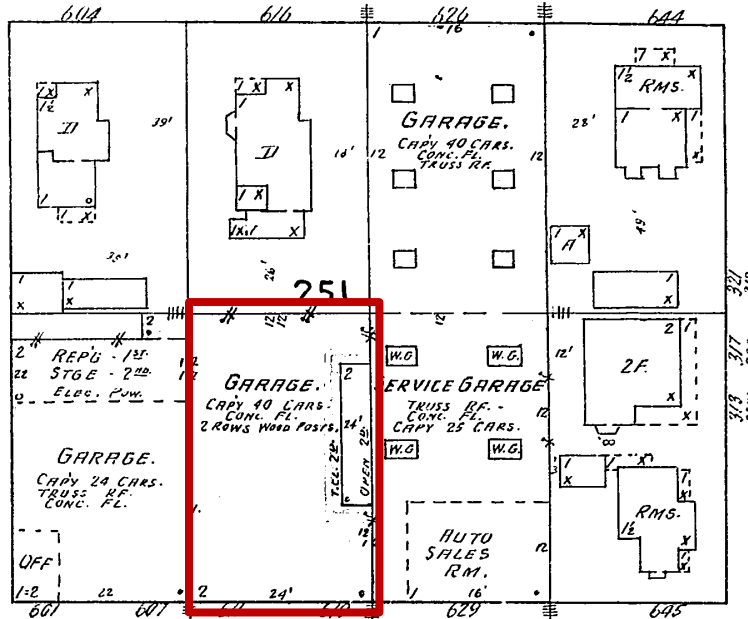
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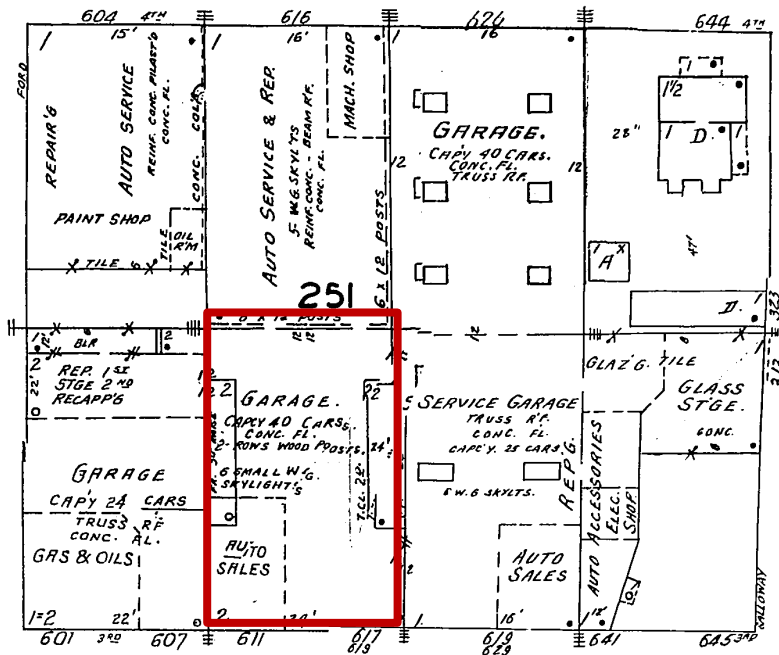
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Sanborn Map, 1928



Sanborn Map, 1948



Architecturally the subject property has changed overtime to accommodate the new uses on the property. **Please see Series of Photos, Figure 6 below.**

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Figure 6, Series of Photos Over Time

Circa 1919 Photo of 611 NE Third Street depicting two-story brick construction with a decorative parapet and extensive brick corbeling.



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

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**1940 Photo of 611 NE Third Street showing parapet, decorative brick work, second floor fenestration pattern, and ground floor storefronts for the garage.
(Yamhill County News Register)**



**1948 Photo of 611 NE Third Street depicting the ground floor storefront with the original brick veneer.
(Yamhill County News Register)**



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1983 photo of the property shows the modified ground floor storefronts, but with the retention of the original brickwork, parapet and second floor fenestration pattern, (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)



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2018, Photo of 611 NE Third Street, shows the modified storefront, but the retention of the original brick, parapet and second floor fenestration pattern.



Background

The property was originally surveyed in 1983 and 1984, which are the dates that the “Statement of Historical Significance and Property Description” were drafted and included on the Historic Resources Inventory sheet (resource number (B872)) for the subject property. This survey work led to the inclusion of the property on the Historic Resources Inventory, and the Historic Resources Inventory was adopted by the McMinnville City Council on April 14, 1987 by Ordinance 4401. The Historic Resources Inventory has since been incorporated into the McMinnville Municipal Code (MMC) through its adoption and reference in MMC Section 17.65.030(A).

The McMinnville Downtown Historic District was entered in the National Register of Historic Places on September 14, 1987. The McMinnville Downtown Historic district was designated for meeting Criteria A (“association with events that have made a significant contribution to the broad patterns of our history”) and C (“distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction”) and is “most noteworthy as the place where the community’s largest, best preserved and most noteworthy historic commercial buildings are concentrated.” (Nomination p 51). Although the nomination acknowledges the alteration of a number of the ground story storefronts including the addition of stucco, the nomination emphasizes the “density, common scale, materials and overall design elements” as providing visual continuity conveying the evolution of the downtown commercial core.

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Summary of Criteria & Issues

The application (HL 7-22) is subject to Certificate of Approval for Demolition review criteria in Section 17.65.050 of the Zoning Ordinance and Oregon Administrative Rule 660-203-0200 (Section 8(a)). The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

Oregon Administrative Rule 660-203-0200 (Section 8(a)) states that:

- (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;*

Section 17.65.050 of the McMinnville Zoning Ordinance state that:

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;*
 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;*
 3. *The value and significance of the historic resource;*
 4. *The physical condition of the historic resource;*
 5. *Whether the historic resource constitutes 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;*
 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*
 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.*
- C. *If the structure for which a demolition permit request has been filed has been damaged in excess of seventy percent (70%) of its assessed value due to fire, flood, wind, or other natural disaster, the Planning Director may approve the application without processing the request through the Historic Landmarks Committee.*
- D. *The Historic Landmarks Committee shall hold a public hearing to consider applications for the demolition or*

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moving of any resource listed on National Register consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.

- E. *Any approval may be conditioned by the Planning Director or the Historic Landmarks Committee to secure interior and/or exterior documentation of the resource prior to the proposed action. Required documentation shall consist of no less than twenty (20) black and white photographs with negatives or twenty (20) color slide photographs. The Historic Landmarks Committee may require documentation in another format or medium that is more suitable for the historic resource in question and the technology available at the time. Any approval may also be conditioned to preserve site landscaping such as individual plants or trees or to preserve selected architectural features such as doors, windows, brackets, moldings or other details.*
- 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).*

The applicant has provided findings to support the request for a Certificate of Approval for Demolition and the HLC heard testimony from the public regarding the same. These will be discussed in detail in Section VI (Conclusionary Findings) below.

II. ATTACHMENTS:

❖ HL 7-22 Application and Attachments

Original Submittal (August 9, 2022)

- Application Form
- Application Narrative
- Project Structural Analysis
- Project Site Plan and Concept Drawings
- Traffic Impact Analysis
- Memorandum
- Neighborhood Meeting Materials

Supplemental Submittal (November 4, 2022)

- Approvability Memorandum
- Structural Report
- Historic Resources Assessment
- Contaminated Media Management Plan (October 13, 2022)
- MAC Lease Rates
- 611 NE Third Street Tax Statement
- Third Party Contractor Assessment
- Historic Preservation Incentives Memorandum
- Economic Report
- Architectural Plans
- Traffic Impact Analysis Addendum

Supplemental Submittal (December 15, 2022)

- Letter to City with Additional Findings
- Exhibit 1, Historic Resources Assessment, Architectural Resource Group, November 2022
- Exhibit 2, Existing Building Structural Summary, HHPR, November 6, 2022

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- Exhibit 3, Documentation of Existing Building Structures, HHPR, July 29, 2022
- Exhibit 4, Contaminated Media Management Plan (Draft)
- Exhibit 5, Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022
- Exhibit 6, Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022
- Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022
- Exhibit 8, Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.
- Exhibit 9, 2022 Tax Statements
- Exhibit 10, The Gwendolyn Financial Pro-Forma, December 15, 2022

❖ Department/Agency Comments

❖ Public Testimony

III. COMMENTS:

Agency Comments

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and Oregon State Historic Preservation Office. The following comments were received:

McMinnville Engineering Department

TRANSPORTATION

Comments and/or conditions of approval related to transportation include:

1. ADA Sidewalk and Driveway Standards are now being applied to all new construction and remodels. These standards are intended to meet the current ADA Standards as shown in the "PROWAG" Design Guidelines. The standards can be found at the following webpage: <https://www.access-board.gov/files/prowag/PROW-SUP-SNPRM-2013.pdf> prior to final occupancy, the applicant shall construct new driveways and sidewalks in the right-of way that conform to these standards.
2. Study shows that queue lengths exceed storage length at the eastbound thru and westbound all of 2nd St at Baker St. Queue lengths also exceed storage lengths at the westbound thru and southbound left at the intersection of Johnson St/Lafayette St & 3rd St.

SANITARY SEWER

Comments and/or conditions of approval related to sanitary sewer service include:

1. The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an

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aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

2. Sewer Capacity may be an issue with the change of use of the property, the developer shall enter into an agreement with the City to perform a sewer capacity analysis. The cost of this analysis shall be born by the developer.

MISCELLANEOUS

Additional comments and/or suggested conditions of approval:

1. In the narrative, Part 4. B. Chapter 17.54.050 Yards part F. Response (Page 23) – 3rd St is listed as a Local Street. It is a Major Collector, please change to reflect the correct street classification.
2. Provide detailed plans for the parking structure, email correspondence has been provided by the developers engineer mentioning a possible encroachment into the city right-of-way for the structure of the underground parking. This needs to be reviewed prior to permit issuance.
3. Provide details for valet parking so the City can review the location and the size of the parking for approval prior to building permit issuance.
4. The engineering department will need to review building permit submittals that show in detail items that could be missing in the applications provided. These reviews will be prior to any issuance of building permits.
5. The Contaminated Media Management Plan dated July 20, 2022, is not included in this application. This is a key point of discussion and should be included in the application.
6. CPP (Comprehensive Plan Policy): 2.00 “The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.”
 - a. The Applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city’s right of ways.
7. CPP 8.00 “The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.”
 - a. The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.
8. CPP 132.40.05 Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:
 - a. Improvement of on-site transportation facilities,

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- b. Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility's operations beyond the City's mobility standards.
- 9. The Applicant shall demonstrate its demolition, excavation and onsite construction activities do not create safety concerns related to the DEQ LUST matter and its site and known polluted soil and water. Additionally, the Applicant shall demonstrate how its demolition and construction activities will improve the use of the city's off-site transportation facility, including but not limited to underground facility uses.
- 10. CPP 132.46.00 Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010).
 - a. The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.
- 11. CPP 142.00 The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.
 - a. The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.
- 12. CPP 151.00 The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:
 - a. Federal, state, and local water and waste water quality standards can be adhered to.
 - b. The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

McMinnville Building Department

No building code concerns. Analysis of IEBC appears to be accurate and based on Oregon adopted code.

McMinnville Water and Light

Water: Please contact MW&L to turn off water meters and disconnect customer side of the meter – A16972894, C47575190 & A16972900 prior to demolition of property.

Power: Please contact MW&L to coordinate the removal of existing electric services prior to demolition. The Bindery Event space does not appear to have a dedicated electric service. There will need to be a provision for re-serving the Bindery Event Space with electricity during demolition.

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Public Comments

Notice of this request was mailed to property owners located within 300 feet of the subject site on September 8, 2022 and notice of the public hearing was published in the News Register on Tuesday, September 20, 2022 and Friday, September 23, 2022. The following testimony has been received by the Planning Department.

- Email from Kira Barsotti, 09.16.22
- Email from Shanna Dixon, 09.16.22
- Email from Marianne Mills, 09.18.22
- Email from Megan McCrossin, 09.18.22
- Email from Courtney Cunningham, 09.20.22
- Email from Jordan Robinson, 09.20.22
- Email from Phyllice Bradner, 09.20.22
- Email from Victoria Anderson, 09.20.22
- Letter from Marilyn Kosel, 09.20.22
- Letter from Patti Webb, 09.20.22
- Email from Sylla McClellan, 09.21.22
- Email from Meg and Zach Hixson, 09.22.22
- Email from Sharon Julin, 09.25.22
- Email from Daniel Kiser, 09.27.22
- Letter from Carol Dinger, 09.28.22
- Letter from Carol Paddock, 09.28.22
- Letter from Katherine Huit, 09.28.22
- Letter from Jeb Bladine, 09.28.22
- Letter from Practice Hospitality, 09.28.22
- Email from Kellie Peterson, 09.28.22
- Letter from JP and Ames Bierly, 09.28.22
- Memo from Nathan Coopriider, 09.28.22
- Email from Elizabeth Goings, 09.29.22
- Email from Abigail Neilan, 09.29.22
- Letter from Ilsa Perse, 09.29.22
- Email from The Scott Family, 09.29.22
- Email from Mandee Tatum, 10.05.22
- Email from Crystal55dreams, 10.25.22
- Email from Peter and Linda Enticknap, 11.22.22
- Letter from Karen Saxberg, 11.17,22
- Letter from Jeb Bladine, 11.29.22
- Letter from Nathan Coopriider, 11.29.22
- Letter from Ernie Munch, 11.30.22
- Letter from Marilyn Kosel, 11.30.22\
- Letter from Nathan Coopriider, 1.3.23
- Letter from Carol Paddock, 1.3.23
- Email from Daniel Kizer,1.3.23
- Email from Michael Kofford, 1.3.23
- Email from Paul Lusignan, National Park Service, 1.3.23

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- Email from Ernie Munch, 1.3.23
- Email from Beth Caster, 1.4.23
- Letter from Ernie Munch, 1.5.23

IV. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. The applicant, Mark Vuong, on behalf of HD McMinnville LLC submitted the Certificate of Approval application (HL 7-22) on August 9, 2022.
2. The application was deemed complete on September 7, 2022. Based on that date, the 120-day land use decision time limit expires on January 5, 2023. The applicant twice extended the 120-day deadline and the new deadline is April 15, 2023.
3. Notice of the application was referred to the following public agencies for comment in accordance with Section 17.72.120 of the Zoning Ordinance: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and the Oregon State Historic Preservation Office on September 7, 2022.

Comments received from agencies are addressed in the Decision Document.

4. Notice of the application and the September 29, 2022, Historic Landmarks Committee public hearing was mailed to property owners within 300 feet of the subject property in accordance with Section 17.65.070(C) of the Zoning Ordinance on Thursday, September 8, 2021.
5. A public hearing notice was published in the News Register on Tuesday, September 20, 2022, and Friday, September 23, 2022.
6. On September 29, 2022, the Historic Landmarks Committee held a duly noticed public hearing to consider the request.
7. At the public hearing on September 29, 2022, the Historic Landmarks Committee chose to continue the public hearing to December 8, 2022. The applicant requested to extend the 120-day decision deadline by 70 days.
8. On November 4, 2022, the applicant provided supplemental application materials based on the requests from the Historic Landmarks Committee.
9. On December 1, 2022, the applicant requested, with the concurrence of city staff, to continue the public hearing from December 8, 2022, to January 5, 2023, and to extend the 120-day decision deadline by an additional 30 days for a total extension of 100 days.
10. On December 8, the Historic Landmarks Committee continued the public hearing to January 5, 2023.

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11. On December 15, 2022, and December 19, 2022, the applicant provided supplemental materials per the request of city staff.
12. On January 5, 2023, the Historic Landmarks Committee hosted a public hearing, closed the public hearing, deliberated, and rendered a decision.
13. On January 26, the Historic Landmarks Committee voted to deny this application based on the following written findings.

V. FINDINGS OF FACT – GENERAL FINDINGS

1. **Location:** 611 NE Third Street. The resource is located at the property that is identified as Tax Lot 4300, Section 21BC, T. 4 S., R. 4 W., W.M. This is a property that spans the block north to south from Fourth Street to Third Street. Only the structure that is facing Third Street is recommended for demolition.
2. **Size:** The subject site is approximately 6,500 sf, the property is approximately 20,000 square feet.
3. **Comprehensive Plan Map Designation:** Commercial
4. **Zoning:** C-3, General Commercial
5. **Overlay Zones/Special Districts:** Downtown Overlay District, Section 17.59 of the McMinnville Municipal Code.
6. **Current Use:** Office
7. **Inventoried Significant Resources:**
 - a. **Historic Resources:** Historic Resources Inventory – Resource Number B872.
 - b. **Other:** Secondary Significant Contributing resource, McMinnville National Register of Historic Places Downtown Historic District
8. **Other Features:** The building is property tight with no setbacks, two stories, unreinforced brick with a stucco finish.
9. **Utilities:**
 - a. **Water:** Water service is available to the subject site.
 - b. **Electric:** Power service is available to the subject site.
 - c. **Sewer:** Sanitary sewer service is available to the subject site.
10. **Transportation:** The site is located on the northern side of Third Street in the middle of the block between Ford and Galloway Streets and stretches to Fourth Street. Third Street is a major collector in the McMinnville Transportation System Plan.

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VI. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application. The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule, Chapter 660 Division 23: Procedures and Requirements for Complying with Goal 5.

In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated but are to be undertaken in relation to all applicable land use requests.

Compliance with Oregon State Land Use Goals:

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

(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

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- (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.
- (2) Relationship of Historic Resource Protection to the Standard Goal 5 Process.
- (a) Local governments are not required to amend acknowledged plans or land use regulations in order to provide new or amended inventories, resource lists or programs regarding historic resources, except as specified in section (8). Local governments are encouraged to inventory and designate historic resources and must adopt historic preservation regulations to protect significant historic resources.
- (b) The requirements of the standard Goal 5 process in [OAR 660-023-0030 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#), in conjunction with the requirements of this rule, apply when local governments choose to amend acknowledged historic preservation plans and regulations.
- (c) Local governments are not required to apply the ESEE process pursuant to [OAR 660-023-0040 \(ESEE Decision Process\)](#) in order to determine a program to protect historic resources.

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE.

- (3) Comprehensive Plan Contents. Local comprehensive plans should foster and encourage the preservation, management, and enhancement of significant historic resources within the jurisdiction in a manner conforming with, but not limited by, the provisions of [ORS 358.605 \(Legislative findings\)](#). In developing local historic preservation programs, local governments should follow the recommendations in the Secretary of the Interior’s Standards and Guidelines for Archeology and Historic Preservation, produced by the National Park Service. Local governments should develop a local historic context statement and adopt a historic preservation plan and a historic preservation ordinance in conjunction with inventorying historic resources.
- (4) Inventorying Historic Resources. When a local government chooses to inventory historic resources, it must do so pursuant to [OAR 660-023-0030 \(Inventory Process\)](#), this section, and sections
- (5) through (7). Local governments are encouraged to provide opportunities for community-wide participation as part of the inventory process. Local governments are encouraged to complete the inventory in a manner that satisfies the requirements for such studies published by the Oregon State Historic Preservation Office and provide the inventory to that office in a format compatible with the Oregon Historic Sites Database.
- (5) Evaluating and Determining Significance. After a local government completes an inventory of historic resources, it should evaluate which resources on the inventory are significant pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(4) and this section.
- (a) The evaluation of significance should be based on the National Register Criteria for Evaluation, historic context statement and historic preservation plan. Criteria may include, but are not limited to, consideration of whether the resource has:

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- (A) Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;
- (B) Significant association with the lives of persons significant to local, regional, state, or national history;
- (C) Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;
- (D) A high likelihood that, if preserved, would yield information important in prehistory or history; or
- (E) Relevance within the local historic context and priorities described in the historic preservation plan.
- (b) Local governments may delegate the determination of locally significant historic resources to a local planning commission or historic resources commission.
- (6) **Designating Locally Significant Historic Resources.** After inventorying and evaluating the significance of historic resources, if a local government chooses to protect a historic resource, it must adopt or amend a resource list (i.e., “designate” such resources) pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(5) and this section.
- (a) The resource list must be adopted or amended as a land use decision.
- (b) Local governments must allow owners of inventoried historic resources to refuse historic resource designation at any time during the designation process in subsection (a) and must not include a site on a resource list if the owner of the property objects to its designation on the public record. A local government is not required to remove a historic resource from an inventory because an owner refuses to consent to designation.
- (7) **Historic Resource Protection Ordinances.** Local governments must adopt land use regulations to protect locally significant historic resources designated under section (6). This section replaces [OAR 660-023-0050 \(Programs to Achieve Goal 5\)](#). Historic protection ordinances should be consistent with standards and guidelines recommended in the Standards and Guidelines for Archeology and Historic Preservation published by the U.S. Secretary of the Interior, produced by the National Park Service.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The City of McMinnville has an acknowledged Historic Preservation program, including an adopted Historic Preservation Plan as a supplemental document to the McMinnville Comprehensive Plan, Comprehensive Plan policies, an adopted Historic Resources Inventory that is actively maintained, historic resource protection ordinances, and an appointed Historic Landmarks Committee that administers and manages the historic preservation program, and makes quasi-judicial decisions on historic landmarks land-use decisions.

- (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 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#) 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;

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APPLICANT’S RESPONSE: For the reasons explained below, consideration of the several factors addressed herein demonstrates that the value of these buildings to the historic character of the Historic District is relatively low, that the buildings' values with their current or similar uses are very limited and likely insufficient to provide for needed repairs, that the buildings cannot be economically seismically-retrofitted in their current configuration to allow for a hospitality or other adaptive re-use, and that the public interest in preserving them is outweighed by the public and private benefits achieved by construction of the proposed Gwendolyn Hotel..

The above provision requires local governments to consider a number of factors when deciding whether to allow demolition of structures that are located within National Historic Districts. However, the obligation of the City is to consider these factors; the applicant is not required to prove that one or all of them are "met" as would be the case with a mandatory criterion begging a "yes or no" question. Frankton Neighborhood Association v. Hood River County, 25 Or LUBA 386, 395 (1993); Von lubken v. Hood River County, 18 Or LUBA 18, 21-22 (1989). No particular balancing of these factors is required, either. The Historic Landmarks Committee ("HLC") can find (1) that these factors have all been considered with respect to the three buildings proposed for demolition and (2) consideration of these factors supports the Applicant's demolition proposal for each building, which are addressed separately, below.

The property at 611 NE 3rd Street is classified as a "Secondary Significant Contributing" building in the Downtown Historic District. Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) explains that property was developed sometime between 1912 and 1919 as an automobile garage, but it does not appear on Sanborn Fire Insurance Maps until 1928. At all times within the secondary historic period, the property was used as an automobile garage and by 1940 was used as a car dealership.

According to Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022), while the building's second story and parapet remains intact, the ground floor has been significantly modified.

FINDING: Oregon Administrative Rule (OAR) 660-023-0200(1)(g) defines districts listed in the National Register of Historic Places as a National Register Resource, therefore this state rule applies to the significance of the district as a whole, in addition to the contribution offered by individual resources on their own. Although the rule lists “factors’ that must be considered, the purpose of considering those factors is to ensure that National register Resources are “protected.” Just giving “consideration” to these factors but not using those considerations when making decisions about demolition of National Register Resources, as the applicant advocates, would not achieve the preservation objective provided. Rather, it is only through weighing and consideration of the listed factors that the Commission can determine if demolition can occur without sacrificing protection. Per Figure 2 of this decision document, 611 NE Third Street is considered a Secondary Significant Contributing resource in the McMinnville Downtown Historic District.

OAR 660-023-0200(8)(a) Factors to Consider – Condition of the Property

APPLICANT RESPONSE: All three of the buildings are constructed of unreinforced brick. 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.

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As noted in the structural report included as Appendix C, the building at 611 NE 3rd Street is missing some floor beams.

The applicant is not requesting demolition of the property due to significant structural issues or imminent public safety hazards. However, additional information from the structural engineer has been provided in response to HLC requests. See Attachment 1.

Attachment 1 – Memo from Jason Dhanens PE SE, Structural Manager, Harper Houf Peterson Righellis Inc. (HHPR) dated November 6, 2022.

FINDING: The structural analysis does not indicate any structural issues that pose a significant or imminent public safety hazard. The structural analysis provided by the applicant does not suggest that remediating existing conditions is unreasonable or otherwise infeasible.

Below is the detail for 611 NE Third Street.

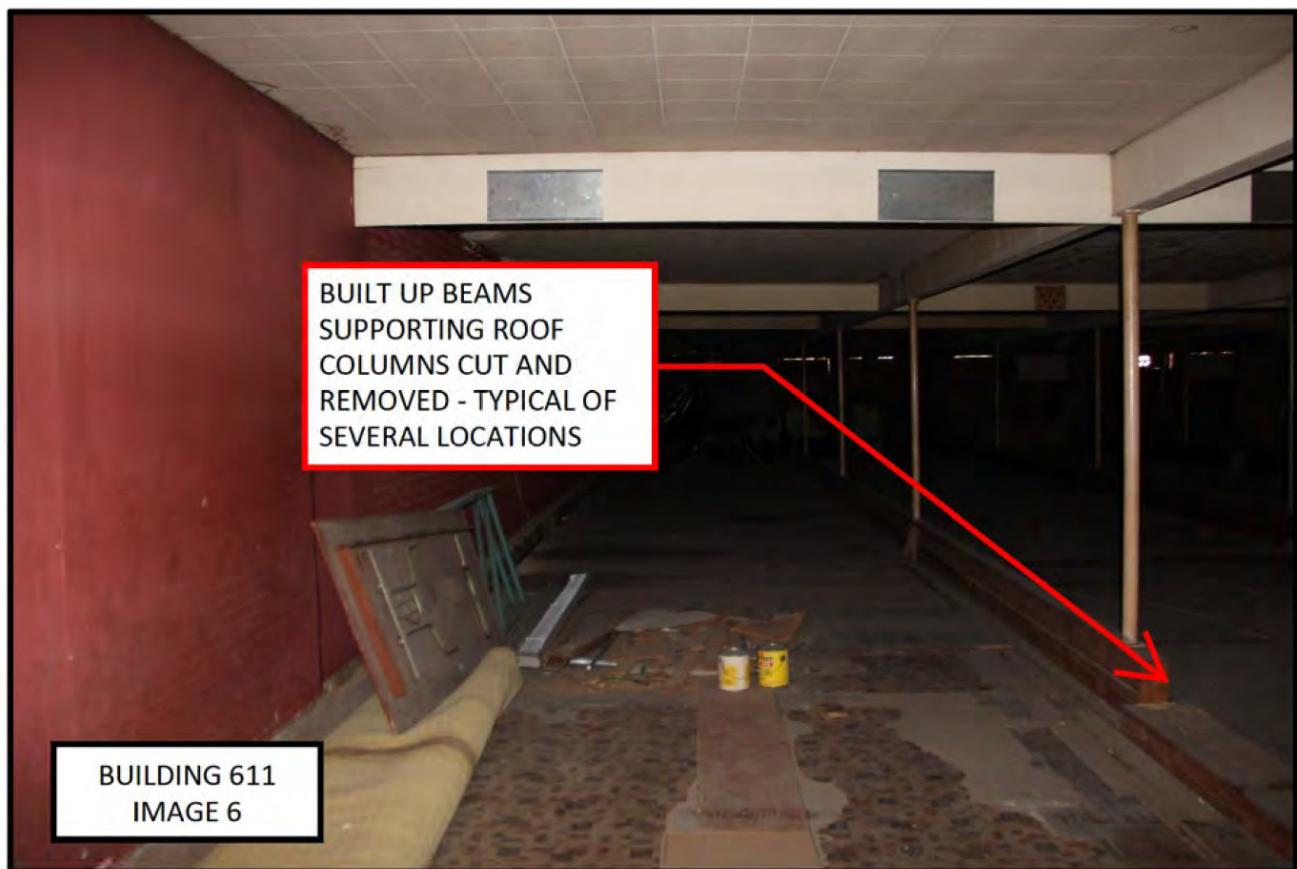
- Built up beams spanning in the north south direction supported by round pipe columns bearing on built up laminate beams to spread the load across the floor below
- At north and south walls the roof beams are supported by the perimeter brick walls
- In some cases, the built-up laminated beams across the floor have been cut and removed. This condition compromises the structure’s ability to spread the concentrated roof load across the floor below (see Image 6)
- The built-up beams across the floor do not appear to align with the beam lines in the floor below, which would complicate any future work

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The report also examines three options for preserving the historic resources: 1) retain existing buildings and construct a new hotel over the top of the existing buildings; 2) retain and maintain the existing buildings and relocate the existing buildings.

The report concludes that the first option to construct a new hotel over the top of the existing buildings would require a complete seismic and structural upgrade to the buildings, and would be problematic relative to the placement of needed structural supports in the existing buildings.

The second option to retain and maintain the existing buildings would require investment in general maintenance, repair and remediation of the spaces as well as repair of the emergent concerns described above.

And the third option to relocate the three buildings is impractical due to the unreinforced masonry structure of the buildings.

The Historic Landmarks Committee views this concern as one that, not only should be alleviated through routine maintenance, this condition does not offer any indication that the structure is in a physical condition that is so deteriorated as to require demolition. Further, the Historic Landmarks Committee rejects the proposition that historic masonry buildings are not structurally sound simply by virtue of being unreinforced. This would assume that all historic unreinforced masonry buildings that have not been maintained adequately are justification for demolition of historic resources.

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OAR 660-023-0200(8)(a) Factors to Consider – Historic Integrity of the Property

APPLICANT RESPONSE: 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.

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

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.

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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.

611 NE 3rd Street in 1983



Source: City of McMinnville Historic Resources Survey, 1983.

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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.

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.

In this context, the "Historic Integrity" of the building refers to features that existed within the date range of secondary significance. While the building is largely in the same configuration as it was in 1983 when the Historic District was established, the Historic District Nominating Form did not identify any period after 1937 as historically significant; therefore, features added after that date are not considered historically significant.

As explained in Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) and the Staff Report, the historic integrity of the building has been substantially compromised since it was originally constructed, principally due to:

- o Reconfiguration of the ground floor interior.
- o Replacement of the entire ground floor between 1928 and 1948 to include a car auto sales office, as shown in the Sanborn Maps.

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- o Removal and replacement of all original ground-floor windows and window openings and re-cladding of the ground floor in stucco.
 - o Construction of a new inset facade with round columns.

Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) goes on to identify the following "character defining features" confirmed to be remaining with the building¹ include the following:

- o Second Story
 - Buff colored brick cladding with dark grey pigmented mortar joints.
 - Parapet with central pediment, with copings surfaced with painted stucco.
 - Pressed metal entablature with modillions and brackets.
 - Five bays of paired wood one-over-one windows surrounded by a brick soldier course and squares of cast stone.
 - Low relief belt course at windowsills.
- o Interior
 - Southeast entry stair to second floor, with pair of dual-swing doors at stair landing.
 - Portions of the ornamental wood flooring at the rear area of the second floor.

Note that the Report, while helpful, does not address "historic integrity" specifically but only "character defining features." Even if the above are components of "historic integrity," these features pertain almost exclusively to the second floor, which is unoccupied. The entire first floor of the building has lost virtually all of its historic integrity.

FINDING: "Historic integrity" is generally defined as the ability for a property or resource to convey its significance. Historic properties either retain integrity (that is, convey their significance) or they do not. Within the concept of integrity, the National Register criteria recognize seven aspects or qualities that, in various combinations, define integrity. These seven aspects include location, setting, design, materials, workmanship, feeling, and association. To retain historic integrity a property will always possess several, and usually most, of the aspects. OAR 660-0230-0200(8)(a) opens by noting that local governments have an obligation to protect National Register Resources, without regard to local designation. As a result, rather than rely on the HRI report which served as the basis for local designation, the National Register nomination identifies the relevant periods of significance and an evaluation of structural integrity. Historic structures were given the Secondary Significant Contributing designation when they were built between 1913 and 1937 during a secondary period of construction encouraged by the proliferation of the automobile. In addition to the date of construction, common features distinguishing buildings of Secondary Significance include their density, scale, materials, and overall design elements, particularly with respect to the second floors. For 611 NE Third Street, there are several elements that are original to the building

¹ The Report also lists the building's massing and number of stories as "character-defining features," but loss of these features would only occur if the building had been demolished to some extent and are not properly considered part of the building's "historic integrity," as they indicate no more than that the building still exists with the same number of stories. Indeed, all of these characteristics would be the same even if the building had been gutted and refinished entirely. Regardless, the above factor concerns "historic integrity," not "character defining features."

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

including a pedimented parapet with a raised stucco or cast stone cornice with dentils, a large projecting pressed metal frieze with modillions and original double-hung windows on the second floor. All of these elements work to reinforce the two-story commercial store front character that signifies the District.

The building today looks very much the same as it did in 1984, when the district was created. According to the nomination, “moderate” alterations occurring in 1976 included replacement of the ground floor storefronts and covering the first floor with stucco. The historic integrity remains intact. It is important to note that there are other buildings within the District boundaries that were so altered that they no longer contributed to the integrity of the District suggesting that the modifications were not so significant to warrant exclusion of this building.

The Historic Landmarks Committee finds that the historic integrity of the structure at 611 NE Third Street warrants preservation for the community.



Original wood windows,
frames and sash
Original brick and cast
concrete elements
Original pressed metal
cornice

611 NE 3rd Street, current view (ARG, October 2022)

OAR 660-023-0200(8)(a) Factors to Consider – Age of the Property

APPLICANT RESPONSE: The actual date of construction is unknown, the Historic District Nominating Form identifies its construction year as between 1912 and 1928. A photo dated 1919 included in the application materials show the building nearing completion.

FINDING: The National Register evaluation factors do not place greater importance on resources constructed early in the period of significance over those that may have been created later. Demolishing this primary contributing building, along with the two Secondary Contributing buildings to the east, would have the effect of eliminating all of the significant historic buildings on the north side of 3rd Street between Ford and Galloway, creating the only block along 3rd where there are no

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Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

contributing structures. As noted above, this building does not show any greater “signs of its age” than any other historic building within the District.



Original Structure, circa 1919



Current Structure

OAR 660-023-0200(8)(a) Factors to Consider – Historic Significance of the Property

APPLICANT RESPONSE: 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*

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

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

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.

+++

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2: Department/Agency Comments
- Attachment 3: Public Testimony

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.

The statement of significance explains the original physical characteristics of the buildings, but notes that the first-floor facade was "extensively altered" with stucco cladding and has been "cutaway to expose two pillars." The photos below illustrate the scope of how the building's facade was altered after its period of significance:

1 611 NE 3rd Street (1948)



Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\)](#) - 609, 611 and 619 NE Third Street | [McMinville Oregon](#) and on file with the Planning Department)

- Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2: Department/Agency Comments
- Attachment 3: Public Testimony

2) 611 NE 3rd Street (1983)

"Historic Significance" is not defined in OAR 660-033-023. However, OAR 660-033-023(5)(a) explains that the "evaluation of significance" should be based on the following²:

"(A) Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;

(B) Significant association with the lives of persons significant to local, regional, state, or national history;

(C) Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;

(D) A high likelihood that, if preserved, would yield information important in prehistory or history; or

² Note that these are virtually identical to the National Register's "Criteria for Evaluation."

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

(E) Relevance within the local historic context and priorities described in the historic preservation plan. "

With respect to (A), the Historic District's significance statement does not connect the building with any significant events. With respect to (B), the building is not noted as being associated with any particular person significant to local, regional, state, or national history. With respect to (C), there is no evidence that the building possessed a particularly distinctive or notable design, artistic values, "or represents a significant and distinguishable entity whose components may lack individual distinction." With respect to (D), given the substantial changes to the building, only the second-floor facade is indicative of historic character, but it is not clear how this "yields information important in prehistory or history."

Finally, with respect to (E) the Historic District's nominating form describes the local historic context for primary contributing buildings as follows:

"Structures are classified as Secondary-Significant if they were built in or between 1913 and 1937. These buildings represent the secondary period of construction and development from the increase of city improvements and auto traffic."

All that is required to qualify a building as Secondary-Significant is construction within the date range above. According to its nomination form, the building was included because it was built sometime between 1912 and 1928.

FINDING: Both the National Register of Historic Places and the City of McMinnville have adopted provisions that identify the property as historically significant. Under the National Register, the district was deemed to qualify under Criteria A and C. The City of McMinnville's classification of the property as a "B" (Significant) historic resource on the McMinnville Historic Landmarks Inventory.

Although, if reviewed now, the property could be classified differently, that does not negate the policy action that has occurred. With that said, the assigned historic significance is not a stand-alone factor for preservation or demolition. Rather, all of the factors must be considered.

The McMinnville Downtown Historic District National Register of Historic Places nomination provides the following as the overall summary of the statement of significance for the historic district for a time period of 1880 – 1937.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

*Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

The McMinnville Historic District is an area of approximately 15 acres in which the unifying theme represented by the 51 contributing buildings is the parallel development of commerce and railroad and highway transportation in the bustling Willamette Valley farming community and county seat between 1880 and 1937. The district meets National Register Criteria A and C in the context of local history as the place where the community's largest, best preserved and most noteworthy historic commercial buildings are concentrated. The district extends 6½ blocks along Third Street, historically the main, east-west stem of the business district. Buildings along Third Street represent several phases of development but have a marked cohesion by virtue of their density, common scale, materials and overall design elements. While ground story storefronts have been altered over the years, distinguishing features of the upper stories are intact and provide visual continuity. Descendants of many of the community's early settlers are owners of property or businesses within the district today.

(McMinnville Downtown Historic District, Section Number 8, Page 1)

The McMinnville Historic Preservation Plan has the following language for the historic context of McMinnville's historic resources for the time period that most influenced the building at 611 NE Third Street:

Motor Age, Boom and Bust (1903—1940)

This period marked the arrival of the automobile. Most of the garages added to the houses surveyed were built during this period. The city was amid a massive population growth extending from 1900 through 1910 and increased prosperity with industrial growth provided jobs and steady wages. By 1914 a spur from the main interurban railroad corridor along the Willamette Valley linked the city with Portland and cities to the south. Building construction grew considerably from 1900 to 1909 relative to pre-1900 construction, and then nearly doubled during the 1910s.⁵

Population growth continued between 1910 and 1940, increasing from 2,767 in 1920 to 3,706 in 1940.⁶ New industries established in the city and surrounding area included including a small foundry, a machine shop, a planning mill, a creamery, and an incandescent and arc light factory. The launch of Prohibition in 1919 devastated the hops industry, the area's second-most profitable crop, motivating farmers to diversify their products to include legumes, clover, and animal products.

(McMinnville Historic Preservation Plan, page 16)

However, based on the methodology at the time, the subject property is listed as a “Secondary Significant Contributing” property in the McMinnville Downtown Historic District National Register of Historic Places nomination and is identified as a “Significant” resource on the McMinnville Historic Resources Inventory.

As discussed above, the Historic Landmarks Committee finds that although the historic integrity of the building has been significantly modified since its original construction but those modifications do not compromise the original character reflected in the original parts of the building, particularly in the 2nd floor, that remains. Further, the two story-massing with a parapet contributes to the commercial style that characterizes the district.

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

OAR 660-023-0200(8)(a) Factors to Consider – Value to the Community

APPLICANT RESPONSE: The value the buildings current(ly) 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.

Within living memory the building has been used as an automotive repair shop, car dealership, and as an office of the New Register and small retail space, which occupies only the bottom floor. The building is not associated with any particularly meaningful community history, has never been used as a community gathering place, and does not appear to have any value to the community beyond its inclusion in the downtown historic district.

FINDING: The HLC received testimony from dozens of city residents expressing concern over the loss of these buildings. The testimony from Ernie Munch, an architect, provided evidence suggesting that the value of this building to the community is not just in its Victorian Italianate detailing, but also that it was built as a garage to serve the burgeoning auto-focused culture of the late 1920s and 1930s.

Several people also testified that the height, mass, and form of the building contributed to the overall sense of place of Third Street, which as McMinnville’s award-winning Main Street, is the heart and soul of the community.

611 NE Third Street also is a two-story building where both floors have not been adequately maintained and the full vitality of the building is not realized. The applicant provided a cost analysis in their application that indicates that the cost of rehabilitating the structure and the return yield on the square footage of the rehabilitated space would not be financed as the project would not yield a positive return for 40 years.

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.

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Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*
- Attachment 2: Department/Agency Comments*
- Attachment 3: Public Testimony*

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.

(Application Narrative, page 3)

The applicant argues that the underutilization of the building for revenue-generating commercial uses undercuts the value of the building to the community. Although this might be true in the abstract, the HLC did not hear this concern voiced in the testimony it received. Further, the Historic Landmarks Commission concludes that the building is only financially infeasible to rehabilitate because the applicant assumes that the only viable economic solution includes either doing nothing, restoring the building including full seismic upgrades or the most intense development that might be allowed in the zone. The Historic Landmarks Commission believes that there may be other options that the applicant did not fully explore that would retain the preservation value of this building and also allow for a greater return on investment.

OAR 660-023-0200(8)(a) Factors to Consider – Economic Consequences

APPLICANT RESPONSE: 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.

FINDING: The replacement plan for a multi-story hotel and ground floor retail would benefit McMinnville economically but the Historic Landmarks Committee also finds that it is the historic district, its historic charm and coziness, that have made this downtown an economic success. McMinnville needs more Class A office space, especially in its city center. However, due to long-

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*Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

term disinvestment in the second story of this building the costs of stabilizing the building and providing Class A office space is more than the market will bear which would lead to continued disinvestment in the second story and no office vitality outside of the ground floor. This long-time disinvestment cannot be used as a basis to claim economic hardship.

OAR 660-023-0200(8)(a) Factors to Consider – Design or Construction Rarity

APPLICANT RESPONSE: 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.

The building is not identified as being rare at all in terms of design or construction.

FINDING: 611 NE Third Street does not possess any specific design or construction standard that would be described as rare or significant for McMinnville, except for the second floor exterior façade's brick corbeling that is present on many historic buildings in downtown McMinnville.

OAR 660-023-0200(8)(a) Factors to Consider – Consistency and Consideration of other Policy Objectives in the Comprehensive Plan.

APPLICANT RESPONSE: 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.*

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.*

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
 Attachment 2: Department/Agency Comments
 Attachment 3: Public Testimony

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.

FINDING: Please see below for a discussion of compliance with the City of McMinnville's Comprehensive Plan policies. In summary, the proposed demolition of 611 NE Third Street does not meet the City's Comprehensive Plan goals for preservation of historic resources, however the demolition of the subject structure coupled with the redevelopment of the site does meet many of the City's economic development comprehensive plan policies. That said, the Historic Landmarks Committee finds that these goals are not mutually exclusive and, in fact, it is the historic protections offered by the Downtown Historic District, that have contributed to its economic success. Existing commercial land exists in the downtown area, both within and outside of the Historic District, to accommodate a luxury hotel, including many of the amenities identified by the applicant. This

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

building has been occupied with numerous different uses since construction, all resulting in neighborhood-serving uses and there is no reason to believe that either these uses, or new uses other than a 6-story hotel, could not be pursued in the future.

OAR 660-023-0200, Section 8(a):

OVERALL FINDING: OAR 660-023-0200, Section 8(a) states that the following factors must be considered when making a decision to approve, approve with conditions or deny an application for a historic resource on the National Register of Historic Places: 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. But OAR 660-023-0200, Section 8(a) does not provide clear and objective criteria as to how to consider the factors and how many factors need to support an approval, approval with conditions or denial. Per the analysis above, 611 NE Third Street does not appear to be in bad structural condition and has not lost all of its historic integrity as the second floor and roofline appear to be historically original to the building. The applicant has tried to make the case that the economic value realized from a new 6-story luxury hotel outweighs what they have identified as limited historic integrity. The Historic Landmarks Commission finds that this presents a false choice with respect to both the economic value and the historic integrity. The District enjoys economic vitality today because of the choices made to preserve it. This building has generated a reasonable economic return for generations, as evidenced by its variety of uses, and there is no evidence to believe such return would be foreclosed in the future, but for this long-standing owner's failure to maintain the building in a state commensurate with other owners along NE Third Street.

The value to the community could be described in two ways – historic value and overall value. The applicant has argued that the historic value has been compromised as an individual structure but this determination fails to consider the contribution this building, in conjunction with the other two, makes to the overall McMinnville downtown historic district and building fabric. When considering all of the factors in OAR 660-023-0200(8)(a) together, the Historic Landmarks Commission finds that demolition of 611 NE Third Street is not appropriate.

OAR 660-023-0200, Section 8

(b) May apply additional protection measures. for a National Register Resource listed in the National Register of Historic Places after the effective date of this rule, additional protection measures may be applied only upon considering, at a public hearing, the historic characteristics identified in the National Register nomination; the historic significance of the resource; the relationship to the historic context statement and historic preservation plan contained in the comprehensive plan, if they exist; the goals and policies in the comprehensive plan; and the effects of the additional protection measures on the ability of property owners to maintain and modify features of their property. Protection measures applied by a local government to a National Register resource listed before the effective date of this rule continue to apply until the local government amends or removes them; and

APPLICANT'S RESPONSE: None.

FINDING: NOT APPLICABLE. In adopting the criteria for demolition in 17.65.050, the City adopted protection measures as provided by this requirement.

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OAR 660-023-0200, Section 8

- (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.

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's response.

- (9) Removal of a historic resource from a resource list by a local government is a land use decision and is subject to this section.

(a) A local government must remove a property from the resource list if the designation was imposed on the property by the local government and the owner at the time of designation:

- (A) Has retained ownership since the time of the designation, and
 (B) Can demonstrate that the owner objected to the designation on the public record, or
 (C) Was not provided an opportunity to object to the designation, and
 (D) Requests that the local government remove the property from the resource list.

(b) Except as provided in subsection (a), a local government may only remove a resource from the resource list if the circumstances in paragraphs (A), (B), or (C) exist.

- (A) The resource has lost the qualities for which it was originally recognized;
 (B) Additional information shows that the resource no longer satisfies the criteria for recognition as a historic resource or did not satisfy the criteria for recognition as a historic resource at time of listing;
 (C) The local building official declares that the resource poses a clear and immediate hazard to public safety and must be demolished to abate the unsafe condition.

APPLICANT'S RESPONSE: None.

FINDING: As explained in these findings, the demolition request is not approved and the building will remain on the McMinnville Historic Resources Inventory.

- (10) A local government shall not issue a permit for demolition or modification of a locally significant historic resource during the 120-day period following:

- (a) The date of the property owner's refusal to consent to the historic resource designation, or
 (b) The date of an application to demolish or modify the resource if the local government has not designated the locally significant resource under section (6).

APPLICANT'S RESPONSE: None.

FINDING: NOT APPLICABLE. The structure at 611 NE Third Street has already been designated a McMinnville Historic Resource.

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Comprehensive Plan Volume II:

The following Goals, Policies, and Proposals from Volume II of the Comprehensive Plan provide criteria applicable to this request:

The implementation of most goals, policies, and proposals as they apply to this application are accomplished through the provisions, procedures, and standards in the city codes and master plans, which are sufficient to adequately address applicable goals, policies, and proposals as they apply to this application.

The following additional findings are made relating to specific Goals and Policies:

GOAL II 1: TO PRESERVE THE QUALITY OF THE AIR, WATER, AND LAND RESOURCES WITHIN THE PLANNING AREA.

- 2.00 *The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.*

APPLICANT RESPONSE: A draft Contaminated Media Management Plan (CMMP) that addresses all three properties has been included (Contaminated Media Management Plan, October 13, 2022). The CMMP is a requirement of the Prospective Purchaser Agreement between the Applicant and Oregon Department of Environmental Quality ("DEQ"). As a practical matter, former automotive shops and fuel stations are routinely redeveloped and there is nothing about these buildings that presents a unique risk. The draft CMMP requires removal and safe disposal of any contaminated media (i.e. soil or ground water), and recommends only standard protective measures to mitigate the limited identified risk of petroleum contamination.

This is sufficient to satisfy Goal II of the City's Comprehensive Plan, which implements Statewide Planning Goal 6. Goal 6 requires that the local government establish that there is a reasonable expectation that the use for which land use approval is requested will also be able to comply with the state and federal environmental quality standards that it must satisfy to be built. *Hess v. City of Corvallis*, 70 Or LUBA 283 (2014). The City's comprehensive plan does not address soil contamination, and with respect to water, Policy 10.00 of the Comprehensive Plan provides that "The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area." The Applicant's ongoing work with DEQ through the PPA process is evidence not only that DEQ will provide sufficient oversight to ensure the safety of workers and the public, but also demonstrates that the Application will be able to comply with DEQ's standards.

FINDING: SATISFIED WITH CONDITION OF APPROVAL

If approved, the following condition of approval would be necessary: The applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city's right of ways.

- 8.00 *The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.*

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APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.

10.00 *The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant must demonstrate compliance with the Department of Environmental Quality and other appropriate agencies that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.

GOAL III 2: TO PRESERVE AND PROTECT SITES, STRUCTURES, AREAS, AND OBJECTS OF HISTORICAL, CULTURAL, ARCHITECTURAL, OR ARCHAEOLOGICAL SIGNIFICANCE TO THE CITY OF McMINNVILLE.

APPLICANT 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.

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.

FINDING: NOT SATISFIED. The focus of this comprehensive plan goal is to preserve and protect structures that have special historical or architectural significance. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the application materials and receiving testimony, decided that the value and significance of the building, its condition, the owner’s failure to maintain the building commensurate with other owners and contributing to any modest economic returns,

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and its overall contribution to the significance of the District all work against approving this request for demolition. Findings for those other applicable review criteria are provided below.

- 16.00 *The City of McMinnville shall support special assessment programs as well as federal grants-in-aid programs and other similar legislation in an effort to preserve structures, sites, objects, or areas of significance to the City.*

FINDING: SATISFIED. The City is supportive of all of these programs to aid historic preservation.

- 17.00 *The City of McMinnville shall enact interim measures for protection of historic sites and structures. Those measures are identified in the McMinnville Comprehensive Plan, Volume I, Chapter III.*

FINDING: SATISFIED. Chapter III of Volume 1 of the McMinnville Comprehensive Plan states the following:

A viable preservation program for the city will involve four steps:

(1) the adoption of goals and policies in the Comprehensive Plan supporting the preservation of historic resources and establishing a process to achieve stated objectives; (2) the formation of a historic preservation/landmarks committee; (3) the completion of a comprehensive inventory of the historic resources in the planning area; and (4) the implementation of preservation techniques, possibly through an historic preservation ordinance, to protect and conserve the identified resources.

Based on the information contained herein, and the work of the Citizens' Advisory Committee Community Needs Subcommittee, the City finds that:

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1. There are sites, structures, objects, and areas that are of importance to McMinnville because of their historical, cultural, architectural archeological significance at the local, state, or national level. Some of the sites and structures are (or are in the process of being) designated to state and national historical lists.
2. There may be pressure to destroy or alter historically significant sites and structures in the future. There is no active historical, or preservation program in McMinnville at this time to resolve conflicts between historical resources and developmental proposals.
3. Completion of Phase I of the inventory of the historic resources in McMinnville has been completed. Approximately 0.9 of a square mile of the McMinnville core (the area bounded by Fifteenth Street on the north, Fellows Street on the south, Elmwood Avenue on the west, and Kirby Street on the east) has been surveyed and some 500 potential historic resources have been identified. The survey, under the direction of Janice Rutherford, involved the efforts of some 30 volunteers, who, after attending training sessions by professional preservationists, conducted the field work and research necessary to identify the resources. Completion of this survey for the remainder of the city should be a priority concern in the historic preservation program established by the City.
4. Historical structures should be recognized as underutilized resources that could potentially be restored and/or adapted for beneficial urban uses. Preservation techniques applicable to the historical structures identified in the core area of the city could assist in the continued redevelopment of the central business district.
5. The historical designation of sites and structures within the core business area could involve large economic ramifications for the city and property owners. A variety of incentives for rehabilitation of historically designated properties does exist. A feasibility analysis of the economic advantages and disadvantages of establishing historical sites and/or districts downtown needs to be made.
6. Preservation of historical sites and structures will necessarily involve procedures that regulate the alteration, and/or demolition of historically designated properties. The cooperation of owners of potential historical sites and structures will, therefore, be necessary for a viable preservation program.
7. A number of local groups and citizens, including the Chamber of Commerce, Committee on Redevelopment, various civic and social groups, and local historical groups, have expressed interest in an historical preservation program. Enlistment of volunteers for the completion of the comprehensive inventory of historical resources and other preservation projects should be explored.

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8. There are a number of state and federal antiquity codes that may assist in the preservation of the historical resources in our city, and provide some financial incentives for preserving our heritage. Those codes are noted in the background information for the comprehensive plan.
9. The involvement of the private sector of the city is of paramount importance to the development of a preservation program. The primary initiative for setting up such a program will come from the governmental sector. However, it is only through the cooperation of property owners, volunteer workers, knowledgeable citizens, and governmental leaders that such a program will be made workable.
10. A program involving creation of an Historical Landmark Committee, a local Historical Landmarks Register, and an Historical Ordinance is being proposed by the City to establish a historical presentation program. Implementation of the program is expected to take a considerable amount of study, discussion, and therefore, time. Interim preservation measures shall be enforced until formal adoption and implementation of a preservation program.

The City of McMinnville has implemented most of the programs outlined above.

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.

APPLICANT 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

COMMERCIAL DEVELOPMENT

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.

APPLICANT RESPONSE: This Comprehensive Plan policy is supplemented by several documents including the 2013 Urban Renewal Area Plan (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.

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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

GOAL IV 3: TO ENSURE COMMERCIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USE THROUGH UTILIZATION OF EXISTING COMMERCIALY 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.*

APPLICANT 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.

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FINDING: SATISFIED. The proposed project maximizes the existing commercially designated lands by building a higher density commercial program on the site, which will also serve to revitalize the east side of Third Street that was identified as a redevelopment area in the adopted 2000 Downtown Improvement Plan.

- 25.00 *Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.*

FINDING: SATISFIED WITH CONDITIONS OF APPROVAL. Higher density commercial development in the city center utilizes existing infrastructure efficiencies. The following conditions of approval will need to be met to ensure that the existing infrastructure will support the development.

If approved, the following condition of approval would be necessary: The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

If approved, the following condition of approval would be necessary: Prior to submittal for building demo permit provide Engineering with detailed demolition plans for review and approval.

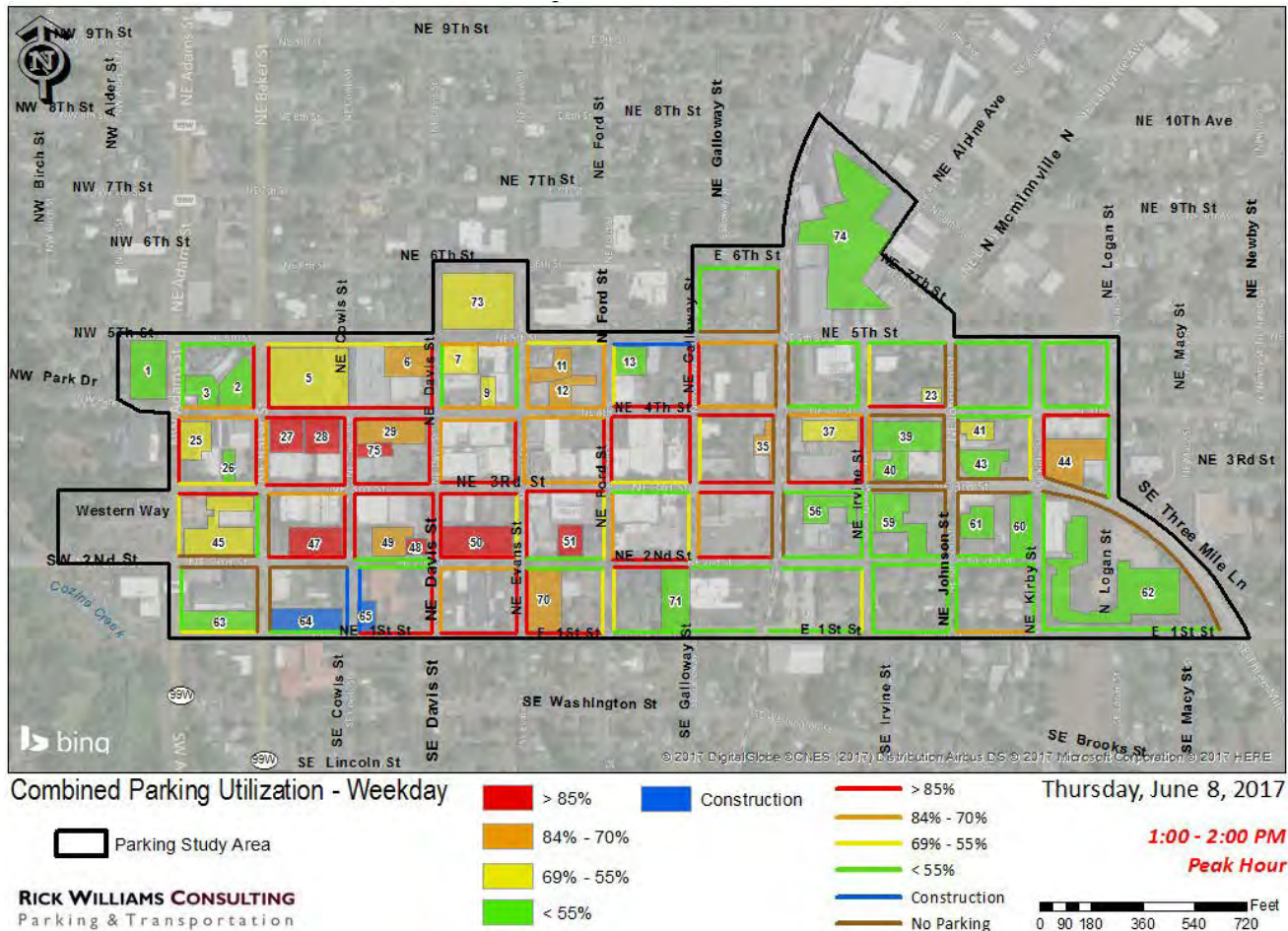
- 26.00 *The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district, and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.*

FINDING: SATISFIED. The replacement plan project will be located in the Central Business District. The Transportation Impact Analysis provided as part of the application indicates that all intersections studied perform within mobility standards with the project as developed. No mitigation measures were identified.

Parking in the core downtown area is limited. However, a utilization study conducted in 2017 identified that parking on Ford Street between 3rd and 4th Streets was maximized at the peak hour of a weekday. Although the McMinnville Municipal Code does not require the provision of off-street parking for new developments on this site, the replacement project is providing 67 off-street parking stalls in an underground parking structure.

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(City of McMinnville, Oregon, Downtown Strategic Parking Management Plan, March 27, 2018, page 17)

GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.

Downtown Development Policies:

36.00 *The City of McMinnville shall encourage a land use pattern that:*

1. *Integrates residential, commercial, and governmental activities in and around the core of the city;*
2. *Provides expansion room for commercial establishments and allows dense residential development;*
3. *Provides efficient use of land for adequate parking areas;*
4. *Encourages vertical mixed commercial and residential uses; and,*

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5. *Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED.

- 37.00 *The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)*

FINDING: NOT APPLICABLE. Phase II of the Downtown Improvement Plan is a list of public improvement projects that are not associated with this application.

- 38.00 *The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.*

FINDING: SATISFIED. The City provides grants and loans to encourage the renovation and rehabilitation of buildings in the downtown area.

- 44.00 *The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER.

- 127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

- 132.40.05 *Conditions of Approval—In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:*

1. *Improvement of on-site transportation facilities,*
2. *Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards; and*
3. *Transportation Demand Management strategies. (Ord. 4922, February 23, 2010)*

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Attachment 3: *Public Testimony*

FINDING: SATISFIED. Due to the size of the replacement plan project, the City required the applicant to provide a Transportation Impact Analysis that identified no need for mitigating measures with the development of the project.

132.46.00 *Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.

142.00 *The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

151.00 *The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:*

1. *Sufficient municipal water system supply, storage and distribution facilities, as determined by McMinnville Water and Light, are available or can be made available, to fulfill peak demands and insure fire flow requirements and to meet emergency situation needs.*
2. *Sufficient municipal sewage system facilities, as determined by the City Public Works Department, are available, or can be made available, to collect, treat, and dispose of maximum flows of effluents.*
3. *Sufficient water and sewer system personnel and resources, as determined by McMinnville Water and Light and the City, respectively, are available, or can be made available, for the maintenance and operation of the water and sewer systems.*
4. *Federal, state, and local water and waste water quality standards can be adhered to.*
5. *Applicable policies of McMinnville Water and Light and the City relating to water and sewer systems, respectively, are adhered to.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

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If approved, the following condition of approval would be necessary: The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMinnville.

GOAL X 2: TO MAKE EVERY EFFORT TO ENGAGE AND INCLUDE A BROAD CROSS SECTION OF THE COMMUNITY BY MAINTAINING AN ACTIVE AND OPEN CITIZEN INVOLVEMENT PROGRAM THAT IS ACCESSIBLE TO ALL MEMBERS OF THE COMMUNITY AND ENGAGES THE COMMUNITY DURING DEVELOPMENT AND IMPLEMENTATION OF LAND USE POLICIES AND CODES.

Policy 188.00 The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The process for a Certificate of Approval for Demolition provides an opportunity for citizen involvement throughout the process through the public notice and the public hearing process. Throughout the process, there are opportunities for the public to review and obtain copies of the application materials and the completed staff report prior to the advertised public meeting(s). All members of the public have access to provide testimony and ask questions during the public review and meeting process.

McMinnville Municipal Code

The following Sections of the McMinnville Municipal Code (MMC) provide criteria applicable to the request:

Chapter 17.03. General Provisions

17.03.020 Purpose. *The purpose of this ordinance is to encourage appropriate and orderly physical development in the City through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, and adequate community facilities; to provide assurance of opportunities for effective utilization of the land resource; and to promote in other ways public health, safety, convenience, and general welfare.*

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The purpose of the Zoning Ordinance is met by the proposal as described in the Conclusionary Findings contained in this Decision Document.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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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;*

APPLICANT 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.

FINDING: NOT SATISFIED. This application is for a demolition permit and not a restoration project.

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

APPLICANT RESPONSE: The proposed development will attempt to incorporate significant components of the existing building at 611 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.

FINDING: SATISFIED WITH CONDITION OF APPROVAL. One of the challenges of restoring historic properties in downtown McMinnville is the differential between the market value of the land/property and the costs of rehabilitating a historic structure that has experienced minimal code upgrades over its lifetime with the community value of maintaining low lease rates to support local businesses. In many cases, the proforma is not yielding the necessary returns for a successful project.

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If approved, the following condition of approval would be necessary: Prior to the approval of a demolition permit, the applicant will need to meet with the McMinnville Downtown Association to develop a program that will educate local citizens on the benefits associated with an active historic preservation program, that will then be approved by the Planning Director.

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

APPLICANT 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.

FINDING: SATISFIED.

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

APPLICANT 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.

FINDING: NOT SATISFIED. As the findings for the replacement plan project explain, the new construction fails to be compatible with the nearby buildings with respect to massing and overall building width. As such, it does not enhance the overall historic sense of place of downtown McMinnville by replicating the form and design of the building stock on Third Street.

E. *Strengthen the economy of the City.*

APPLICANT 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.

FINDING: SATISFIED

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*

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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.*

APPLICANT RESPONSE: The proposal includes the demolition of a historic landmark (611 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.

FINDING: SATISFIED. The proposal includes the demolition of a resource on the National Register of Historic Places that is considered a Significant Contributing Resource. Per 17.65.040(A), section 17.65.050 of the McMinnville Municipal Code applies. The applicant has applied for a Certificate of Demolition.

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.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The applicant filed an application and request to demolish 611 NE Third Street that is designated as a Significant resource on the Historic Resources Inventory. The application was reviewed by the Historic Landmarks Committee within 30 days of the application being deemed complete.

17.65.050 Demolition, Moving, or New Construction.

- A. *The Historic Landmarks Committee may approve, approve with conditions, or deny the application.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The Historic Landmarks Committee issued a decision that approved, approved with conditions or denied the application.

- B. *The Historic Landmarks Committee shall base its decision on the following criteria:*

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

APPLICANT'S RESPONSE: The purpose of this ordinance is addressed in the responses to subsection 17.65.010 (in the narrative). The relevant Comprehensive Plan policies are addressed in Section 5 of the narrative. The applicant has demonstrated that the proposed development meets this criterion.

FINDING: NOT SATISFIED. Most of the City's historic policies in the comprehensive plan focus on the establishment of the Historic Landmarks Committee, public awareness of historic preservation, and other activities for the City to pursue to increase documentation of historic resources. However, the goal most specifically 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.

Per the analysis above, this application achieves some of the purpose statements but not all due to the fact that it is a demolition project and not a preservation/rehabilitation/restoration project.

The focus of the comprehensive plan goal and the purpose of the Historic Preservation chapter are to preserve structures that have special historical or architectural significance through restoration efforts. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the evidence and hearing the public testimony, decided that the structure at 611 NE Third Street retains historic integrity, contributes to the significance of the District, and has an economic use that favors continued preservation and protection. Therefore, the demolition is denied.

17.65.050(B)(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;*

APPLICANT'S 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.

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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

APPLICANT SUPPLEMENTAL RESPONSE (November 4, 2022): The applicant has provided the following additional information as described in Attachments 4-8:

- Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memo includes high-level profit and loss information. See Attachment 4.
- 2022 Yamhill County Tax Assessor data including Assessed Value, Taxable Value, and Real Market Value and property taxes paid between 2018 and 2022 has been provided. See Attachment 5.
- An estimate of the cost of rehabilitation of the property from Hugh Construction, which is an entity separate from Hugh Development, provided the enclosed pro-forma showing the costs and likely returns from rehabilitation of the three structures. While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction's estimate was reasonable. See Attachment 6.
- A report of available economic incentives for rehabilitation of the existing buildings is included as Attachment 7.
- A report by Johnson Economics comparing the economic value of the project vs. preservation of the buildings is enclosed as Attachment 8.

The following table, provided by Hugh Construction, further defines the findings included in Attachment 6:

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	Current Results	Ideal Results (Gwendolyn Hotel)
Cash on Cash return	3%	23%
Unlevered IRR	-9.10%	13%
Levered IRR	0%	26.80%
Equity Multiple	0.82x	4.11x

APPLICANT’S RESPONSE (December 15, 2022): The Application proposes demolition of the three structures discussed above in order to allow it to construct the Gwendolyn Hotel. The economic value of the three buildings and their future use case are substantially limited. When compared to the potential economic value of the proposed hotel, the economic factors weight in favor of demolition for all three buildings.

While certainly not a model of linguistic clarity, 17.65.050(8)(2) appears to get at the comparative economic value when compared to the historic value of the buildings proposed for demolition. It appears to also evaluate the comparative economic value of the buildings if preserved or renovated.

The potential economic value of the Gwendolyn Hotel is addressed in Exhibit 5 (Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022), and can be summarized as follows:

- Total project value: \$59,735,000
- Construction cost: \$36,500,000
- Annualized property tax project: \$576,197 (2026), \$590,602 (2027), \$605,367 (2028).

In comparison, a preservation use case (with similar occupancies and no renovation) are of very limited future value. Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memorandum includes projected profit and loss information. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). Mr. Higgins findings are summarized below:

"Combined rents across all 3 properties are \$11,365 (assuming fully occupied) or \$136,380 annual gross. The owners did not report taxes, insurance, utility costs, but an easy assumption is that a buildings operating costs are 45-55% of the gross revenue. Using the lower ratio: \$243,280 -45% = \$75,009 Net operating income. At a 6% CAP rate this would result in a [current] Market Value of \$1,250,150."

Mr. Higgins notes that the lease rates result in a net operating income is roughly \$75,000 annually, before any loan service, tenant improvements, or major repairs:

"The Current Market Valuation excludes any debt service, excludes tenant improvements, excludes any cost to bring the buildings up to current occupancy standards/ code compliance,

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with the addition of these line items the [net operating income] would shrink significantly below lender underwriting standards for OCR/ Debt Coverage Ratios for income to payments."

Based on this analysis, the buildings in their current form are of little or no net economic value to a new owner, given the need to service acquisition debt at their current value. Stated simply, the cost of debt and tenant improvements is likely so near the net operating income that a sound financial institution is unlikely to lend on such an acquisition with an as-is use case.

Even so, the July 29, 2022 HHPR Report (Exhibit 3) demonstrates that significant work must be done on these buildings in order for them to remain viable even for this use case. Necessary repairs would include the following:

- "The 2nd level of the 609 Building would require repair and remediation should that space be occupied.
- The 2nd level of the 611 Building would require repair and remediation should that space be occupied.
- As noted in the General Conditions section, each of the three buildings have structural conditions that we recommend be further analyzed for possible remedial actions should they remain.
 - o This includes the roof truss node that is out of plane in the 609 Building, the removed built up floor beam in the 611 Building, and the rotten truss bearing in the 619 Building.
- Additionally, all three buildings have sections of the roof framing that is deteriorated and requires repair."

While there are some grants and historic preservation tax credits that may be available, work to bring the buildings back into a sound condition is likely in the hundreds of thousands of dollars. The primary historic tax benefit, the "Special Assessment of Historic Property Program" is no longer available for the 609 and 611 Buildings. The most beneficial available federal program, the Federal Historic Tax Preservation Tax Incentive Program, provides a 20% income tax credit. With a current federal income tax rate of 21%, this would yield only about \$5,700 per year for all three buildings collectively, and this assumes that the gross income from these properties would otherwise be fully taxable. State grants for particular historic buildings generally yield a maximum \$20,000. Exhibit 8 (Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.) All of this assumes successful competition for such grants, which is certainly not a guarantee given the diminished historic character of these buildings. In summary, there is no reason to believe that historic grant programs and tax credits will be even close to sufficient to provide the repairs identified in the HHPR report.

Upgrading the buildings to a different use would almost certainly require seismic upgrades. To explore an alternative use case that would preserve but reuse the buildings for a hotel, the Applicant engaged its subsidiary Hugh Construction Company to prepare a financial pro-forma for re-use of the buildings as a hotel with ground-floor retail.³ This is enclosed as Exhibit 6 (Construction Cost Estimate and Financial

³ While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction's estimate was reasonable.

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Model for Re-Use of Historic Buildings, Hugh Construction, November 2022). The key findings are as follows:

- The base construction costs are anticipated to be \$11,430,000, with a total project cost of roughly \$20,000,000, excluding land acquisition.
- The total construction costs, along with soft costs and land acquisition costs are anticipated to be \$24,994,838.
- Due to the limited number of rooms, high cost of historic rehabilitation and retrofit, and debt service, the total net operating income from the project will be approximately \$813,419, with an annual cash flow of only \$516,922. Note that this is before debt service. Net cash flow from the property as a whole is negative, with cash investments in the negative throughout the period to fiscal year 2032, as demonstrated by the cash income statement on pg. 8 of Exhibit 6 (Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022).

Considering this alternative program, the Johnson Economic Study dated Nov. 2, 2022 analyzed the potential returns as follows:

"Renovation of the site for lodging uses would require a significant investment in restoration to bring the structure into conformance with current code. The estimated current costs to develop this program is just under \$20 million in current dollars (excluding acquisition), with an overall cost of roughly \$25 million. The projected net operating income at stabilization is estimated at \$580,500, representing a 2.3% return on cost."

"The estimated capitalization rate for this type of project is likely in the 6.5% to 7.5% range. Assuming a 7.0% cap rate, the estimated value of the project would only be \$8.3 million in this configuration, roughly a third of estimated costs."

While the assumptions may shift, renovation of the current structure for retail and hotel space is highly unfeasible."

"Renovation of the structure does not provide the owner with a "reasonable economic use". There would be no expectation that the property owner or a rational developer would pursue this project as a renovation."

The upshot of the above discussions is that there is no rational economic value to a rehabilitation and re-use case for the buildings.

FINDING: The focus of this criterion is on the "economic use of the historic resource", the proposed action, and "their relationship to the historic resource preservation or renovation." Nothing about this criterion contemplates ensuring the owner the highest and best use or the greatest economic anticipated return on their property. Rather, the focus is on whether the proposed demolition is "reasonable" given the current and projected economic use. Although it would not be "reasonable" to put money into improvements that are unlikely to realize a return, the Historic Landmarks Commission disagrees with the applicant's assumptions that serve to foreclose other preservation options. For example, in its current condition, the building is safe to occupy, functions and is able to generate an economic use just as it has

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for generations. The applicant's desire for greater profit does not make the existing economic use in its historic condition unreasonable.

The Historic Landmarks Committee also disagrees with the applicant's premise that restoration, including a full seismic upgrade, is the only reasonable alternative for preservation or that the "do nothing" option necessarily means making no capital improvements or changing the use in order to generate greater revenue as a reasonable commercial owner might do. All parties agree that the popularity of NE Third Street in attracting and accommodating tourists has transformed this area in recent years, making these properties more valuable. It is likely that this popularity, as a direct result of preserving the unique character of an intact historic district, will continue. This natural pace of development suggests that rents in this area will continue to increase. The fact that owners are making choices to rehabilitate their Third Street historic structures, particularly properties that are adjacent to this property, suggests that such restoration is profitable and therefore, "reasonable." The Committee also notes that there are likely alternative uses or less expensive design changes that may alter the profit margins that should be considered before concluded that the historic resource has no economic use.

Further, although there may be some cost in building out the space converting from office to tourist-focused uses, those same costs affect any building owner within the Historic District equally and do not justify demolition in this particular case. The rehabilitation cost includes seismic retrofitting, which the Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant's expert, missing built-up beams, can be repaired and it is not clear how much of the \$11 million dollars relates to that particular repair over other restoration expenses. Moreover, the applicant's expert economics analysis does not disclose how much the applicant expended on building maintenance and interior upgrades in the past so that the Committee can determine how much of these repairs are the result of deferred maintenance. Evaluating economic reasonableness with respect to preservation alternatives requires some evaluation of the lengths to which a property owner tried to protect the value of its investment over time.

In conclusion, the Historic Landmarks Committee was not convinced that the only reasonable economic choice was demolition. There may be less expensive and more profitable alternatives that would include preservation of the existing structure. For this reason, this criterion is not satisfied.

17.65.050(B)(3). *The value and significance of the historic resource;*

APPLICANT'S 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

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Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

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Attachment 3: Public Testimony

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 611 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

611 NE Third 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.”

FINDING: 611 NE Third Street was designated on the City's HRI and the National Register of Historic Places as a secondary significant resource for its contribution to the Historic District. As explained above, this was based on the time of building construction as well as the original design elements in the roof and the second floor. Although the first floor has been remodeled, the building still conveys these historic circumstances, making it worthy of saving.

Demolition of this building alone, and when coupled with the other two proposed for removal, would create the first (and only) block along Third Avenue to have no contributing historic structures. Allowing demolition of this building would erode the historic integrity of the District as a whole.

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For these reasons, the Historic Landmarks Committee finds that the historic value and significance of the resource does not support demolition.

17.65.050(B)(4). *The physical condition of the historic resource;*

APPLICANT’S 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.

HHPR 's Existing Building Summary identified a number of structural issues with these buildings, which are explained in detail below. Its general conclusions are that the buildings need significant work soon: "If we were in a position to advise the building owner, we would recommend that these items be addressed in the very near future." Exhibit 2 (Existing Building Structural Summary, HHPR, November 6, 2022). This is just to get the building back to something resembling their original design structural capacity. All have significant structural issues. For example, the 609 Building has a major truss that must be replaced. The 611 Building has load-bearing laminated beams that have been cut. Most of the roof trusses in the 619 Building are rotten where they intersect the party wall along the 611 Building. All of these conditions must be addressed.

The buildings are also all constructed of unreinforced masonry. Exhibit 2 (Existing Building Structural Summary, HHPR, November 6, 2022) provides a detailed literature review explaining why seismic reinforcement of these buildings is advisable, and concludes as follows:

"Like other similar URM buildings, the three buildings under review in this report would have the potential for similar failure points. Generally, these failure points could be attributed to the lack of ductility associated with URM construction and the lack of positive connections between the floor and roof framing and the walls of the structure. The anticipated failure points could be:

- In plane shear failure of the URM walls
- Out of plane bending failure of the URM walls
- URM walls pulling away from the roof or floor framing resulting in roof or floor collapse

Given their higher risk profile, URM buildings represent a unique and complicated challenge to the structural engineering community, to the building owners and to the community at large."

It is important to recognize that any significant changes to these buildings (such as significant tenant improvement) would likely trigger seismic retrofit to some degree. This is a likely scenario, for example, if the upper floors of the 609 and 611 Buildings are put back into use and qualify as an "alteration." Also, changes in occupancy and structural alterations (such as those required to address the buildings' identified structural problems) would likely trigger additional upgrades under the Existing Building Structural Code, as adopted by the State Building Codes division.

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Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

The costs of such upgrades are likely infeasible for these buildings in their current occupancy; as explained by the Western States Seismic Policy Council, "upgrading existing buildings to resist earthquake forces is more expensive than meeting code requirements for new construction." <https://www.wsspc.org/public-policy/legislation/oregon/>. This is also demonstrated by the memorandum provided by Mr. Higgins (Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022), which demonstrates that such improvements are not financially feasible.

The physical condition of certain building elements-particularly those from the historic period of significance-is provided in the HRA. Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022). However, the HRA does not characterize the general condition of the buildings as a whole. The physical condition of the building is explained below:

611 E 3rd Street: Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) described the second floor elevation as being in good condition, but the building appears to be in marginal condition overall. Its upper parapet and roof system are intact. However, the HRA identifies a number of issues:

- o "No original portions of the original ground floor storefront were visible at the interior side of the storefront.
- o Significant areas of damaged ceiling finishes and areas of water infiltration are visible at the north end of the second floor, but it is unknown if water infiltration is active or if it pre-dates the roofing replacement.
- o The roof surface drains to a drain at the rear, NW corner of the building, with an overflow scupper to an external leader emptying to the lower roof of 609 NE 3rd Street below. The roof drain is completely clogged, and it is therefore likely that during rain events water pools at this area of roofing, possibly infiltrating to the interior before reaching the overflow scupper.
- o The second-floor interior is vacant and has been unused for a significant period of time. Little of the original finishes remains. Finishes at the northern portion of the second floor are in poor condition. Outlines of removed partitions are visible in the remaining finish floor. Round pipe columns supported on added wood beams appear to have been added throughout to shore up the wood joists above and to distribute the load to joists below. The underside of the roof deck was not visible. Windows at the north elevation have been removed, and the openings enclosed with plywood with visible daylight at the perimeter, allowing air and water infiltration."

The HPR Existing Building Summary (Exhibit 2, Existing Building Structural Summary, HPR, November 6, 2022) identifies the following structural deficiency in the building:

"Built up beams spanning in the north south direction supported by round pipe columns bearing on built up laminate beams to spread the load across the floor below. In some cases, the built-up laminated beams across the floor have been cut and removed. This condition compromises the structure's ability to spread the concentrated roof load across the floor below."

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
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- Attachment 3: Public Testimony

HHPR's initial structural review of the building, dated July 29, 2022 {Exhibit 3}, identified the following issues:

- o "In some cases, the built-up laminated beams across the floor have been cut and removed. This condition compromises the structure's ability to spread the concentrated roof load across the floor below.
- o The built-up beams across the floor do not appear to align with the beam lines in the floor below, which would complicate any future work.
- o The north elevation has a series of old window openings along the 2nd level that have been filled in, however the condition of the wall and infill is poor with a significant amount of water entering the building and debris from bird nests."

The July 29, 2022 HHPR report describes the general condition of the buildings as follows:

- o "Each of the three buildings has portions of brick wall that are in poor condition that would require significant work to remediate including new mortar and the replacement of bricks.
- o Each of the three buildings has portions of the roof structure that are rotting and are in poor condition. While it may be that the roofing has been repaired, it does not appear that in certain areas the supporting structure has been repaired. These areas also coincide with areas of the brick wall that are in poor condition
- o The most southern roof truss in the 609 Building has a top chord node that is out of plane by over 6 inches. This represents a significant structural concern and should be evaluated further with possible remedial actions should the building remain. The remedial action includes installing a new girder and columns to support the truss thereby removing mezzanine and roof loading from the truss
- o The removed floor beams distributing roof load in the 611 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain.
- o The rotting bearing points of the roof trusses in the 619 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain."

Based on the information provided in Exhibits 1 (Historic Resources Assessment, Architectural Resource Group, November 2022), 2 (Existing Building Structural Summary, HHPR, November 6, 2022), and 3 (Documentation of Existing Building Structures, HHPR, July 29, 2022), the general condition of the buildings is best characterized as poor or marginal at best, depending on the proposed use case. While the buildings are not "dangerous" (which condition would require removal of the existing tenants), it is clear that significant work must be undertaken to ensure these buildings' future preservation, even if they are not seismically upgraded. Bear in mind that this is the requirement for continued use of the buildings for ground-floor retail or limited-occupancy offices;

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

any more intensive uses will require substantially more structural upgrades. It is also important to note that, under both state and local criteria, the buildings need not be considered "dangerous" in order for their condition to be a major factor in allowing their demolition.

FINDING: The applicant argues that the combination of structural issues associated with a lack of building maintenance and investment and the structural costs of reinforcing unreinforced masonry buildings is a significant cost burden for a one or two-story building to overcome. And the city concurs. However, unreinforced masonry buildings are rehabilitated all of the time and lack of maintenance should not be justification for demolition of a historic resource.

The physical condition of the building is not a stand-alone reason to allow demolition of the property but however it is part of a collective consideration. The Historic Landmarks Committee finds that the applicant's identification of removal of a number of floor beams are not physical conditions that are uncommon to historic buildings or circumstances that are so extreme as to justify demolition rather than restoration. Further, the record does not reflect what steps the owner has taken to protect the building and avoid demolition by neglect, which the Committee finds is directly relevant to evaluating how a building's poor physical condition might serve as a basis for demolition.

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

APPLICANT'S 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.

FINDING: The historic resource is not a hazard to the safety of the public.

17.65.050(B)(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;*

APPLICANT'S 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
- 67 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.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\)](#) - 609, 611 and 619 NE Third Street | McMinnville Oregon and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

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.

APPLICANT SUPPLEMENTAL RESPONSE (November 4, 2022): As noted in the land use application narrative dated August 6, 2022, the MAC-Town 2032 Economic Development Strategic Plan includes several relevant goals. The application to these goals focused on the potential of the proposed new Gwendolyn Hotel to implement the MAC-Town 2032 Plan.

Per staff’s request, these addition responses focus on how the existing buildings could, or could not, implement the Plan.

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- Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*
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- Attachment 3: Public Testimony*

Goal 6 : Be a leader in hospitality and place-based tourism

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.

[...]

Following the adoption of the MAC-Town 2032 plan, the City revised its off-street parking and site landscaping requirements to exempt large portions of downtown, allowing more efficient use of the limited area in the downtown core.

Staff does not dispute that the current 1- and 2-story buildings do not represent the highest and best use of the site. The C-3 zone is applied to downtown McMinnville and other commercial areas, and includes a height allowance of 80 ft. The zero setback requirements, off-street parking exemptions, and landscaping exemptions encourage buildings that occupy the entire site. The proposed development will intensify the use of the corner of NE Third and Ford streets and will offer the highest and best use for the site under current zoning regulations.

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.

“Hospitality” generally includes housing and entertaining visitors, including lodging, food and drink, and activities. Likewise, “local opportunities” typically refer to available properties with willing sellers.

The proposed development includes hotel, restaurant, and retail uses, as well as a rooftop deck and lap pool. The rooftop space will be available for rent for special events and gatherings, filling an identified need in downtown McMinnville.

The existing buildings are available for sale by willing sellers. They do not currently include hospitality uses and cannot be upgraded to accommodate them without triggering substantial seismic and building code upgrades.

As noted in Attachment 6, upgrading the buildings to add 13 hotel guestrooms would cost almost \$25 million, which is not financially feasible. The building could be converted to a wine tasting or food service use, which would trigger the same seismic and building code upgrades noted above and would provide even less income.

Goal 6.4: Market and promote McMinnville.

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*Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

[...]

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.

The current buildings include small meeting areas to serve the tenants. They do not include conference space or lodging for conference attendees. In order to accommodate conference space, the existing uses would need to be removed or downsized.

The HLC can find that this factor favors demolition for the following reasons.

- As explained in detail in response to OAR 660-023-0200(8)(a), the buildings are listed as contributing to the district primarily due to their dates of construction. All appear to have been constructed (or at least re-constructed) for use as automobile garages and a car dealership and, in the case of the 609 Building, a gas station. The buildings were designed and adapted to this purpose. The buildings have each lost at least half of their historic facades (indeed, the 609 Building has lost its entire original facade), and the upper floors of the 609 and 611 Buildings are unoccupied and have few remaining interior historic finishes. Remaining historic features generally include some window casings on the 609 Building, the parapets on the 611 and 619 Buildings, and some interior features. Otherwise, their remaining characteristics are simply their masses and structural elements. For this reason, their historic value is low after having been substantially compromised prior to establishment of the Downtown Historic District.

There is no evidence that any of these buildings are connected with important historical events. While the 609 Building was built by McMinnville resident Frank W. Fenton, Mr. Fenton was a developer and built several buildings, and there is no evidence that he made personal use of the building for long, if at all. And, this building does not resemble at all its original exterior during the period in which Mr. Fenton might have made use of it. There is also no evidence that these buildings served as community gathering spaces during their periods of historic significance.

Based on the above, the public interest in preservation of these buildings is confined to the fact that they are listed as contributing structures within the Historic District. There are no other factors that reasonably weigh in favor of preservation. On the other hand, they are not remarkable in relation to the other contributing buildings within the Historic District and they retain very little of their respective historically-relevant features, most of which have been covered with stucco or removed. For all of the above reasons, the HLC can find that the public interest in their preservation is low.

- The buildings will require substantial structural repairs to continue to be used for the limited retail and office uses they have been used for since the establishment of the Historic District. Seismic retrofit of the buildings is unaffordable if their current configuration is maintained, and there is no positive return on investment if they were to be rehabilitated for use as a hotel.
- As explained in the HRA, the primary historical value of these buildings is their location, massing, and roof configuration. Assuming that the buildings' massing must be retained

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Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

for that reason, no owner will be able to meaningfully intensify their uses. This is a further headwind against any substantial repair or seismic upgrade. Therefore, the economic value of the buildings to the City is represented by their current uses, with a Current Market Value of \$1,250,150 for all three buildings, collectively. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). This is less than the combined assessed value of the buildings, noted below. Even excluding debt service obligations and tenant improvements, the collective market value of the buildings is only \$2,230,066. On the other hand, the projected market value of the Gwendolyn after construction and occupancy in FY 2025 is roughly \$64M after an investment of approximately \$61 M. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

The combined assessed value of all three buildings in 2022 is \$1,793,470; at a combined rate of 16.4925 these collectively generate roughly \$29,500 in annual property tax revenue, with roughly \$10,670 of that amount going to the City of McMinnville. Exhibit 9 (2022 Tax Statements). Assuming a standard rate (non-historic) of 16.5854, property taxes after completion and occupancy of the Gwendolyn in 2025 would be \$327,917. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

Construction of the Gwendolyn will be a significant draw to McMinnville's downtown, increasing traffic to businesses within the Historic District. Given that this will increase the value of the other buildings in the Historic District, construction of the hotel is likely not only a benefit to the City from a financial perspective, but also a long-term benefit to the district itself. According to the Nov. 2, 2022 Johnson Economics Report, "[t]he proposed new hotel would provide significant economic value on the site, supporting the ongoing positive investment patterns in downtown McMinnville. Keeping the existing structures would effectively preclude new investment on the site, and result in underutilization of the parcels while yielding no economic return.'

- For the above reasons, the HLC can find that the proposed Gwendolyn Hotel is an "an improvement program of substantial benefit to the City." Preservation of these buildings presents a substantial barrier to this program because these buildings must be removed to allow for construction of the Gwendolyn, because they have little to no economic viability for adaptive re-use, and because their value under their current use case is miniscule compared to the proposed development. It is also worth considering that the value of the buildings is likely to decline even in their current or similar tenancies unless structural repairs are made; as explained above, such repairs are likely not financially rational without a more intensive use case for the buildings, which itself may trigger seismic upgrades.

FINDING: The Historic Landmark Committee finds that, although the Gwendolyn Hotel would further the economic development interests identified in the Comprehensive Plan, the subject property is not the only location in which to accomplish these objectives. For example, there are non-contributing and/or non-historic structures on the corner of Galloway Street and NE Third Street that might be able to accommodate a hotel with many of the high-end luxury accommodations that the applicant seeks. Further, there are other uses that could be accomplished within the existing structures that would move the needle in attracting tourists and greater businesses downtown. The Historic Landmarks Committee notes that it received dozens of statements from residents expressing a desire to see these buildings

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Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

preserved which serves as substantial evidence that there is a strong interest in seeing these buildings preserved and the significance of retaining the historic integrity of the district.

For these reasons, the Committee finds that denying this demolition request is not a deterrent to achieving other public interest objectives.

17.65.050(B)(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*

APPLICANT'S 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.

The public interest in the resource's preservation is not clearly articulated in any adopted document. However, the HLC can find that the public interest in preservation of these buildings is related to their ability to reflect their historical period of significance. As explained above, these buildings do so to only a limited degree because their facades have been largely replaced. Therefore, the public interest in their preservation should be viewed as reduced as compared to buildings that have not been substantially altered, and such interest is largely a factor of their year of construction.

The public interest in their preservation must necessarily include their ability to serve an economic function to McMinnville's historic Downtown. As explained above, the current economic viability of these buildings and their future prospects are poor. Adaptive re-use is not a realistic option because of the significant structural upgrades that would be required, and re-use of the buildings for the hotel use proposed by the Applicant is not economically feasible.

In view of both of these factors, the public's interest in these buildings' preservation seems limited at best, and low when compared to buildings in the District which have better future economic use prospects or better reflect their original appearance, or both.

The question posed by this criterion was directly evaluated in the Johnson Economics Report (Exhibit 5). This report concludes as follows:

"Keeping the buildings in their current use would negate the requirement to upgrade the structures but would also limit the amount of investment that could be made within triggering the requirement. The buildings have structural deficiencies and obvious deterioration that would need to be addressed prior to re-tenanting in any of the buildings.

Building the hotel above the existing structures would require a complete seismic upgrade of the structures, and new columns to support the hotel would need to penetrate the structures. The cost of this type of structure would be substantially higher than new construction and the resulting development would be significantly less efficient.

As a result of these myriad factors, the retention of the existing structures would cause substantial financial hardship to the owners. Based on our previous experience, the likely cost of the necessary improvements and upgrades would render the cost of space to likely be

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Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
Attachment 2: Department/Agency Comments
Attachment 3: Public Testimony

hundreds of dollars more per square foot than new construction. If the redevelopment was not done and the buildings were kept in their current use without significant upgrades, they would pose a life safety hazard and may not be insurable. The structures are depreciated to a point in which Investments in the structures would be unlikely over time as they would not yield an economic return. As a result the properties would be likely to face an extended period of declining condition and underutilization for the foreseeable future."

This conclusion is consistent with the other information discussed above, which generally demonstrates that the buildings are not likely to generate a meaningful return for Hugh Development with a current or similar tenant mix. This is reflected by the fact that the actual market value when accounting for debt service is actually less than the assessed value of the property. See Exhibits 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022) and 9 (2022 Tax Statements).

For the above reasons, the HLC can find that retention of the buildings in their current configurations would not just be a financial hardship to the owner, but will likely result in the eventual degradation of the buildings to the point where demolition for safety reasons becomes increasingly likely. These practical headwinds against continued use of the buildings in their current configurations far outweigh the buildings' relative contribution to the objectives of the Historic District, as discussed above, and therefore outweighs the public's interest in preservation.

FINDING. The Historic Landmarks Committee disagrees with the applicant's premise in response to this criterion that "the public interest in the resource's preservation is not clearly articulated in any adopted document." First, Comprehensive Plan Goal III 2 requires that the "preserve and protect...structures....of historical, [or] architectural...significance to the City of McMinnville. This significance is well established by the HRI and the National Register designation documentation set forth in the record. This is not just the building's age, but its scale, roof, and original 2nd floor elements. The Historic Landmarks Committee further rejects the idea the public interest is not served in protecting this building, as well as the other two buildings for their contribution to the Historic District. Therefore, this criterion is not satisfied.

17.65.050(B)(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.*

APPLICANT'S 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

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 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2: Department/Agency Comments
- Attachment 3: Public Testimony

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.

For the above reasons, the HLC can find that the retention of these three buildings would not be in the best interests of the citizens of the City. These reasons can be summarized as follows:

- The buildings do not reflect their appearance or use during their respective periods of significance.
- The building have few remaining residual historic features charactering the Historic District, aside from their masses, structural frames, and roof lines.
- The buildings have limited value under current uses.
- Current or similar uses are probably unable to generate sufficient value to repair the buildings.
- Adaptive re-use would require seismic upgrades and the buildings cannot be economically used for hospitality.

On the other hand, the economic opportunity for the Historic District presented by the proposed Gwendolyn Hotel far outweighs the limited benefits of building preservation, as discussed above.

Historic features identified by the HRA, such as belt courses and cornices, are emulated by the proposed architectural design of the Gwendolyn. Any moveable historic features of these buildings, such as windows, can be incorporated into the proposed building. The remaining characteristics of the buildings—their massing and roof line—can be easily documented with photographs.

For these reasons, the HLC can find that on balance, retention of these buildings would not be in the best interest of the City's citizens when weighed against the benefits of the proposed Gwendolyn Hotel.

FINDING: Although the applicant relies on expert consultants to downplay the importance of the resource, the Commission findings that determining what is the “best interests of a majority of the citizens of the City” is best represented by the testimony of those who testified which overwhelmingly favored denying this application. It is because these buildings retain the historic integrity that made them suitable for designation, communicate a historic significance of automobile culture – as set forth in the January 4, 2023 letter from Ernie Munch – that is not reflected in those designations, and the claimed economic hardship particular to this owner is not established, the Commission finds that demolition is not in the best interests of the citizens.

17.65.070 Public Notice.

- A. *After the adoption of the initial inventory, all new additions, deletions, or changes to the inventory shall comply with subsection (c) of this section.*
- B. *Any Historic Landmark Committee review of a Certificate of Approval application for a historic resource or landmark shall comply with subsection (c) of this section.*
- C. *Prior to the meeting, owners of property located within 300 feet of the historic resource under consideration shall be notified of the time and place of the Historic Landmarks Committee meeting and*

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the purpose of the meeting. If reasonable effort has been made to notify an owner, failure of the owner to receive notice shall not impair the validity of the proceedings

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. Notice of the Historic Landmarks Committee’s consideration of the Certificate of Approval application was mailed to property owners located within 300 feet of the historic resource. A copy of the written notice provided to property owners is on file with the Planning Department.

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.*

APPLICANT’S RESPONSE: This submittal includes the required materials.

FINDING: SATISFIED.

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.*

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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.

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- 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).*

APPLICANT’S 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.

FINDING: SATISFIED.

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DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS OF THE MCMINNVILLE HISTORIC LANDMARKS COMMITTEE FOR THE APPROVAL OF A DEMOLITION OF THE HISTORIC LANDMARK LOCATED AT 619 NE THIRD STREET

DOCKET: HL 8-22 (Certificate of Approval for Demolition)

REQUEST: Approval of the demolition of an existing historic landmark and building that is listed on the McMinnville Historic Resources Inventory as a “Environmental” historic resource (resource number D876). This building is also listed on the National Register of Historic Places as a Secondary Significant Contributing building in the McMinnville Downtown Historic District.

LOCATION: 619 NE Third Street. The resource is located at the property that is identified as Tax Lot 4201, Section 21BC, T. 4 S., R. 4 W., W.M.

ZONING: C-3 General Commercial (Downtown Overlay District)

APPLICANT: Mark Vuong, HD McMinnville LLC

PROPERTY OWNER: Phillip Frischmuth, Wild Haven, LLC.

STAFF: Heather Richards, Community Development Director

DATE DEEMED COMPLETE: September 7, 2022

HEARINGS BODY & ACTION: McMinnville Historic Landmarks Committee

HEARING DATE & LOCATION: First evidentiary hearing, September 29, 2022, 3:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 859 9565 0539, Meeting Password: 661305

Hearing continued to December 8, 2022, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 892 5565 1124, Meeting Password: 257277

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Hearing continued to January 5, 2023, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 831 7965 5545, Meeting Password: 725658. At the conclusion of this meeting, the record was closed to further testimony.

Meeting continued to January 26, 4:00 PM for Historic Landmarks Committee deliberation, a decision and adoption of written findings. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 885 9559 0268, Meeting Password: 925948.

PROCEDURE: An application for a Certificate of Approval for Demolition is processed in accordance with the procedures in Section 17.65.040 - 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule 660-203-0200 (8)(a).

CRITERIA: The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.040 and 17.65.050 of the McMinnville Municipal Code. In addition, since this is a structure listed as part of a historic district on the National Register of Historic Places, Oregon Administrative Rule 660-203-0200(8)(a) is applicable. In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated but are to be undertaken in relation to all applicable land use requests.

APPEAL: As specified in Section 17.59.030(E) of the McMinnville Municipal Code, the Historic Landmarks Committee’s decision may be appealed to the Planning Commission within fifteen (15) days of the date written notice of decision is mailed. The City’s final decision is subject to a 120 day processing timeline, including resolution of any local appeal. The original 120-day deadline was January 5, 2023. Per an email dated September 29, 2022 from Garrett H. Stephenson, the applicant requested a 70-day extension to the 120 day decision deadline. As a result, the 120 deadline was extended to March 16, 2023. Per an email dated December 1, 2022 from Garrett H. Stephenson, the applicant requested an additional 30-day extension for a total of 100 days added to the 120 day decision deadline. The current deadline for taking final action on the application is April 15, 2023.

COMMENTS: This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Public Works; Yamhill County Planning Department; Frontier Communications; Comcast; Northwest Natural Gas; Oregon Department of Transportation; and State Historic Preservation Office. Their comments are provided in this document.

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Based on the findings and conclusionary findings, the Historic Landmarks Committee finds the applicable criteria are **SATISFIED / NOT SATISFIED** and **APPROVES / APPROVES WITH CONDITIONS / DENIES** the Certificate of Approval for the demolition of the structure at 619 NE Third Street (HL 8-22).

////////////////////////////////////
DECISION: **APPROVAL** **APPROVAL WITH CONDITIONS** **DENIAL**
////////////////////////////////////

Historic Landmarks Committee: 
John Mead, Chair

Date: 1/20/23

Planning Department: 
Heather Richards, Community Development Director

Date: 1.26.23

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\)](#) - 609, 611 and 619 NE Third Street | [McMinnville Oregon](#) and on file with the Planning Department)

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I. APPLICATION SUMMARY:

The applicant has provided information in their application narrative and findings regarding the history of the subject site(s) and the request(s) under consideration. Staff has found the information provided to accurately reflect the current land use request, and excerpted portions are provided below to give context to the request, in addition to the Historic Landmarks Commission's findings.

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant would like to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking for the project.

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 (reduced to 67 parking spaces per supplemental materials provided on November 4, 2022) 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.

(Application Narrative, page 3)

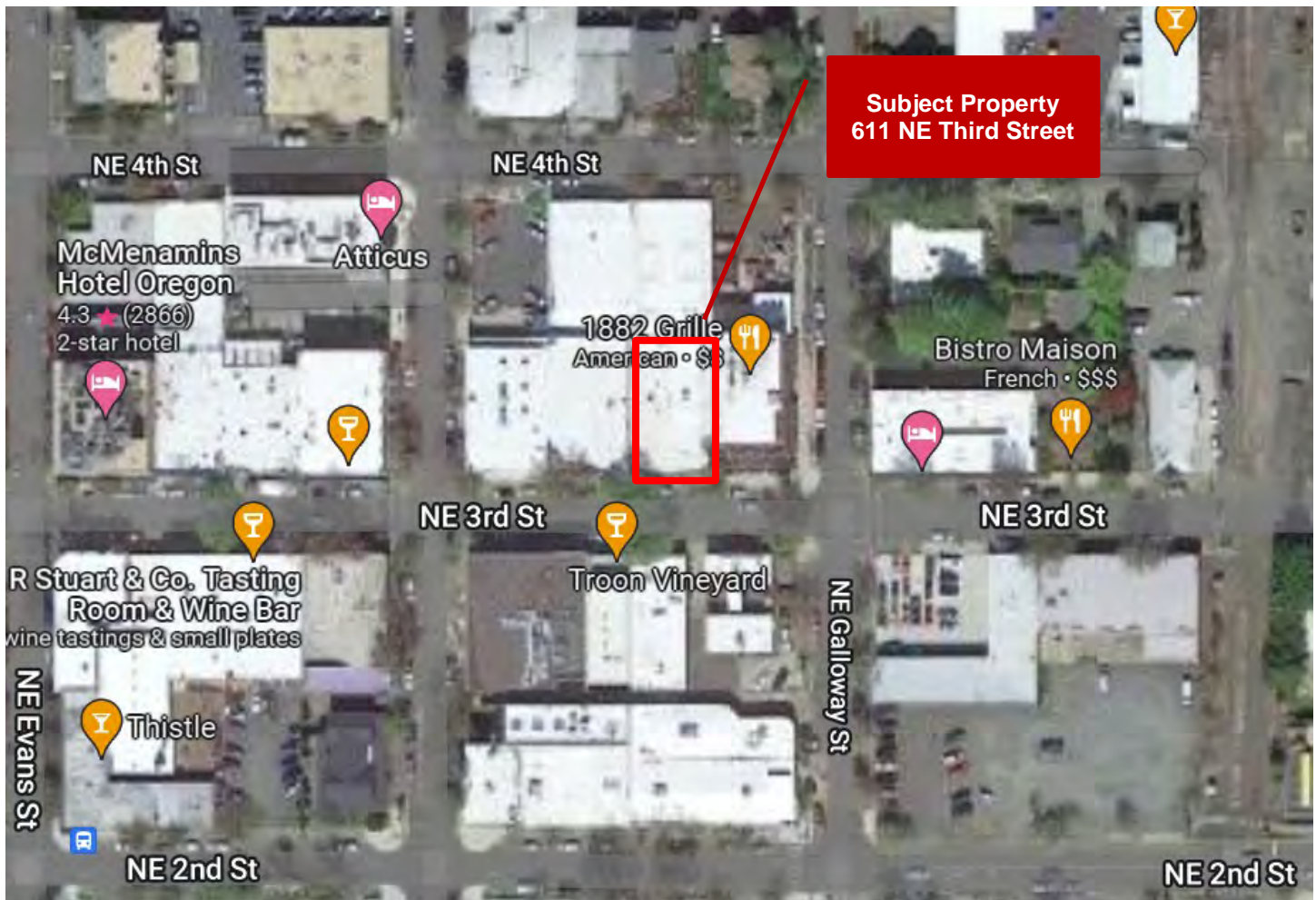
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Subject Property & Request

The subject property is located at 619 NE Third Street. The property is identified as Tax Lot 4201, Section 21BC, T. 4 S., R. 4 W., W.M. **See Vicinity Map (Figure 1) below, which identifies the approximate location of the building in question.**

Figure 1. Vicinity Map (Building Outline Approximate)

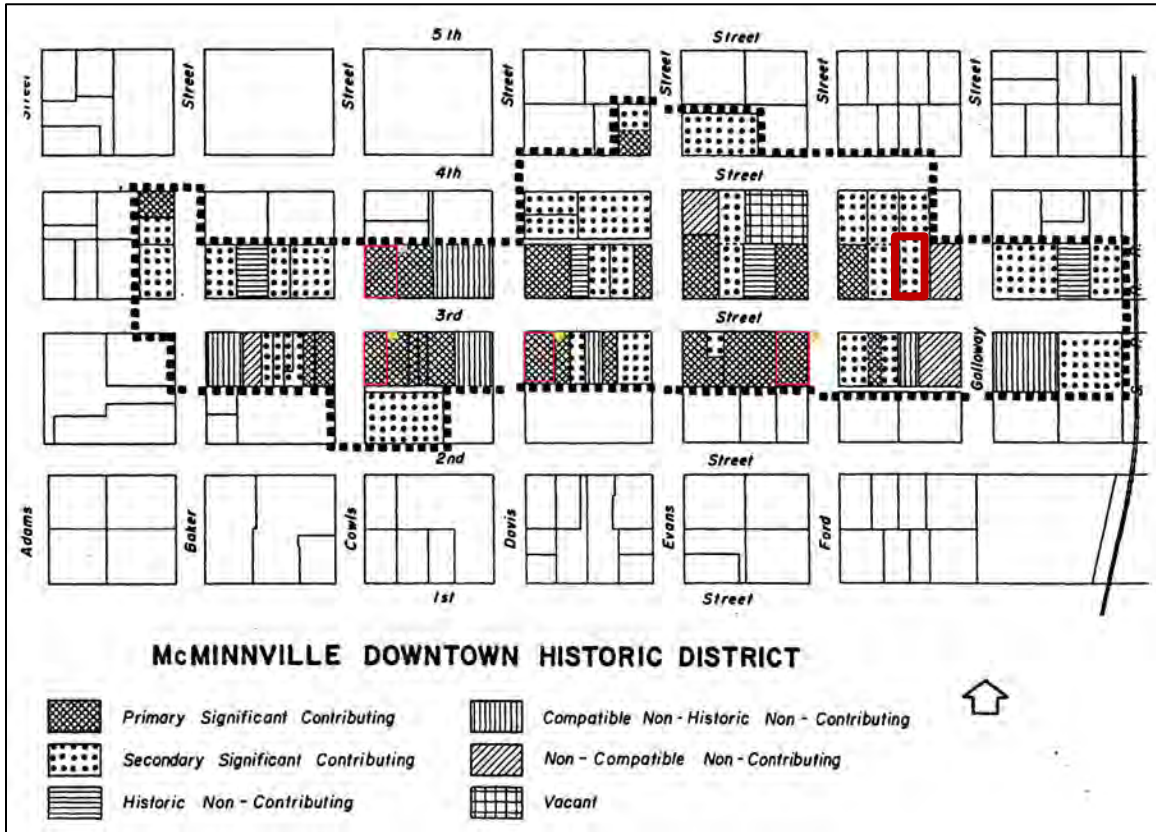


The existing building on the subject property is listed as a Secondary Significant Contributing property in the McMinnville Downtown Historic District on the National Register of Historic Places. **See McMinnville Downtown Historic District Map (Figure 2) and Description of 619 NE Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Figure 3) below.**

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Figure 2. McMinnville Downtown Historic District Map



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Figure 3. Description of 619 (misabeled as 641) East Third Street in the McMinnville Downtown Historic District National Register of Historic Places Nomination (Section 7, Page 22-23) (1987)

29 ADDRESS: 641 East Third Street
 CLASSIFICATION: Secondary Significant Contributing
 OWNER: Joyce and Robert Morton
 ASSESSOR MAP: 4421 BC TAX LOT: 4200
 PLAT: Rowland's Addition LOT: 2, 7 BLOCK: 7
 YEAR BUILT: ca. 1923 STYLE: Modernistic
 ALTERATIONS: 1975 (moderate) USE: Commercial

DESCRIPTION: This rectangular one-story painted brick structure has a flat parapet with a corbelled cornice and six bays articulated by seven pilasters. Five pilasters extend to the ground and two end at the transom level. The storefront is divided into four bays with the western bay containing a large garage door. The next bay to the east has a wood frame plate glass window with plywood covered transom and bulkhead. The next bay contains a wood frame glass door with sidelights and a transom which has been painted out. The bay to the east has a wood frame plate glass window with painted out transom. The sill and bulkhead are brick.

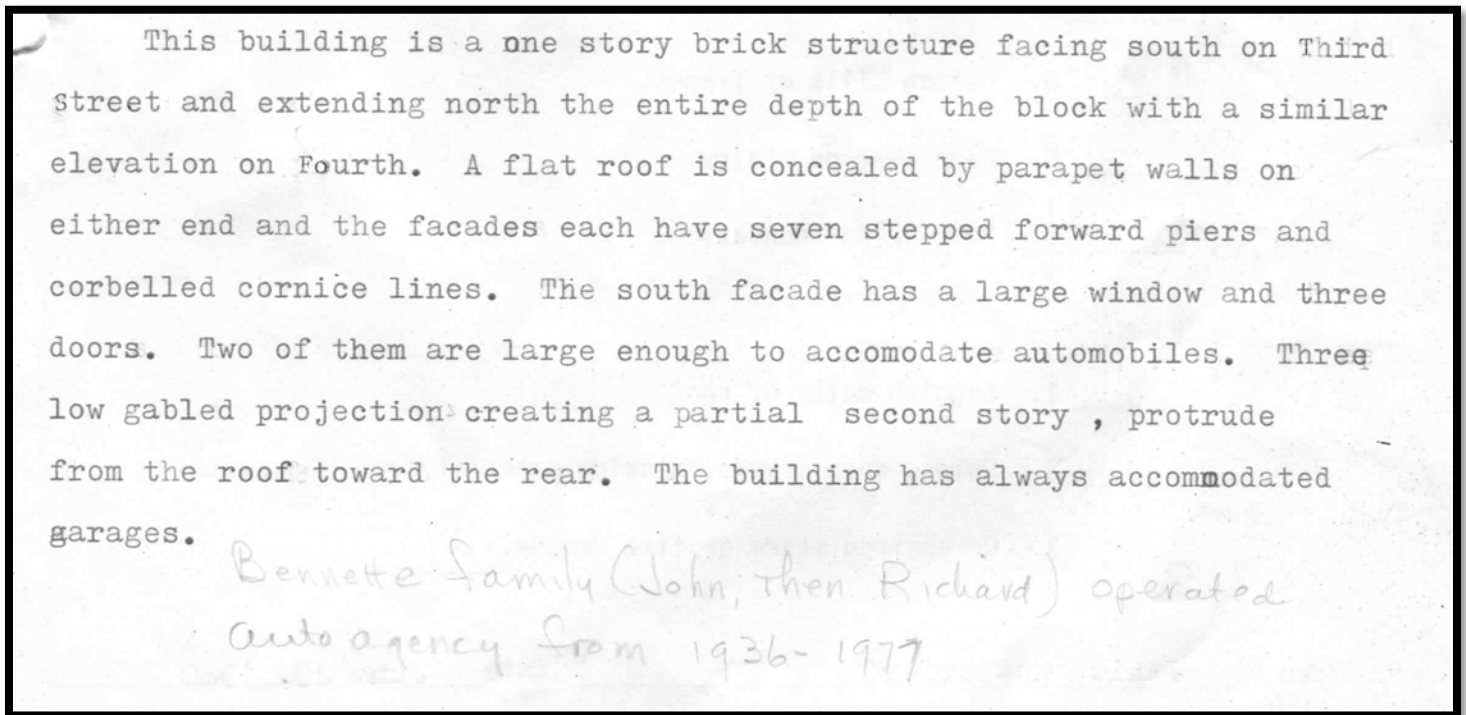
The Bennette family had an auto agency in this building from 1936-1977. The building does not show on the Sanborn Fire Insurance Company maps until 1928. Yamhill County Tax Assessor records show 1923 for the date of construction.

The existing building on the subject property is listed on the McMinnville Historic Resources Inventory as a "Environmental" resource (resource number D876). **Please see "Statement of Historical Significance and Description of the Property", Figure 4 below.**

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Figure 4. Statement of Historical Significance and Description of the Property, Historic Resources Survey, City of McMinnville, Yamhill County, Oregon (1983)



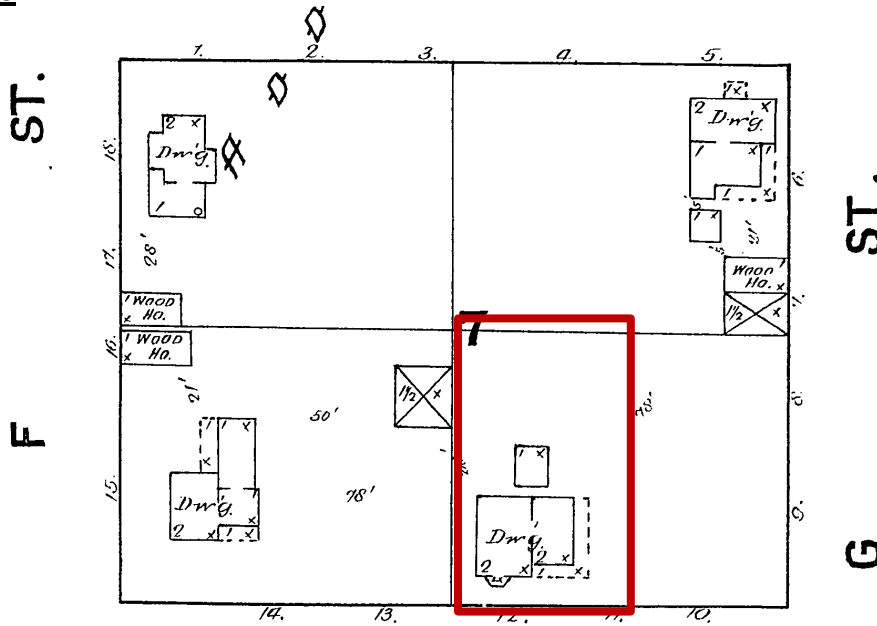
The property originally started off as an dwelling structure, prior to 1889, and between 1912 and 1928 it was redeveloped into an automobile garage. **Please see Figure 5, Series of Sanborn Maps below.**

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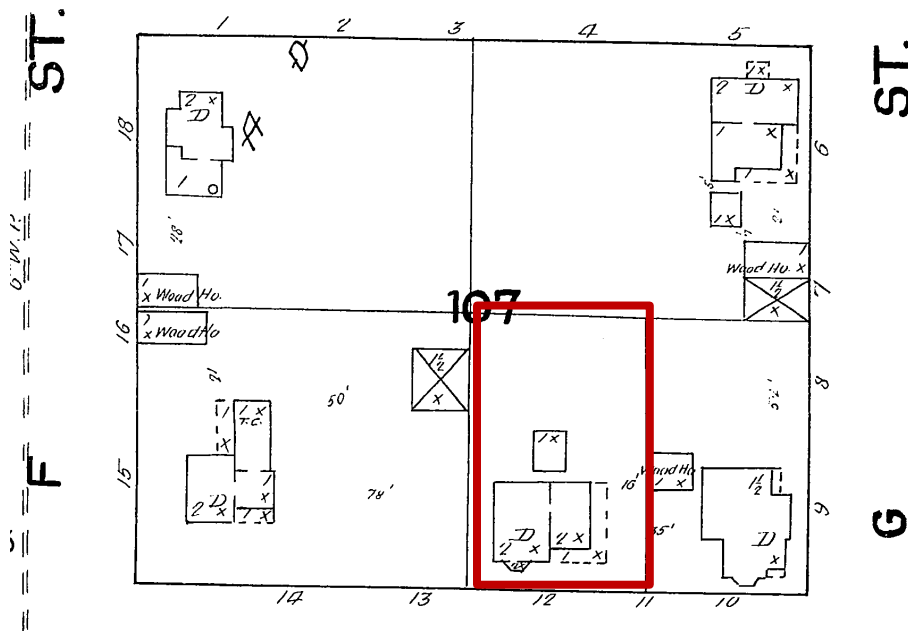
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Figure 5. Series of Sanborn Maps

Sanborn Map, 1889



Sanborn Map, 1892



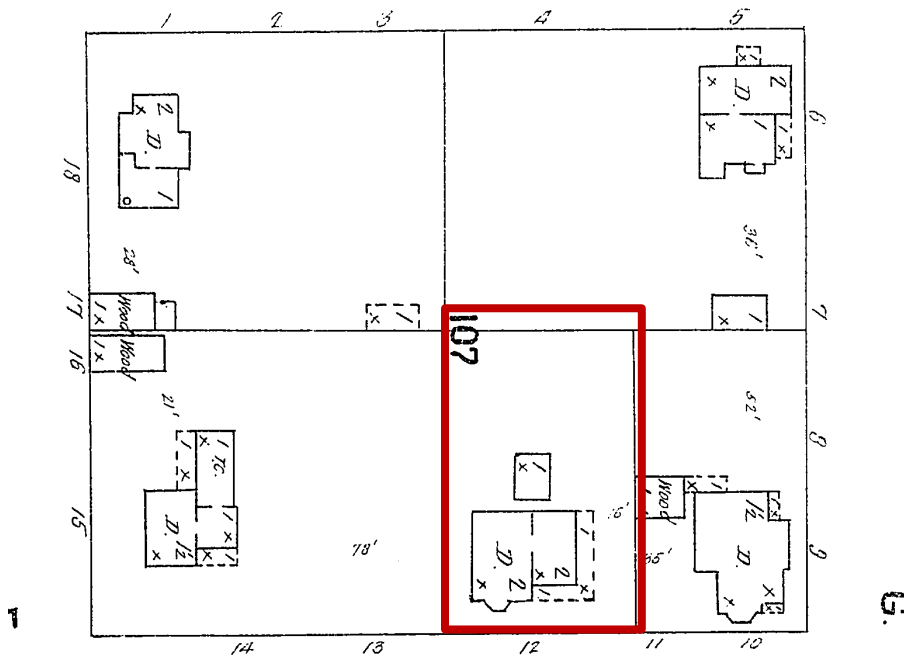
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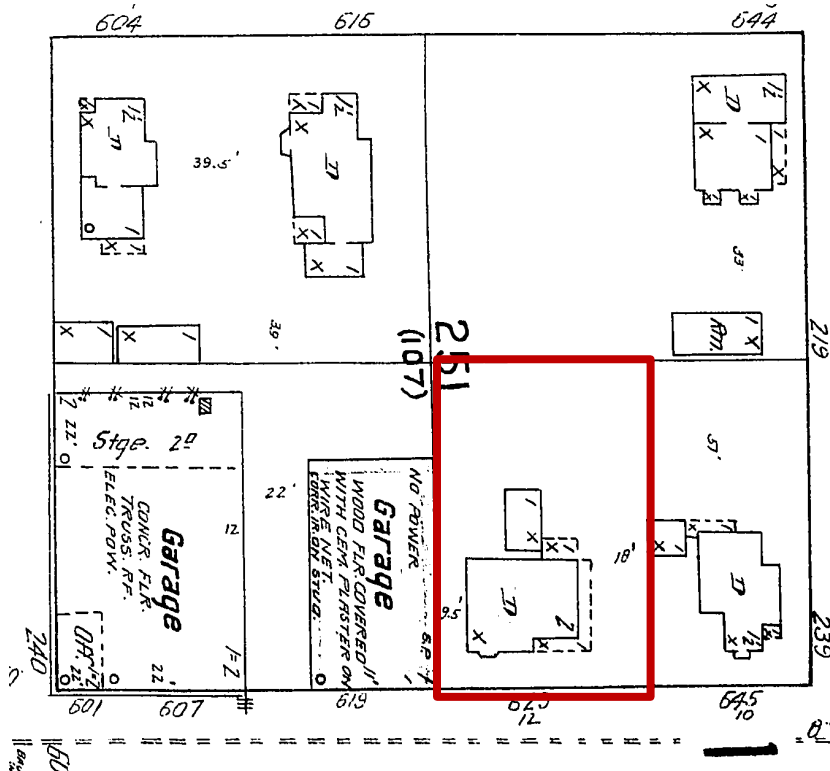
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Sanborn Map, 1902



Sanborn Map, 1912

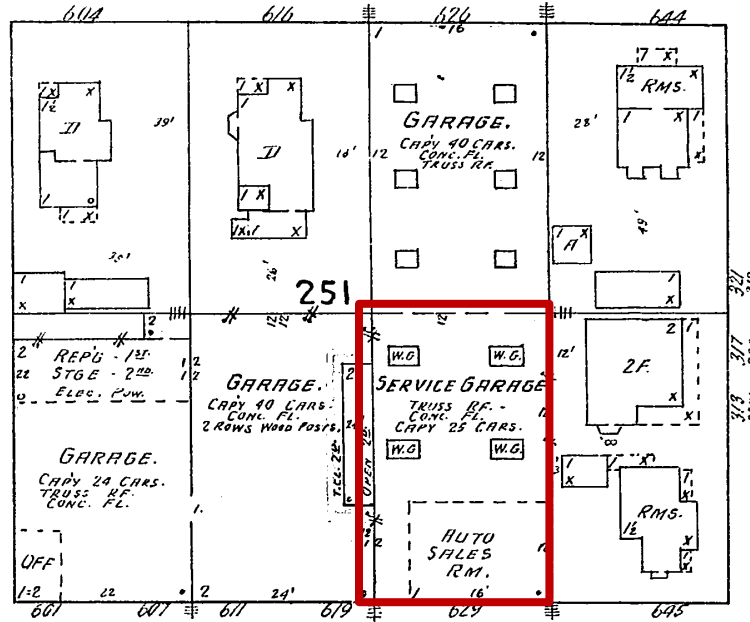


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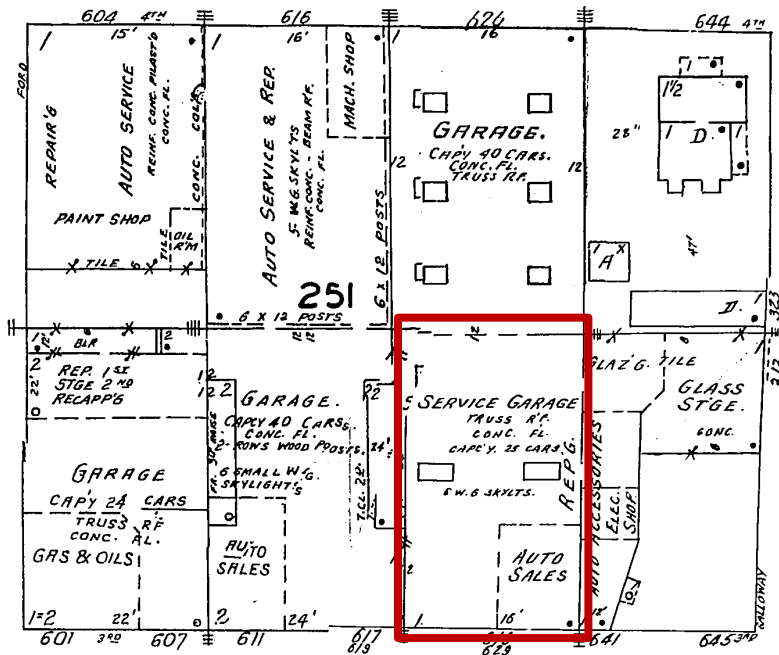
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Sanborn Map, 1928



Sanborn Map, 1948



Architecturally the subject property has changed overtime to accommodate the new uses on the property. **Please see Series of Photos, Figure 6 below.**

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Figure 6, Series of Photos Over Time

**1969 Photo of 619 NE Third Street depicting the automobile bays.
(Yamhill County News Register)**



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**1983 photo of the property shows the modified automobile bays and decorative brick work.
(Historic Resources Survey, City of McMinnville, Yamhill County, Oregon)**



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2018, Photo of 619 NE Third Street, the automobile bays have been modified into storefronts, and the brick is painted but the subtle brick decoration is still visible.



Background

The property was originally surveyed in 1983 and 1984, which are the dates that the “Statement of Historical Significance and Property Description” were drafted and included on the Historic Resources Inventory sheet (resource number (D876) for the subject property. This survey work led to the inclusion of the property on the Historic Resources Inventory, and the Historic Resources Inventory was adopted by the McMinnville City Council on April 14, 1987 by Ordinance 4401. The Historic Resources Inventory has since been incorporated into the McMinnville Municipal Code (MMC) through its adoption and reference in MMC Section 17.65.030(A).

The McMinnville Downtown Historic District was entered in the National Register of Historic Places on September 14, 1987. The McMinnville Downtown Historic district was designated for meeting Criteria A (“association with events that have made a significant contribution to the broad patterns of our history”) and C (“distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction”) and is “most noteworthy as the place where the community’s largest, best preserved and most noteworthy historic commercial buildings are concentrated.” (Nomination p 51). Although the nomination acknowledges the alteration of a number of the ground story storefronts including the addition of stucco, the nomination emphasizes the “density, common scale, materials and overall design elements” as providing visual continuity conveying the evolution of the downtown commercial core.

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Summary of Criteria & Issues

The application (HL 8-22) is subject to Certificate of Approval for Demolition review criteria in Section 17.65.050 of the Zoning Ordinance and Oregon Administrative Rule 660-203-0200 (Section 8(a)). The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

Oregon Administrative Rule 660-203-0200 (Section 8(a)) states that:

- (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;*

Section 17.65.050 of the McMinnville Zoning Ordinance state that:

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;*
 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;*
 3. *The value and significance of the historic resource;*
 4. *The physical condition of the historic resource;*
 5. *Whether the historic resource constitutes 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;*
 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*
 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.*
- C. *If the structure for which a demolition permit request has been filed has been damaged in excess of seventy percent (70%) of its assessed value due to fire, flood, wind, or other natural disaster, the Planning Director may approve the application without processing the request through the Historic Landmarks Committee.*
- D. *The Historic Landmarks Committee shall hold a public hearing to consider applications for the demolition or*

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moving of any resource listed on National Register consistent with the procedures in Section 17.72.120 of the McMinnville Zoning Ordinance.

- E. *Any approval may be conditioned by the Planning Director or the Historic Landmarks Committee to secure interior and/or exterior documentation of the resource prior to the proposed action. Required documentation shall consist of no less than twenty (20) black and white photographs with negatives or twenty (20) color slide photographs. The Historic Landmarks Committee may require documentation in another format or medium that is more suitable for the historic resource in question and the technology available at the time. Any approval may also be conditioned to preserve site landscaping such as individual plants or trees or to preserve selected architectural features such as doors, windows, brackets, mouldings or other details.*
- 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).*

The applicant has provided findings to support the request for a Certificate of Approval for Demolition and the HLC heard testimony from the public regarding the same. These will be discussed in detail in Section VI (Conclusionary Findings) below.

II. ATTACHMENTS:

❖ HL 8-22 Application and Attachments

Original Submittal (August 9, 2022)

- Application Form
- Application Narrative
- Project Structural Analysis
- Project Site Plan and Concept Drawings
- Traffic Impact Analysis
- Memorandum
- Neighborhood Meeting Materials

Supplemental Submittal (November 4, 2022)

- Approvability Memorandum
- Structural Report
- Historic Resources Assessment
- Contaminated Media Management Plan (October 13, 2022)
- MAC Lease Rates
- 619 NE Third Street Tax Statement
- Third Party Contractor Assessment
- Historic Preservation Incentives Memorandum
- Economic Report
- Architectural Plans
- Traffic Impact Analysis Addendum

Supplemental Submittal (December 15, 2022)

- Letter to City with Additional Findings
- Exhibit 1, Historic Resources Assessment, Architectural Resource Group, November 2022
- Exhibit 2, Existing Building Structural Summary, HHPR, November 6, 2022

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- Exhibit 3, Documentation of Existing Building Structures, HHPR, July 29, 2022
- Exhibit 4, Contaminated Media Management Plan (Draft)
- Exhibit 5, Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022
- Exhibit 6, Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022
- Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022
- Exhibit 8, Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.
- Exhibit 9, 2022 Tax Statements
- Exhibit 10, The Gwendolyn Financial Pro-Forma, December 15, 2022

❖ Department/Agency Comments

❖ Public Testimony

III. COMMENTS:

Agency Comments

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and Oregon State Historic Preservation Office. The following comments were received:

McMinnville Engineering Department

TRANSPORTATION

Comments and/or conditions of approval related to transportation include:

1. ADA Sidewalk and Driveway Standards are now being applied to all new construction and remodels. These standards are intended to meet the current ADA Standards as shown in the "PROWAG" Design Guidelines. The standards can be found at the following webpage: <https://www.access-board.gov/files/prowag/PROW-SUP-SNPRM-2013.pdf> prior to final occupancy, the applicant shall construct new driveways and sidewalks in the right-of way that conform to these standards.
2. Study shows that queue lengths exceed storage length at the eastbound thru and westbound all of 2nd St at Baker St. Queue lengths also exceed storage lengths at the westbound thru and southbound left at the intersection of Johnson St/Lafayette St & 3rd St.

SANITARY SEWER

Comments and/or conditions of approval related to sanitary sewer service include:

1. The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an

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aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

2. Sewer Capacity may be an issue with the change of use of the property, the developer shall enter into an agreement with the City to perform a sewer capacity analysis. The cost of this analysis shall be born by the developer.

MISCELLANEOUS

Additional comments and/or suggested conditions of approval:

1. In the narrative, Part 4. B. Chapter 17.54.050 Yards part F. Response (Page 23) – 3rd St is listed as a Local Street. It is a Major Collector, please change to reflect the correct street classification.
2. Provide detailed plans for the parking structure, email correspondence has been provided by the developers engineer mentioning a possible encroachment into the city right-of-way for the structure of the underground parking. This needs to be reviewed prior to permit issuance.
3. Provide details for valet parking so the City can review the location and the size of the parking for approval prior to building permit issuance.
4. The engineering department will need to review building permit submittals that show in detail items that could be missing in the applications provided. These reviews will be prior to any issuance of building permits.
5. The Contaminated Media Management Plan dated July 20, 2022, is not included in this application. This is a key point of discussion and should be included in the application.
6. CPP (Comprehensive Plan Policy): 2.00 “The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.”
 - a. The Applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city’s right of ways.
7. CPP 8.00 “The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.”
 - a. The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.
8. CPP 132.40.05 Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:
 - a. Improvement of on-site transportation facilities,

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- b. Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility's operations beyond the City's mobility standards.
9. The Applicant shall demonstrate its demolition, excavation and onsite construction activities do not create safety concerns related to the DEQ LUST matter and its site and known polluted soil and water. Additionally, the Applicant shall demonstrate how its demolition and construction activities will improve the use of the city's off-site transportation facility, including but not limited to underground facility uses.
10. CPP 132.46.00 Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010).
 - a. The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.
11. CPP 142.00 The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.
 - a. The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.
12. CPP 151.00 The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:
 - a. Federal, state, and local water and waste water quality standards can be adhered to.
 - b. The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

McMinnville Building Department

No building code concerns. Analysis of IEBC appears to be accurate and based on Oregon adopted code.

McMinnville Water and Light

Water: Please contact MW&L to turn off water meters and disconnect customer side of the meter – A16972894, C47575190 & A16972900 prior to demolition of property.

Power: Please contact MW&L to coordinate the removal of existing electric services prior to demolition. The Bindery Event space does not appear to have a dedicated electric service. There will need to be a provision for re-serving the Bindery Event Space with electricity during demolition.

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Public Comments

Notice of this request was mailed to property owners located within 300 feet of the subject site on September 8, 2022 and notice of the public hearing was published in the News Register on Tuesday, September 20, 2022 and Friday, September 23, 2022. The following testimony has been received by the Planning Department.

- Email from Kira Barsotti, 09.16.22
- Email from Shanna Dixon, 09.16.22
- Email from Marianne Mills, 09.18.22
- Email from Megan McCrossin, 09.18.22
- Email from Courtney Cunningham, 09.20.22
- Email from Jordan Robinson, 09.20.22
- Email from Phyllice Bradner, 09.20.22
- Email from Victoria Anderson, 09.20.22
- Letter from Marilyn Kosel, 09.20.22
- Letter from Patti Webb, 09.20.22
- Email from Sylla McClellan, 09.21.22
- Email from Meg and Zach Hixson, 09.22.22
- Email from Sharon Julin, 09.25.22
- Email from Daniel Kiser, 09.27.22
- Letter from Carol Dinger, 09.28.22
- Letter from Carol Paddock, 09.28.22
- Letter from Katherine Huit, 09.28.22
- Letter from Jeb Bladine, 09.28.22
- Letter from Practice Hospitality, 09.28.22
- Email from Kellie Peterson, 09.28.22
- Letter from JP and Ames Bierly, 09.28.22
- Memo from Nathan Coopriider, 09.28.22
- Email from Elizabeth Goings, 09.29.22
- Email from Abigail Neilan, 09.29.22
- Letter from Ilsa Perse, 09.29.22
- Email from The Scott Family, 09.29.22
- Email from Mandee Tatum, 10.05.22
- Email from Crystal55dreams, 10.25.22
- Email from Peter and Linda Enticknap, 11.22.22
- Letter from Karen Saxberg, 11.17,22
- Letter from Jeb Bladine, 11.29.22
- Letter from Nathan Coopriider, 11.29.22
- Letter from Ernie Munch, 11.30.22
- Letter from Marilyn Kosel, 11.30.22\
- Letter from Nathan Coopriider, 1.3.23
- Letter from Carol Paddock, 1.3.23
- Email from Daniel Kizer,1.3.23
- Email from Michael Kofford, 1.3.23
- Email from Paul Lusignan, National Park Service, 1.3.23

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- Email from Ernie Munch, 1.3.23
- Email from Beth Caster, 1.4.23
- Letter from Ernie Munch, 1.5.23

IV. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. The applicant, Mark Vuong, on behalf of HD McMinnville LLC submitted the Certificate of Approval application (HL 8-22) on August 9, 2022.
2. The application was deemed complete on September 7, 2022. Based on that date, the 120 -day land use decision time limit expires on January 5, 2023. The applicant twice extended the 120-day deadline and the new deadline is April 15, 2023.
3. Notice of the application was referred to the following public agencies for comment in accordance with Section 17.72.120 of the Zoning Ordinance: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, Oregon Department of Transportation and the Oregon State Historic Preservation Office on September 7, 2022.

Comments received from agencies are addressed in the Decision Document.

4. Notice of the application and the September 29, 2022, Historic Landmarks Committee public hearing was mailed to property owners within 300 feet of the subject property in accordance with Section 17.65.070(C) of the Zoning Ordinance on Thursday, September 8, 2021.
5. A public hearing notice was published in the News Register on Tuesday, September 20, 2022, and Friday, September 23, 2022.
6. On September 29, 2022, the Historic Landmarks Committee held a duly noticed public hearing to consider the request.
7. At the public hearing on September 29, 2022, the Historic Landmarks Committee chose to continue the public hearing to December 8, 2022. The applicant requested to extend the 120-day decision deadline by 70 days.
8. On November 4, 2022, the applicant provided supplemental application materials based on the requests from the Historic Landmarks Committee.
9. On December 1, 2022, the applicant requested, with the concurrence of city staff, to continue the public hearing from December 8, 2022, to January 5, 2023, and to extend the 120-day decision deadline by an additional 30 days for a total extension of 100 days.
10. On December 8, the Historic Landmarks Committee continued the public hearing to January 5, 2023.

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11. On December 15, 2022, and December 19, 2022, the applicant provided supplemental materials per the request of city staff.
12. On January 5, 2023, the Historic Landmarks Committee hosted a public hearing, closed the public hearing, deliberated, and rendered a decision.
13. On January 26, the Historic Landmarks Committee voted to deny this application based on the following written findings.

VI. FINDINGS OF FACT – GENERAL FINDINGS

1. **Location:** 619 NE Third Street. The resource is located at the property that is identified as Tax Lot 4201, Section 21BC, T. 4 S., R. 4 W., W.M.
2. **Size:** The subject site and property is approximately 6,000 square feet.
3. **Comprehensive Plan Map Designation:** Commercial
4. **Zoning:** C-3, General Commercial
5. **Overlay Zones/Special Districts:** Downtown Overlay District, Section 17.59 of the McMinnville Municipal Code.
6. **Current Use:** Office
7. **Inventoried Significant Resources:**
 - a. **Historic Resources:** Historic Resources Inventory – Resource Number D876.
 - b. **Other:** Secondary Significant Contributing resource, McMinnville National Register of Historic Places Downtown Historic District
8. **Other Features:** The building is property tight with no setbacks, one story, unreinforced brick.
9. **Utilities:**
 - a. **Water:** Water service is available to the subject site.
 - b. **Electric:** Power service is available to the subject site.
 - c. **Sewer:** Sanitary sewer service is available to the subject site.
10. **Transportation:** The site is located on the northern side of Third Street in the middle of the block between Ford and Galloway Streets. Third Street is a major collector in the McMinnville Transportation System Plan.

VII. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application. The applicable criteria for a Certificate of Approval for Demolition are specified in Section 17.65.050 of the McMinnville Municipal Code and Oregon Administrative Rule, Chapter 660 Division 23: Procedures and Requirements for Complying with Goal 5.

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In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated but are to be undertaken in relation to all applicable land use requests.

Compliance with Oregon State Land Use Goals:

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

(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.

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- (2) *Relationship of Historic Resource Protection to the Standard Goal 5 Process.*
- (a) *Local governments are not required to amend acknowledged plans or land use regulations in order to provide new or amended inventories, resource lists or programs regarding historic resources, except as specified in section (8). Local governments are encouraged to inventory and designate historic resources and must adopt historic preservation regulations to protect significant historic resources.*
 - (b) *The requirements of the standard Goal 5 process in [OAR 660-023-0030 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#), in conjunction with the requirements of this rule, apply when local governments choose to amend acknowledged historic preservation plans and regulations.*
 - (c) *Local governments are not required to apply the ESEE process pursuant to [OAR 660-023-0040 \(ESEE Decision Process\)](#) in order to determine a program to protect historic resources.*

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE.

- (3) *Comprehensive Plan Contents. Local comprehensive plans should foster and encourage the preservation, management, and enhancement of significant historic resources within the jurisdiction in a manner conforming with, but not limited by, the provisions of [ORS 358.605 \(Legislative findings\)](#). In developing local historic preservation programs, local governments should follow the recommendations in the Secretary of the Interior’s Standards and Guidelines for Archeology and Historic Preservation, produced by the National Park Service. Local governments should develop a local historic context statement and adopt a historic preservation plan and a historic preservation ordinance in conjunction with inventorying historic resources.*
- (4) *Inventorying Historic Resources. When a local government chooses to inventory historic resources, it must do so pursuant to [OAR 660-023-0030 \(Inventory Process\)](#), this section, and sections*
- (5) *through (7). Local governments are encouraged to provide opportunities for community-wide participation as part of the inventory process. Local governments are encouraged to complete the inventory in a manner that satisfies the requirements for such studies published by the Oregon State Historic Preservation Office and provide the inventory to that office in a format compatible with the Oregon Historic Sites Database.*
- (5) *Evaluating and Determining Significance. After a local government completes an inventory of historic resources, it should evaluate which resources on the inventory are significant pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(4) and this section.*
- (a) *The evaluation of significance should be based on the National Register Criteria for Evaluation, historic context statement and historic preservation plan. Criteria may include, but are not limited to, consideration of whether the resource has:*
 - (A) *Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;*
 - (B) *Significant association with the lives of persons significant to local, regional, state, or national history;*
 - (C) *Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;*
 - (D) *A high likelihood that, if preserved, would yield information important in prehistory or history; or*
 - (E) *Relevance within the local historic context and priorities described in the historic preservation plan.*

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- (b) Local governments may delegate the determination of locally significant historic resources to a local planning commission or historic resources commission.
- (6) *Designating Locally Significant Historic Resources.* After inventorying and evaluating the significance of historic resources, if a local government chooses to protect a historic resource, it must adopt or amend a resource list (i.e., “designate” such resources) pursuant to [OAR 660-023-0030 \(Inventory Process\)](#)(5) and this section.
- (a) The resource list must be adopted or amended as a land use decision.
- (b) Local governments must allow owners of inventoried historic resources to refuse historic resource designation at any time during the designation process in subsection (a) and must not include a site on a resource list if the owner of the property objects to its designation on the public record. A local government is not required to remove a historic resource from an inventory because an owner refuses to consent to designation.
- (7) *Historic Resource Protection Ordinances.* Local governments must adopt land use regulations to protect locally significant historic resources designated under section (6). This section replaces [OAR 660-023-0050 \(Programs to Achieve Goal 5\)](#). Historic protection ordinances should be consistent with standards and guidelines recommended in the Standards and Guidelines for Archeology and Historic Preservation published by the U.S. Secretary of the Interior, produced by the National Park Service.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The City of McMinnville has an acknowledged Historic Preservation program, including an adopted Historic Preservation Plan as a supplemental document to the McMinnville Comprehensive Plan, Comprehensive Plan policies, an adopted Historic Resources Inventory that is actively maintained, historic resource protection ordinances, and an appointed Historic Landmarks Committee that administers and manages the historic preservation program, and makes quasi-judicial decisions on historic landmarks land-use decisions.

- (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 \(Inventory Process\)](#) through [660-023-0050 \(Programs to Achieve Goal 5\)](#) 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;

APPLICANT’S RESPONSE: For the reasons explained below, consideration of the several factors addressed herein demonstrates that the value of these buildings to the historic character of the Historic District is relatively low, that the buildings’ values with their current or similar uses are very limited and likely insufficient to provide for needed repairs, that the buildings cannot be economically seismically-retrofitted in their current configuration to allow for a hospitality or other adaptive re-use, and that the public interest in preserving them is outweighed by the public and private benefits achieved by construction of the proposed Gwendolyn Hotel..

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The above provision requires local governments to consider a number of factors when deciding whether to allow demolition of structures that are located within National Historic Districts. However, the obligation of the City is to consider these factors; the applicant is not required to prove that one or all of them are "met" as would be the case with a mandatory criterion begging a "yes or no" question. *Frankton Neighborhood Association v. Hood River County*, 25 Or LUBA 386, 395 (1993); *Von Lubken v. Hood River County*, 18 Or LUBA 18, 21-22 (1989). No particular balancing of these factors is required, either. The Historic Landmarks Committee ("HLC") can find (1) that these factors have all been considered with respect to the three buildings proposed for demolition and (2) consideration of these factors supports the Applicant's demolition proposal for each building, which are addressed separately, below.

FINDING: Oregon Administrative Rule (OAR) 660-023-0200(1)(g) defines districts listed in the National Register of Historic Places as a National Register Resource, therefore this state rule applies to the significance of the district as a whole, in addition to the contribution offered by individual resources on their own. Although the rule lists "factors" that must be considered, the purpose of considering those factors is to ensure that National Register Resources are "protected." Just giving "consideration" to these factors but not using those considerations when making decisions about demolition of National Register Resources, as the applicant advocates, would not achieve the preservation objective provided. Rather, it is only through the weighing and consideration of the listed factors that the Commission can determine if demolition can occur without sacrificing protection. Per Figure 2 of this decision document, 619 NE Third Street is considered a Primary Significant Contributing resource in the McMinnville Downtown Historic District.

OAR 660-023-0200(8)(a) Factors to Consider – Condition of the Property

APPLICANT RESPONSE: All three of the buildings are constructed of unreinforced brick. 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.

As noted in the structural report included as Appendix C, the building at 619 NE 3rd Street has rotting bearing points at the roof trusses.

The applicant is not requesting demolition of the property due to significant structural issues or imminent public safety hazards. However, additional information from the structural engineer has been provided in response to HLC requests. See Attachment 1.

Attachment 1 – Memo from Jason Dhanens PE SE, Structural Manager, Harper Houf Peterson Righellis Inc. (HHPR) dated November 6, 2022.

The property at 619 NE 3rd Street is classified as a "Secondary Significant Contributing" building in the Downtown Historic District. Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) explains that the property was developed as an automobile garage in 1923. At all times within the secondary historic period, the property was used as an automobile garage and by 1940 was used as a car dealership. At that time, ground floor building openings included an entry at the westernmost bay, with five windows to the east. Each of these six bays has been modified, including substantial reconfiguration of masonry openings. There were not then, and are not now, any upper-floor windows. According to Exhibit 1, the ground floor has been significantly modified.

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Condition. The HRA notes that the roof and signage are in good condition, but identifies a number of issues:

- o The original white brick of the attic story/parapet remains, although it has been painted. Original unpainted white brick remains visible at the corner of the east elevation. Significant areas of brick cracking and displacement were observed in the attic story at the southeast corner of the building.
- o Little remains of the original building materials at the ground floor. The original brick moulding at the westernmost opening remains, although the opening has been infilled with a new door.

The HPR Existing Building Structural Summary (Exhibit 2, Existing Building Structural Summary, HPR, November 6, 2022) identifies the following structural deficiency in the building:

"The bearing points of the trusses are deteriorated along the west wall and supplemental support has been framed under the trusses. This condition exists at the connection to the 611 Building and is the result of water penetration along the north south valley between the buildings."

Exhibit 2 also notes that there is cracking in the brick facade along the south exterior elevation.

HPR's initial structural review of the building, dated July 29, 2022 (Exhibit 3), identified the following issues:

- o "The bearing points of the trusses are deteriorated (rotten) along the west wall and supplemental support has been framed under the trusses.
- o This condition exists at the connection to the 611 Building and is the result of water penetration along the north south valley between the buildings.
- o The brick and mortar at south elevation show signs of deterioration and diagonal cracks along the mortar lines.
- o The east wall exterior has significant deterioration and is exposed due to the separation between the 619 Building and the recently constructed building to the east."

FINDING: The structural analysis does not indicate any structural issues that pose a significant or imminent public safety hazard. The structural analysis provided by the applicant does not suggest that remediating existing conditions, including the rotten bearing condition at the truss, is unreasonable or otherwise infeasible. The Historic Landmarks Committee views this concern as one that, not only should be alleviated through routine maintenance, this condition does not offer any indication that the structure is in a physical condition that is so deteriorated as to require demolition. Further, the Historic Landmarks Committee rejects the proposition that historic masonry buildings are not structurally sound simply by virtue of being unreinforced. This would assume that all historic unreinforced masonry buildings that have not been maintained adequately are justification for demolition of historic resources.

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OAR 660-023-0200(8)(a) Factors to Consider – Historic Integrity of the Property

APPLICANT RESPONSE: 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.

619 NE 3rd Street in 1983



Source: City of McMinnville Historic Resources Survey, 1983.

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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.

619 NE 3rd Street in 2014



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.

In this context, the "Historic Integrity" of the building refers to features that existed within the date range of secondary significance. While the building is largely in the same configuration as it was in 1983 when the Historic District was established, the Historic District Nominating Form did not identify any period after 1937 as historically significant; therefore, features added after that date are not considered historically significant.

As explained in Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) and the Staff Report, the historic integrity of the building has been substantially compromised since it was originally constructed, principally due to:

- o Insertion of paired doors with wood trim elements in westernmost bay.

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Attachment 3: Public Testimony

- o Removal of all five windows and window openings that were originally east of the westernmost bay (four have been replaced with two double-wide storefront windows and one has been replaced with a door with sidelights and awning).
- o White brick has been painted.

Exhibit I (Historic Resources Assessment, Architectural Resource Group, November 2022) goes on to identify the following "character defining features" confirmed to be remaining with the building¹ include the following:

- o Brick cladding.
- o Flat parapet with corbelled cornice and six bays articulated by seven pilasters.
- o Metal flue at southeast corner of building.
- o The original wood brick molding and protective bollards at the westernmost opening (wood posts, entry and transom at this location are not original).
- o Wood trusses spanning east-west over the width of the interior space.

Note that the report, while helpful, does not address "historic integrity" specifically but only "character defining features."

The photo and caption from the HRA is illustrative of the magnitude of the alterations of the building from its characteristics during the period of significance:

¹ The HRA also lists the building's massing, flat roof, and structural members as "character-defining features," but loss of these features would only occur if the building had been demolished to some extent or added on to, and are not properly considered part of the building's "historic integrity," as they indicate no more than that the building still exists with the same number of stories. Indeed, all of these characteristics would be the same even if the building had been gutted and refinished entirely. Regardless, the above factor concerns "historic integrity," not "character defining features."

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By the time of this 1983 historic survey photograph, the window to the east of the double-wide opening had been converted to an entry and the windows in the two easternmost bays had been replaced with a storefront window spanning both bays (Historic Resources Survey, City of McMinnville, Yamhill County, Oregon).

FINDING: “Historic integrity” is generally defined as the ability for a property or resource to convey its significance. Historic properties either retain integrity (that is, convey their significance) or they do not. Within the concept of integrity, the National Register criteria recognize seven aspects or qualities that, in various combinations, define integrity. These seven aspects include location, setting, design, materials, workmanship, feeling, and association. To retain historic integrity a property will always possess several, and usually most, of the aspects. OAR 660-0230-0200(8)(a) opens by noting that local governments have an obligation to protect National Register Resources, without regard to local designation. As a result, rather than rely on the HRI report which served as the basis for local designation, the National Register nomination identifies the relevant periods of significance and an evaluation of structural integrity. Historic structures were given the Secondary Significant Contributing designation when they were built between 1913 and 1937 during a secondary period of construction encouraged by the proliferation of the automobile. Of the three buildings considered for demolition, the level of historic integrity is the lowest for 619 NE Third Street. As the applicant notes, not much of the automobile-related elements remain to convey this history, although the 5, Series of Sanborn Maps and Figure 6, Series of Photos in this decision document), however the parapet is still, for the most part, intact per the original building.

The sign on the side has been restored/replicated.

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The Historic Landmarks Committee finds that although this building lacks the historic integrity on its own, the massing, height, materials and parapet design contribute to the integrity of the district as a whole. For this reason, the structure at 619 NE Third Street warrants preservation for the community.



1927 photograph showing the original configuration of 619 NE 3rd Street (News-Register Publishing Co).

OAR 660-023-0200(8)(a) Factors to Consider – Age of the Property

APPLICANT RESPONSE: As noted, the building at 609 NE 3rd Street was constructed in 1904 and is 118 years old. The building at 619 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.

The Historic District Nominating Form identifies its construction year as 1923.

FINDING: The National Register evaluation factors do not place greater importance on resources constructed early in the period of significance over those that may have been created later. Demolishing three contributing, would have the effect of eliminating all of the significant historic buildings on the north

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side of 3rd Street between Ford and Galloway, creating the only block along 3rd where there are no contributing structures. As noted above, this building does not show any greater “signs of its age” than any other historic building within the District.



Photo: 1927, 4 years after construction



Current Structure

OAR 660-023-0200(8)(a) Factors to Consider – Historic Significance of the Property

APPLICANT RESPONSE: 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:

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

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.

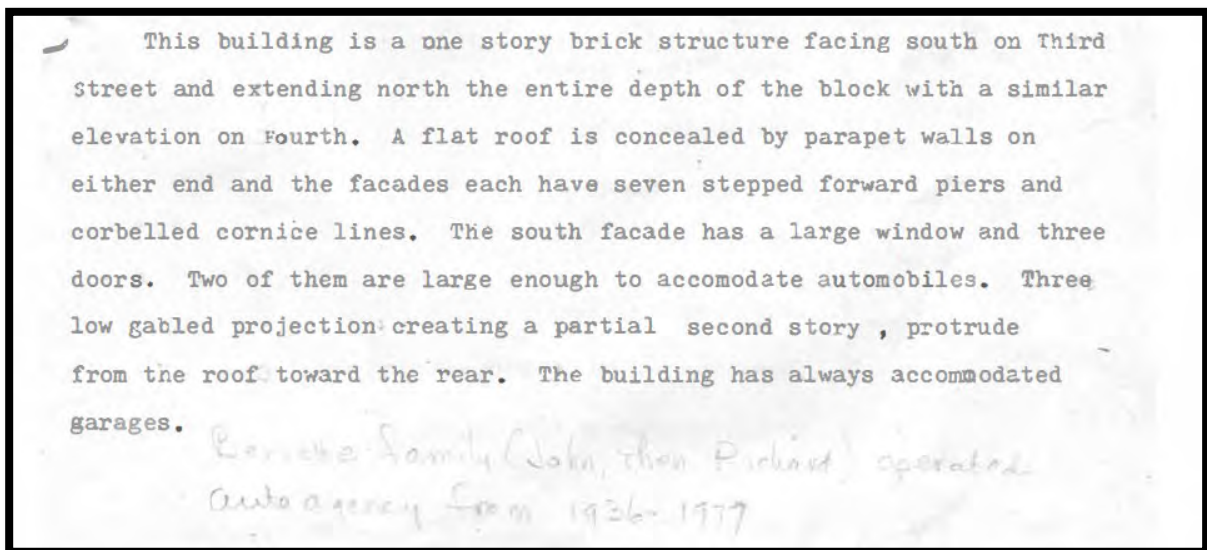
The City's Historic District's 1983 statement of historic significance is as follows:

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Supplemental Materials (Provided November 4, 2022)
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"Historic Significance" is not defined in OAR 660-033-023. However, OAR 660-033-023(5)(a) explains that the "evaluation of significance" should be based on the following²:

"(A) Significant association with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;

(B) Significant association with the lives of persons significant to local, regional, state, or national history;

(C) Distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;

(D) A high likelihood that, if preserved, would yield information important in prehistory or history; or

(E) Relevance within the local historic context and priorities described in the historic preservation plan. "

With respect to (A), the Historic District's significance statement does not connect the building with any significant events. With respect to (B), the building is not noted as being associated with any particular person significant to local, regional, state, or national history. With respect to (C), there is no evidence that the building possessed a particularly distinctive or notable design, artistic values, "or represents a significant and distinguishable entity whose components may lack individual distinction." With respect to (D), given the substantial changes to the building significant and its historic use as an automobile garage and car dealership, it does not "yield information important in prehistory or history."

² Note that these are virtually identical to the National Register's "Criteria for Evaluation."

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Finally, with respect to (E) the Historic District's nominating form describes the local historic context for primary contributing buildings as follows:

"Structures are classified as Secondary-Significant if they were built in or between 1913 and 1937. These buildings represent the secondary period of construction and development from the increase of city improvements and auto traffic."

All that is required to qualify a building as Secondary-Significant is construction within the date range above. According to its nomination form, the building was included because it was built in 1923.

FINDING: Both the National Register of Historic Places and the City of McMinnville have adopted provisions that identify the property as historically significant. Under the National Register, the district was deemed to qualify under Criteria A and C. The City of McMinnville's classification of the property as a "D" (Environmental) historic resource on the McMinnville Historic Landmarks Inventory. Albeit the local "D" classification is the lowest classification of resources on the McMinnville Historic Landmarks Inventory.

Although, if reviewed now, the property could be classified differently, that does not negate the policy action that has occurred. With that said, the assigned historic significance is not a stand-alone factor for preservation or demolition. Rather, all of the factors must be considered.

The McMinnville Downtown Historic District National Register of Historic Places nomination provides the following as the overall summary of the statement of significance for the historic district for a time period of 1880 – 1937.

The McMinnville Historic District is an area of approximately 15 acres in which the unifying theme represented by the 51 contributing buildings is the parallel development of commerce and railroad and highway transportation in the bustling Willamette Valley farming community and county seat between 1880 and 1937. The district meets National Register Criteria A and C in the context of local history as the place where the community's largest, best preserved and most noteworthy historic commercial buildings are concentrated. The district extends 6½ blocks along Third Street, historically the main, east-west stem of the business district. Buildings along Third Street represent several phases of development but have a marked cohesion by virtue of their density, common scale, materials and overall design elements. While ground story storefronts have been altered over the years, distinguishing features of the upper stories are intact and provide visual continuity. Descendents of many of the community's early settlers are owners of property or businesses within the district today.

(McMinnville Downtown Historic District, Section Number 8, Page 1)

The McMinnville Historic Preservation Plan has the following language for the historic context of McMinnville's historic resources for the time period that most influenced the building at 619 NE Third Street:

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Motor Age, Boom and Bust (1903—1940)

This period marked the arrival of the automobile. Most of the garages added to the houses surveyed were built during this period. The city was amid a massive population growth extending from 1900 through 1910 and increased prosperity with industrial growth provided jobs and steady wages. By 1914 a spur from the main interurban railroad corridor along the Willamette Valley linked the city with Portland and cities to the south. Building construction grew considerably from 1900 to 1909 relative to pre-1900 construction, and then nearly doubled during the 1910s.⁵

Population growth continued between 1910 and 1940, increasing from 2,767 in 1920 to 3,706 in 1940.⁶ New industries established in the city and surrounding area included including a small foundry, a machine shop, a planning mill, a creamery, and an incandescent and arc light factory. The launch of Prohibition in 1919 devastated the hops industry, the area's second-most profitable crop, motivating farmers to diversify their products to include legumes, clover, and animal products.

(McMinnville Historic Preservation Plan, page 16)

However, based on the methodology at the time, the subject property was listed as a “Secondary Significant Contributing” property in the McMinnville Downtown Historic District National Register of Historic Places nomination and identified as an “Environmental” resource on the McMinnville Historic Resources Inventory, the lowest level of historic significance.

As discussed above, the historic integrity of the building has been significantly modified since its original construction but it continues to contribute to the overall character of the district.

OAR 660-023-0200(8)(a) Factors to Consider – Value to the Community

APPLICANT RESPONSE: The value the buildings current(ly) provides to the community include 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 activity 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.

Within living memory, the building has been used as an automotive repair shop, car dealership, and small retail spaces. The building is not associated with any particularly meaningful community history, has never been used as a community gathering place, and does not appear to have any value to the community beyond its inclusion in the Historic District.

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Balancing the assumptions that the subject structure does not retain much historic integrity, and is financially infeasible to rehabilitate, the replacement project has more value to the community than the preservation of the building.

619 NE Third Street does not appear to have the historic integrity or historic significance that many believe that it has due to the amount of modifications that have occurred. The City has received several letters from the public asking to save the historic properties. 619 NE Third Street is part of the historic building fabric of Third Street in McMinnville, a built environment which collectively has a lot of value to the community. Any replacement project would need to be able to become an asset to that built environment and not a disrupter. Presumably the downtown overlay district design standards was developed to ensure that infill on Third Street would compliment the existing built environment. And any replacement project would need to comply with those design standards (Section 17.59 of the McMinnville Municipal Code).

FINDING: The HLC received testimony from dozens of city residents expressing concern over the loss of these buildings. The testimony from Ernie Munch, an architect, provided evidence suggesting that the value of this building was in the fact that it is a further extension of McMinnville's first auto row.

Several people also testified that the height, mass, and form of the building contributed to the overall sense of plan of Third Street, which as McMinnville's award winning Main Street, is the heart and soul of the community.

The applicant provided a cost analysis in their application that indicates that the cost of rehabilitating the structure and the return yield on the square footage of the rehabilitated space would not be financed as the project would not yield a positive return for 40 years.

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.

(Application Narrative, page 3)

The applicant argues that the underutilization of the building for revenue-generating commercial uses undercuts the value of the building to the community. Although this might be true in the abstract, the HLC did not hear this concern voiced in the testimony it received. Further, the Historic Landmarks Commission concludes that the building is only financially infeasible to rehabilitate because the applicant assumes that the only viable economic solution includes either doing nothing, restoring the building including full seismic upgrades or the most intense

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development that might be allowed in the zone. The Historic Landmarks Commission believes that there may be other options that the applicant did not fully explore that would retain the preservation value of this building and also allow for a greater return on investment.

OAR 660-023-0200(8)(a) Factors to Consider – Economic Consequences

APPLICANT RESPONSE: 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.

FINDING: The replacement plan for a multi-story hotel and ground floor retail may benefit McMinnville economically but the Historic Landmarks Committee also finds that it is the historic district, its historic charm and coziness, that have made this downtown an economic success. McMinnville needs more Class A office space, especially in its city center. However, due to long-term disinvestment in the second story of this building the costs of stabilizing the building and providing Class A office space is more than the market will bear which would lead to continued disinvestment in the second story and no office vitality outside of the ground floor. This long-time disinvestment cannot be used as a basis to claim economic hardship.

OAR 660-023-0200(8)(a) Factors to Consider – Design or Construction Rarity

APPLICANT RESPONSE: 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.

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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.

The building is not identified as being rare at all in terms of design or construction.

FINDING: 619 NE Third Street does not possess any specific design or construction standard that would be described as rare or significant for McMinnville.

OAR 660-023-0200(8)(a) Factors to Consider – Consistency and Consideration of other Policy Objectives in the Comprehensive Plan.

APPLICANT RESPONSE: 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.*

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.

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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.

FINDING: Please see below for a discussion of compliance with the City of McMinnville's Comprehensive Plan policies. In summary, the proposed demolition of 619 NE Third Street does not meet the City's Comprehensive Plan goals for preservation of historic resources, however the demolition of the subject structure coupled with the redevelopment of the site does meet many of the City's economic development comprehensive plan policies. That said, the Historic Landmarks Committee finds that these goals are not mutually exclusive and, in fact, it is the historic protections offered by the Downtown Historic District, that have contributed to its economic success. Existing commercial land exists in the downtown area, both within and outside of the Historic District, to accommodate a luxury hotel, including many of the amenities identified by the applicant. This building has been occupied with numerous different uses since construction, all resulting in neighborhood-serving uses and there is no reason to believe that either these uses, or new uses other than a 6-story hotel, could not be pursued in the future.

OAR 660-023-0200, Section 8(a):

OVERALL FINDING,: OAR 660-023-0200, Section 8(a) states that the following factors must be considered when making a decision to approve, approve with conditions or deny an application for a historic resource on the National Register of Historic Places: 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. But OAR 660-023-0200, Section 8(a) does not provide clear and objective criteria as to how to consider the factors and how many factors need to support an approval, approval with conditions or denial. Per the analysis above, 619 NE Third Street does not appear to

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be in bad structural condition and has not lost all of its historic integrity as the second floor and roofline appear to be historically original to the building. The applicant has tried to make the case that the economic value realized from a new 6-story luxury hotel outweighs what they have identified as limited historic integrity. The Landmarks Commission finds that this presents a false choice with respect to both the economic value and the historic integrity. The District enjoys economic vitality today because of the choices made to preserve it. This building has generated a reasonable economic return for generations, as evidenced by its variety of uses, and there is no evidence to believe such return would be foreclosed in the future, but for this long-standing owner's failure to maintain the building in a state commensurate with other owners along NE Third Ave.

The value to the community could be described in two ways – historic value and overall value. The applicant has argued that the historic value has been compromised as an individual structure but this determination fails to consider the contribution this building, in conjunction with the other two, makes to the overall McMinnville downtown historic district and building fabric. When considering all of the factors in OAR 660-023-0200(8)(a) together, the Historic Landmarks Commission finds that demolition of 619 E Third Street is not appropriate.

- (b) May apply additional protection measures. for a National Register Resource listed in the National Register of Historic Places after the effective date of this rule, additional protection measures may be applied only upon considering, at a public hearing, the historic characteristics identified in the National Register nomination; the historic significance of the resource; the relationship to the historic context statement and historic preservation plan contained in the comprehensive plan, if they exist; the goals and policies in the comprehensive plan; and the effects of the additional protection measures on the ability of property owners to maintain and modify features of their property. Protection measures applied by a local government to a National Register resource listed before the effective date of this rule continue to apply until the local government amends or removes them; and*

APPLICANT'S RESPONSE: None.

FINDING: NOT APPLICABLE. In adopting the criteria for demolition in 17.65.050, the City adopted protection measures as provided by this requirement.

OAR 660-023-0200, Section 8

- (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.*

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's response.

- (9) Removal of a historic resource from a resource list by a local government is a land use decision and is subject to this section.*

- (a) A local government must remove a property from the resource list if the designation was imposed on the property by the local government and the owner at the time of designation:*

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- (A) Has retained ownership since the time of the designation, and
 - (B) Can demonstrate that the owner objected to the designation on the public record, or
 - (C) Was not provided an opportunity to object to the designation, and
 - (D) Requests that the local government remove the property from the resource list.
- (b) Except as provided in subsection (a), a local government may only remove a resource from the resource list if the circumstances in paragraphs (A), (B), or (C) exist.
- (A) The resource has lost the qualities for which it was originally recognized;
 - (B) Additional information shows that the resource no longer satisfies the criteria for recognition as a historic resource or did not satisfy the criteria for recognition as a historic resource at time of listing;
 - (C) The local building official declares that the resource poses a clear and immediate hazard to public safety and must be demolished to abate the unsafe condition.

APPLICANT’S RESPONSE: None.

FINDING: As explained in these findings, the demolition request is not approved and the building will remain on the McMinnville Historic Resources Inventory.

- (10) A local government shall not issue a permit for demolition or modification of a locally significant historic resource during the 120-day period following:
- (a) The date of the property owner’s refusal to consent to the historic resource designation, or
 - (b) The date of an application to demolish or modify the resource if the local government has not designated the locally significant resource under section (6).

APPLICANT’S RESPONSE: None.

FINDING: NOT APPLICABLE. The structure at 609 NE Third Street has already been designated a McMinnville Historic Resource.

Comprehensive Plan Volume II:

The following Goals, Policies, and Proposals from Volume II of the Comprehensive Plan provide criteria applicable to this request:

The implementation of most goals, policies, and proposals as they apply to this application are accomplished through the provisions, procedures, and standards in the city codes and master plans, which are sufficient to adequately address applicable goals, policies, and proposals as they apply to this application.

The following additional findings are made relating to specific Goals and Policies:

GOAL II 1: TO PRESERVE THE QUALITY OF THE AIR, WATER, AND LAND RESOURCES WITHIN THE PLANNING AREA.

- 2.00 The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.

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APPLICANT RESPONSE: A draft Contaminated Media Management Plan (CMMP) that addresses all three properties has been included (Contaminated Media Management Plan, October 13, 2022). The CMMP is a requirement of the Prospective Purchaser Agreement between the Applicant and Oregon Department of Environmental Quality ("DEQ"). As a practical matter, former automotive shops and fuel stations are routinely redeveloped and there is nothing about these buildings that presents a unique risk. The draft CMMP requires removal and safe disposal of any contaminated media (i.e. soil or ground water), and recommends only standard protective measures to mitigate the limited identified risk of petroleum contamination.

This is sufficient to satisfy Goal II of the City's Comprehensive Plan, which implements Statewide Planning Goal 6. Goal 6 requires that the local government establish that there is a reasonable expectation that the use for which land use approval is requested will also be able to comply with the state and federal environmental quality standards that it must satisfy to be built. *Hess v. City of Corvallis*, 70 Or LUBA 283 (2014). The City's comprehensive plan does not address soil contamination, and with respect to water, Policy 10.00 of the Comprehensive Plan provides that "The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area." The Applicant's ongoing work with DEQ through the PPA process is evidence not only that DEQ will provide sufficient oversight to ensure the safety of workers and the public, but also demonstrates that the Application will be able to comply with DEQ's standards.

FINDING: SATISFIED WITH CONDITION OF APPROVAL

If approved, the following condition of approval would be necessary: The applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city's right of ways.

- 8.00 *The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City's Right of Way and downstream users and properties.

- 10.00 *The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

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If approved, the following condition of approval would be necessary: The Applicant must demonstrate compliance with the Department of Environmental Quality and other appropriate agencies that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.

GOAL III 2: TO PRESERVE AND PROTECT SITES, STRUCTURES, AREAS, AND OBJECTS OF HISTORICAL, CULTURAL, ARCHITECTURAL, OR ARCHAEOLOGICAL SIGNIFICANCE TO THE CITY OF McMinnville.

APPLICANT 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.

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.

FINDING: NOT SATISFIED. The focus of this comprehensive plan goal is to preserve and protect structures that have special historical or architectural significance. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the application materials and receiving testimony, decided that the value and significance of the building to the district, its condition, the owner’s failure to maintain the building commensurate with other owners and contributing to any modest economic returns, all work against approving this request for demolition. Findings for those other applicable review criteria are provided below.

- 16.00 *The City of McMinnville shall support special assessment programs as well as federal grants-in-aid programs and other similar legislation in an effort to preserve structures, sites, objects, or areas of significance to the City.*

FINDING: SATISFIED. The City is supportive of all of these programs to aid historic preservation.

- 17.00 *The City of McMinnville shall enact interim measures for protection of historic sites and structures. Those measures are identified in the McMinnville Comprehensive Plan, Volume I, Chapter III.*

FINDING: SATISFIED. Chapter III of Volume 1 of the McMinnville Comprehensive Plan states the following:

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A viable preservation program for the city will involve four steps: (1) the adoption of goals and policies in the Comprehensive Plan supporting the preservation of historic resources and establishing a process to achieve stated objectives; (2) the formation of a historic preservation/landmarks committee; (3) the completion of a comprehensive inventory of the historic resources in the planning area; and (4) the implementation of preservation techniques, possibly through an historic preservation ordinance, to protect and conserve the identified resources.

Based on the information contained herein, and the work of the Citizens' Advisory Committee Community Needs Subcommittee, the City finds that:

1. There are sites, structures, objects, and areas that are of importance to McMinnville because of their historical, cultural, architectural archeological significance at the local, state, or national level. Some of the sites and structures are (or are in the process of being) designated to state and national historical lists.
2. There may be pressure to destroy or alter historically significant sites and structures in the future. There is no active historical, or preservation program in McMinnville at this time to resolve conflicts between historical resources and developmental proposals.

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3. Completion of Phase I of the inventory of the historic resources in McMinnville has been completed. Approximately 0.9 of a square mile of the McMinnville core (the area bounded by Fifteenth Street on the north, Fellows Street on the south, Elmwood Avenue on the west, and Kirby Street on the east) has been surveyed and some 500 potential historic resources have been identified. The survey, under the direction of Janice Rutherford, involved the efforts of some 30 volunteers, who, after attending training sessions by professional preservationists, conducted the field work and research necessary to identify the resources. Completion of this survey for the remainder of the city should be a priority concern in the historic preservation program established by the City.
4. Historical structures should be recognized as underutilized resources that could potentially be restored and/or adapted for beneficial urban uses. Preservation techniques applicable to the historical structures identified in the core area of the city could assist in the continued redevelopment of the central business district.
5. The historical designation of sites and structures within the core business area could involve large economic ramifications for the city and property owners. A variety of incentives for rehabilitation of historically designated properties does exist. A feasibility analysis of the economic advantages and disadvantages of establishing historical sites and/or districts downtown needs to be made.
6. Preservation of historical sites and structures will necessarily involve procedures that regulate the alteration, and/or demolition of historically designated properties. The cooperation of owners of potential historical sites and structures will, therefore, be necessary for a viable preservation program.
7. A number of local groups and citizens, including the Chamber of Commerce, Committee on Redevelopment, various civic and social groups, and local historical groups, have expressed interest in an historical preservation program. Enlistment of volunteers for the completion of the comprehensive inventory of historical resources and other preservation projects should be explored.

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8. There are a number of state and federal antiquity codes that may assist in the preservation of the historical resources in our city, and provide some financial incentives for preserving our heritage. Those codes are noted in the background information for the comprehensive plan.
9. The involvement of the private sector of the city is of paramount importance to the development of a preservation program. The primary initiative for setting up such a program will come from the governmental sector. However, it is only through the cooperation of property owners, volunteer workers, knowledgeable citizens, and governmental leaders that such a program will be made workable.
10. A program involving creation of an Historical Landmark Committee, a local Historical Landmarks Register, and an Historical Ordinance is being proposed by the City to establish a historical presentation program. Implementation of the program is expected to take a considerable amount of study, discussion, and therefore, time. Interim preservation measures shall be enforced until formal adoption and implementation of a preservation program.

The City of McMinnville has implemented most of the programs outlined above.

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.

APPLICANT 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

COMMERCIAL DEVELOPMENT

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.

APPLICANT RESPONSE: This Comprehensive Plan policy is supplemented by several documents including the 2013 Urban Renewal Area Plan (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.

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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

GOAL IV 3: TO ENSURE COMMERCIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USE THROUGH UTILIZATION OF EXISTING COMMERCIALY 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.*

APPLICANT 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.

FINDING: SATISFIED. The proposed project maximizes the existing commercially designated lands by building a higher density commercial program on the site, which will also serve to revitalize the east

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side of Third Street that was identified as a redevelopment area in the adopted 2000 Downtown Improvement Plan.

- 25.00 *Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.*

FINDING: SATISFIED WITH CONDITIONS OF APPROVAL. Higher density commercial development in the city center utilizes existing infrastructure efficiencies. The following conditions of approval will need to be met to ensure that the existing infrastructure will support the development.

If approved, the following condition of approval would be necessary: The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

If approved, the following condition of approval would be necessary: Prior to submittal for building demo permit provide Engineering with detailed demolition plans for review and approval.

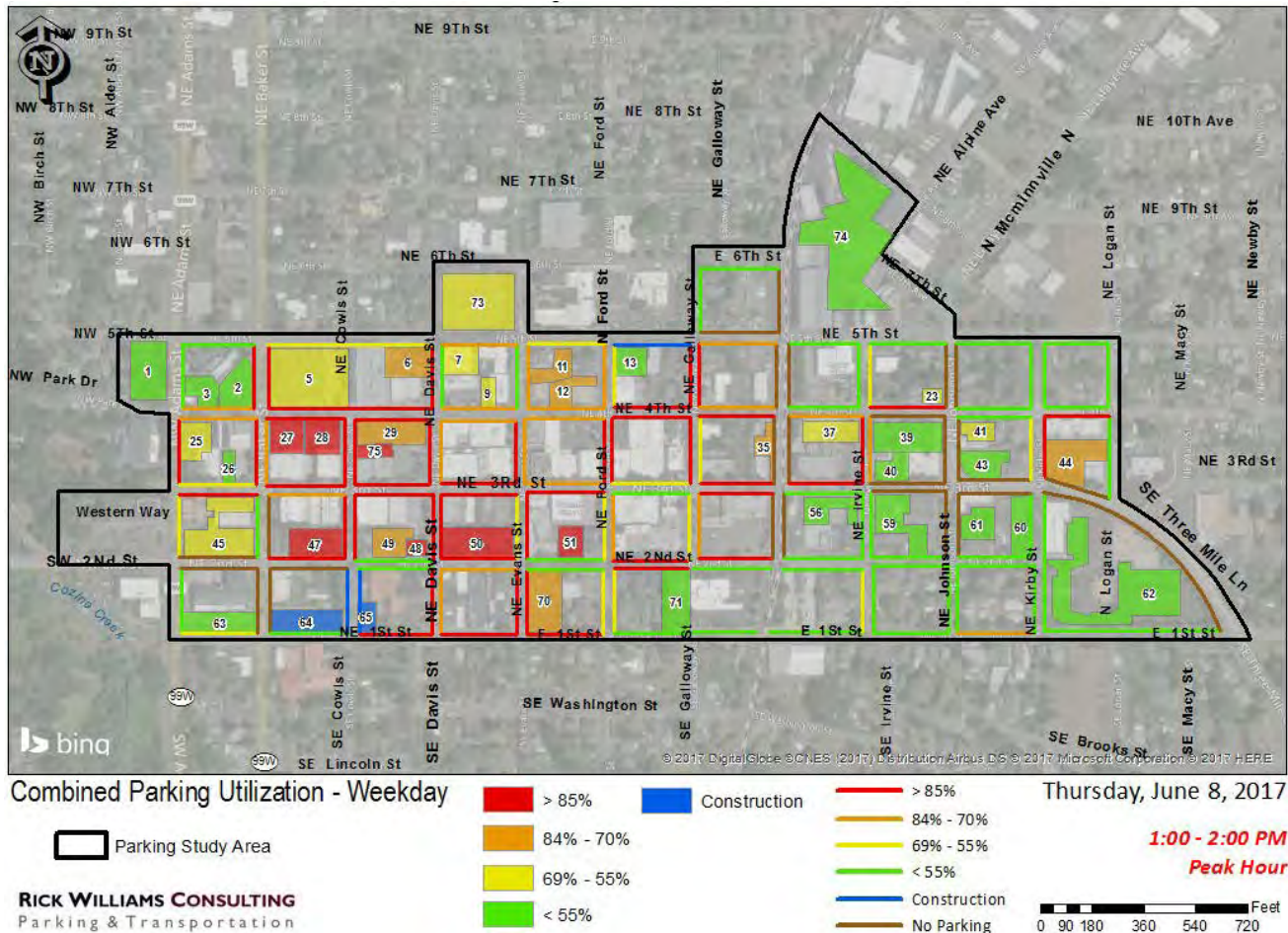
- 26.00 *The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district, and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.*

FINDING: SATISFIED. The replacement plan project will be located in the Central Business District. The Transportation Impact Analysis provided as part of the application indicates that all intersections studied perform within mobility standards with the project as developed. No mitigation measures were identified.

Parking in the core downtown area is limited. However, a utilization study conducted in 2017 identified that parking on Ford Street between 3rd and 4th Streets was maximized at the peak hour of a weekday. Although the McMinnville Municipal Code does not require the provision of off-street parking for new developments on this site, the replacement project is providing 67 off-street parking stalls in an underground parking structure.

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(City of McMinnville, Oregon, Downtown Strategic Parking Management Plan, March 27, 2018, page 17)

GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.

Downtown Development Policies:

36.00 *The City of McMinnville shall encourage a land use pattern that:*

1. *Integrates residential, commercial, and governmental activities in and around the core of the city;*
2. *Provides expansion room for commercial establishments and allows dense residential development;*
3. *Provides efficient use of land for adequate parking areas;*
4. *Encourages vertical mixed commercial and residential uses; and,*

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5. *Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED.

- 37.00 *The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)*

FINDING: NOT APPLICABLE. Phase II of the Downtown Improvement Plan is a list of public improvement projects that are not associated with this application.

- 38.00 *The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.*

FINDING: SATISFIED. The City provides grants and loans to encourage the renovation and rehabilitation of buildings in the downtown area.

The extant structure at 619 NE Third Street is not of historical significance or unique design when considered on its own but it does contribute to the district as a whole.

- 44.00 *The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER.

- 127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

- 132.40.05 *Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:*

1. *Improvement of on-site transportation facilities,*
2. *Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards; and*

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3. *Transportation Demand Management strategies. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED. Due to the size of the replacement plan project, the City required the applicant to provide a Transportation Impact Analysis that identified no need for mitigating measures with the development of the project.

132.46.00 *Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.

142.00 *The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

151.00 *The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:*

1. *Sufficient municipal water system supply, storage and distribution facilities, as determined by McMinnville Water and Light, are available or can be made available, to fulfill peak demands and insure fire flow requirements and to meet emergency situation needs.*
2. *Sufficient municipal sewage system facilities, as determined by the City Public Works Department, are available, or can be made available, to collect, treat, and dispose of maximum flows of effluents.*
3. *Sufficient water and sewer system personnel and resources, as determined by McMinnville Water and Light and the City, respectively, are available, or can be made available, for the maintenance and operation of the water and sewer systems.*
4. *Federal, state, and local water and waste water quality standards can be adhered to.*
5. *Applicable policies of McMinnville Water and Light and the City relating to water and sewer systems, respectively, are adhered to.*

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FINDING: SATISFIED WITH CONDITION OF APPROVAL:

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMinnville.

GOAL X 2: TO MAKE EVERY EFFORT TO ENGAGE AND INCLUDE A BROAD CROSS SECTION OF THE COMMUNITY BY MAINTAINING AN ACTIVE AND OPEN CITIZEN INVOLVEMENT PROGRAM THAT IS ACCESSIBLE TO ALL MEMBERS OF THE COMMUNITY AND ENGAGES THE COMMUNITY DURING DEVELOPMENT AND IMPLEMENTATION OF LAND USE POLICIES AND CODES.

Policy 188.00 The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The process for a Certificate of Approval for Demolition provides an opportunity for citizen involvement throughout the process through the public notice and the public hearing process. Throughout the process, there are opportunities for the public to review and obtain copies of the application materials and the completed staff report prior to the advertised public meeting(s). All members of the public have access to provide testimony and ask questions during the public review and meeting process.

McMinnville Municipal Code

The following Sections of the McMinnville Municipal Code (MMC) provide criteria applicable to the request:

Chapter 17.03. General Provisions

17.03.020 Purpose. *The purpose of this ordinance is to encourage appropriate and orderly physical development in the City through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, and adequate community facilities; to provide assurance of opportunities for effective utilization of the land resource; and to promote in other ways public health, safety, convenience, and general welfare.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The purpose of the Zoning Ordinance is met by the proposal as described in the Conclusionary Findings contained in this Decision Document.

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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;*

APPLICANT 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.

FINDING: NOT SATISFIED. This application is for a demolition permit and not a restoration project.

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

APPLICANT RESPONSE: The proposed development will attempt to incorporate significant components of the existing building at 619 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.

FINDING: SATISFIED WITH CONDITION OF APPROVAL. One of the challenges of restoring historic properties in downtown McMinnville is the differential between the market value of the land/property and the costs of rehabilitating a historic structure that has experienced minimal code upgrades over its lifetime with the community value of maintaining low lease rates to support local businesses. In many cases, the proforma is not yielding the necessary returns for a successful project.

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If approved, the following condition of approval would be necessary: Prior to the approval of a demolition permit, the applicant will need to meet with the McMinnville Downtown Association to develop a program that will educate local citizens on the benefits associated with an active historic preservation program, that will then be approved by the Planning Director.

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

APPLICANT 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.

FINDING: SATISFIED.

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

APPLICANT 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.

FINDING: NOT SATISFIED. As the findings for the replacement plan project explain, the new construction fails to be compatible with the nearby buildings with respect to massing and overall building width. As such, it does not enhance the overall historic sense of place of downtown McMinnville by replicating the form and design of the building stock on Third Street.

E. *Strengthen the economy of the City.*

APPLICANT 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.

FINDING: SATISFIED

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;*

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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.*

APPLICANT RESPONSE: The proposal includes the demolition of a historic landmark (619 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.

FINDING: SATISFIED. The proposal includes the demolition of a resource on the National Register of Historic Places that is considered a Primary Significant Contributing Resource. Per 17.65.040(A), section 17.65.050 of the McMinnville Municipal Code applies. The applicant has applied for a Certificate of Demolition.

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.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The applicant filed an application and request to demolish 619 NE Third Street that is designated as a Significant resource on the Historic Resources Inventory. The application was reviewed by the Historic Landmarks Committee within 30 days of the application being deemed complete.

17.65.050 Demolition, Moving, or New Construction.

- A. *The Historic Landmarks Committee may approve, approve with conditions, or deny the application.*

APPLICANT'S RESPONSE: None.

FINDING: SATISFIED. The Historic Landmarks Committee issued a decision that approved, approved with conditions or denied the application.

- B. *The Historic Landmarks Committee shall base its decision on the following criteria:*

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17.65.050(B)(1). *The City’s historic policies set forth in the comprehensive plan and the purpose of this ordinance;*

APPLICANT’S RESPONSE: The purpose of this ordinance is addressed in the responses to subsection 17.65.010 (in the narrative). The relevant Comprehensive Plan policies are addressed in Section 5 of the narrative. The applicant has demonstrated that the proposed development meets this criterion.

FINDING: NOT SATISFIED. Most of the City’s historic policies in the comprehensive plan focus on the establishment of the Historic Landmarks Committee, public awareness of historic preservation, and other activities for the City to pursue to increase documentation of historic resources. However, the goal most specifically 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.

Per the analysis above, this application achieves some of the purpose statements but not all due to the fact that it is a demolition project and not a preservation/rehabilitation/restoration project.

The focus of the comprehensive plan goal and the purpose of the Historic Preservation chapter are to preserve structures that have special historical or architectural significance through restoration efforts. A demolition clearly does not meet that intent. The Historic Landmarks Committee, after reviewing the evidence and hearing the public testimony, decided that the structure at 619 NE Third Street contributes to the significance of the District, and has an economic use that favors continued preservation and protection. Therefore, the demolition is denied.

17.65.050(B)(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;*

APPLICANT’S 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.

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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

APPLICANT SUPPLEMENTAL RESPONSE (November 4, 2022): The applicant has provided the following additional information as described in Attachments 4-8:

- Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memo includes high-level profit and loss information. See Attachment 4.
- 2022 Yamhill County Tax Assessor data including Assessed Value, Taxable Value, and Real Market Value and property taxes paid between 2018 and 2022 has been provided. See Attachment 5.
- An estimate of the cost of rehabilitation of the property from Hugh Construction, which is an entity separate from Hugh Development, provided the enclosed pro-forma showing the costs and likely returns from rehabilitation of the three structures. While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction's estimate was reasonable. See Attachment 6.
- A report of available economic incentives for rehabilitation of the existing buildings is included as Attachment 7.
- A report by Johnson Economics comparing the economic value of the project vs. preservation of the buildings is enclosed as Attachment 8.

The following table, provided by Hugh Construction, further defines the findings included in Attachment 6:

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	Current Results	Ideal Results (Gwendolyn Hotel)
Cash on Cash return	3%	23%
Unlevered IRR	-9.10%	13%
Levered IRR	0%	26.80%
Equity Multiple	0.82x	4.11x

APPLICANT’S RESPONSE (December 15, 2022): The Application proposes demolition of the three structures discussed above in order to allow it to construct the Gwendolyn Hotel. The economic value of the three buildings and their future use case are substantially limited. When compared to the potential economic value of the proposed hotel, the economic factors weight in favor of demolition for all three buildings.

While certainly not a model of linguistic clarity, 17.65.050(8)(2) appears to get at the comparative economic value when compared to the historic value of the buildings proposed for demolition. It appears to also evaluate the comparative economic value of the buildings if preserved or renovated.

The potential economic value of the Gwendolyn Hotel is addressed in Exhibit 5 (Economic Value of Structures in Downtown McMinnville, Oregon, Johnson Economics, November 2, 2022), and can be summarized as follows:

- Total project value: \$59,735,000
- Construction cost: \$36,500,000
- Annualized property tax project: \$576,197 (2026), \$590,602 (2027), \$605,367 (2028).

In comparison, a preservation use case (with similar occupancies and no renovation) are of very limited future value. Phillip Higgins, a licensed commercial real estate broker, has provided a memo addressing existing net income, net income of a fully-leased building at market rate, and an evaluation of the existing rental/lease market. This memorandum includes projected profit and loss information. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). Mr. Higgins findings are summarized below:

"Combined rents across all 3 properties are \$11,365 (assuming fully occupied) or \$136,380 annual gross. The owners did not report taxes, insurance, utility costs, but an easy assumption is that a buildings operating costs are 45-55% of the gross revenue. Using the lower ratio: \$243,280 -45% = \$75,009 Net operating income. At a 6% CAP rate this would result in a [current] Market Value of \$1,250,150."

Mr. Higgins notes that the lease rates result in a net operating income is roughly \$75,000 annually, before any loan service, tenant improvements, or major repairs:

"The Current Market Valuation excludes any debt service, excludes tenant improvements, excludes any cost to bring the buildings up to current occupancy standards/ code compliance,

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

with the addition of these line items the [net operating income] would shrink significantly below lender underwriting standards for OCR/ Debt Coverage Ratios for income to payments."

Based on this analysis, the buildings in their current form are of little or no net economic value to a new owner, given the need to service acquisition debt at their current value. Stated simply, the cost of debt and tenant improvements is likely so near the net operating income that a sound financial institution is unlikely to lend on such an acquisition with an as-is use case.

Even so, the July 29, 2022 HHPR Report (Exhibit 3) demonstrates that significant work must be done on these buildings in order for them to remain viable even for this use case. Necessary repairs would include the following:

- "The 2nd level of the 609 Building would require repair and remediation should that space be occupied.
- The 2nd level of the 611 Building would require repair and remediation should that space be occupied.
- As noted in the General Conditions section, each of the three buildings have structural conditions that we recommend be further analyzed for possible remedial actions should they remain.
 - o This includes the roof truss node that is out of plane in the 609 Building, the removed built up floor beam in the 611 Building, and the rotten truss bearing in the 619 Building.
- Additionally, all three buildings have sections of the roof framing that is deteriorated and requires repair."

While there are some grants and historic preservation tax credits that may be available, work to bring the buildings back into a sound condition is likely in the hundreds of thousands of dollars. The primary historic tax benefit, the "Special Assessment of Historic Property Program" is no longer available for the 609 and 611 Buildings. The most beneficial available federal program, the Federal Historic Tax Preservation Tax Incentive Program, provides a 20% income tax credit. With a current federal income tax rate of 21%, this would yield only about \$5,700 per year for all three buildings collectively, and this assumes that the gross income from these properties would otherwise be fully taxable. State grants for particular historic buildings generally yield a maximum \$20,000. Exhibit 8 (Memorandum Regarding Historic Preservation Incentives, Otak, October 31, 2022.) All of this assumes successful competition for such grants, which is certainly not a guarantee given the diminished historic character of these buildings. In summary, there is no reason to believe that historic grant programs and tax credits will be even close to sufficient to provide the repairs identified in the HHPR report.

Upgrading the buildings to a different use would almost certainly require seismic upgrades. To explore an alternative use case that would preserve but reuse the buildings for a hotel, the Applicant engaged its subsidiary Hugh Construction Company to prepare a financial pro-forma for re-use of the buildings as a hotel with ground-floor retail.³ This is enclosed as Exhibit 6 (Construction Cost Estimate and Financial

³ While no other contractors could provide an estimate without a more developed renovation plan set, the contractors Hugh consulted confirmed that Hugh Construction's estimate was reasonable.

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Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

Model for Re-Use of Historic Buildings, Hugh Construction, November 2022). The key findings are as follows:

- The base construction costs are anticipated to be \$11,430,000, with a total project cost of roughly \$20,000,000, excluding land acquisition.
- The total construction costs, along with soft costs and land acquisition costs are anticipated to be \$24,994,838.
- Due to the limited number of rooms, high cost of historic rehabilitation and retrofit, and debt service, the total net operating income from the project will be approximately \$813,419, with an annual cash flow of only \$516,922. Note that this is before debt service. Net cash flow from the property as a whole is negative, with cash investments in the negative throughout the period to fiscal year 2032, as demonstrated by the cash income statement on pg. 8 of Exhibit 6 (Construction Cost Estimate and Financial Model for Re-Use of Historic Buildings, Hugh Construction, November 2022).

Considering this alternative program, the Johnson Economic Study dated Nov. 2, 2022 analyzed the potential returns as follows:

"Renovation of the site for lodging uses would require a significant investment in restoration to bring the structure into conformance with current code. The estimated current costs to develop this program is just under \$20 million in current dollars (excluding acquisition), with an overall cost of roughly \$25 million. The projected net operating income at stabilization is estimated at \$580,500, representing a 2.3% return on cost."

"The estimated capitalization rate for this type of project is likely in the 6.5% to 7.5% range. Assuming a 7.0% cap rate, the estimated value of the project would only be \$8.3 million in this configuration, roughly a third of estimated costs.

While the assumptions may shift, renovation of the current structure for retail and hotel space is highly unfeasible."

"Renovation of the structure does not provide the owner with a "reasonable economic use". There would be no expectation that the property owner or a rational developer would pursue this project as a renovation."

The upshot of the above discussions is that there is no rational economic value to a rehabilitation and re-use case for the buildings.

FINDING: The focus of this criterion is on the "economic use of the historic resource", the proposed action, and "their relationship to the historic resource preservation or renovation." Nothing about this criterion contemplates ensuring the owner the highest and best use or the greatest economic anticipated return on their property. Rather, the focus is on whether the proposed demolition is "reasonable" given the current and projected economic use. Although it would not be "reasonable" to put money into improvements that are unlikely to realize a return, the Historic Landmarks Commission disagrees with the applicant's assumptions that serve to foreclose other preservation options. For example, in its current condition, the building is safe to occupy, functions and is able to generate an economic use just as it has

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

for generations. The applicant's desire for greater profit does not make the existing economic use in its historic condition unreasonable.

The Historic Landmarks Committee also disagrees with the applicant's premise that restoration, including a full seismic upgrade, is the only reasonable alternative for preservation or that the "do nothing" option necessarily means making no capital improvements or changing the use in order to generate greater revenue as a reasonable commercial owner might do. All parties agree that the popularity of NE Third Street in attracting and accommodating tourists has transformed this area in recent years, making these properties more valuable. It is likely that this popularity, as a direct result of preserving the unique character of an intact historic district, will continue. This natural pace of development suggests that rents in this area will continue to increase. The fact that owners are making choices to rehabilitate their Third Street historic structures, particularly properties that are adjacent to this property, suggests that such restoration is profitable and therefore, "reasonable." The Committee also notes that there are likely alternative uses or less expensive design changes that may alter the profit margins that should be considered before concluded that the historic resource has no economic use.

Further, although there may be some cost in building out the space converting from office to tourist-focused uses, those same costs affect any building owner within the Historic District equally and do not justify demolition in this particular case. The rehabilitation cost includes seismic retrofitting, which the Committee finds is not a necessary cost to rehabilitation. The only structural deficiency noted by the applicant's expert, including rotten ends of roof or support trusses, can be repaired and it is not clear how much of the \$11 million dollars relates to that particular repair over other restoration expenses. Moreover, the applicant's expert economics analysis does not disclose how much the applicant expended on building maintenance and interior upgrades in the past so that the Committee can determine how much of these repairs are the result of deferred maintenance. Evaluating economic reasonableness with respect to preservation alternatives requires some evaluation of the lengths to which a property owner tried to protect the value of its investment over time.

In conclusion, the Historic Landmarks Committee was not convinced that the only reasonable economic choice was demolition. There may be less expensive and more profitable alternatives that would include preservation of the existing structure. For this reason, this criterion is not satisfied.

17.65.050(B)(3). *The value and significance of the historic resource;*

APPLICANT'S 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

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

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 619 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

619 NE Third 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.”

FINDING: 619 NE Third Street was designated on the City's HRI and the National Register of Historic Places as a secondary significant resource for its contribution to the Historic District. As explained above, this was based on the time of building construction, its contribution as a garage as well as the largely intact parapet. Although the first floor has been remodeled, the building still conveys these historic circumstances, making it worthy of saving.

Demolition of this building alone, and when coupled with the other two proposed for removal, would create the first (and only) block along Third Avenue to have no contributing historic structures. Allowing demolition of this building would erode the historic integrity of the District as a whole.

For these reasons, the Historic Landmarks Committee finds that the historic value and significance of the resource does not support demolition.

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- Attachment 1:* Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)
- Attachment 2:* Department/Agency Comments
- Attachment 3:* Public Testimony

17.65.050(B)(4). *The physical condition of the historic resource;*

APPLICANT’S RESPONSE (Original Application): 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.

HHPR 's Existing Building Summary identified a number of structural issues with these buildings, which are explained in detail below. Its general conclusions are that the buildings need significant work soon: "If we were in a position to advise the building owner, we would recommend that these items be addressed in the very near future." Exhibit 2 (Existing Building Structural Summary, HHPR, November 6, 2022). This is just to get the building back to something resembling their original design structural capacity. All have significant structural issues. For example, the 609 Building has a major truss that must be replaced. The 611 Building has load-bearing laminated beams that have been cut. Most of the roof trusses in the 619 Building are rotten where they intersect the party wall along the 611 Building. All of these conditions must be addressed.

The buildings are also all constructed of unreinforced masonry. Exhibit 2 (Existing Building Structural Summary, HHPR, November 6, 2022) provides a detailed literature review explaining why seismic reinforcement of these buildings is advisable, and concludes as follows:

"Like other similar URM buildings, the three buildings under review in this report would have the potential for similar failure points. Generally, these failure points could be attributed to the lack of ductility associated with URM construction and the lack of positive connections between the floor and roof framing and the walls of the structure. The anticipated failure points could be:

- In plane shear failure of the URM walls
- Out of plane bending failure of the URM walls
- URM walls pulling away from the roof or floor framing resulting in roof or floor collapse

Given their higher risk profile, URM buildings represent a unique and complicated challenge to the structural engineering community, to the building owners and to the community at large."

It is important to recognize that any significant changes to these buildings (such as significant tenant improvement) would likely trigger seismic retrofit to some degree. This is a likely scenario, for example, if the upper floors of the 609 and 611 Buildings are put back into use and qualify as an "alteration." Also, changes in occupancy and structural alterations (such as those required to address the buildings' identified structural problems) would likely trigger additional upgrades under the Existing Building Structural Code, as adopted by the State Building Codes division.

The costs of such upgrades are likely infeasible for these buildings in their current occupancy; as explained by the Western States Seismic Policy Council, "upgrading existing buildings to resist

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

earthquake forces is more expensive than meeting code requirements for new construction." <https://www.wsspc.org/public-policy/legislation/oregon/>. This is also demonstrated by the memorandum provided by Mr. Higgins (Exhibit 7, McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022), which demonstrates that such improvements are not financially feasible.

The physical condition of certain building elements-particularly those from the historic period of significance-is provided in the HRA. Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022). However, the HRA does not characterize the general condition of the buildings as a whole. The physical condition of the building is explained below:

619 NE Third Street: Exhibit 1 (Historic Resources Assessment, Architectural Resource Group, November 2022) notes that the roof and signage are in good condition, but identifies a number of issues:

- o "The original white brick of the attic story/parapet remains, although it has been painted. Original unpainted white brick remains visible at the corner of the east elevation. Significant areas of brick cracking and displacement were observed in the attic story at the southeast corner of the building.
- o Little remains of the original building materials at the ground floor. The original brick mould at the westernmost opening remains, although the opening has been infilled with a new door."

The HPR Existing Building Summary (Exhibit 2, Existing Building Structural Summary, HPR, November 6, 2022) identifies the following structural deficiency in the building:

"The bearing points of the trusses are deteriorated along the west wall and supplemental support has been framed under the trusses. This condition exists at the connection to the 611 Building and is the result of water penetration along the north south valley between the building."

Exhibit 2 also notes that there is cracking in the brick facade along the south exterior elevation.

HPR 's initial structural review of the building, dated July 29, 2022 (Exhibit 3), identified the following issues:

- o "The bearing points of the trusses are deteriorated (rotten) along the west wall and supplemental support has been framed under the trusses.
- o This condition exists at the connection to the 611 Building and is the result of water penetration along the north south valley between the building.
- o The brick and mortar at south elevation show signs of deterioration and diagonal cracks along the mortar lines.
- o The east wall exterior has significant deterioration and is exposed due to the separation between the 619 Building and the recently constructed building to the east."

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

The July 29, 2022 HHPR report describes the general condition of the buildings as follows:

- o "Each of the three buildings has portions of brick wall that are in poor condition that would require significant work to remediate including new mortar and the replacement of bricks.
- o Each of the three buildings has portions of the roof structure that are rotting and are in poor condition. While it may be that the roofing has been repaired, it does not appear that in certain areas the supporting structure has been repaired. These areas also coincide with areas of the brick wall that are in poor condition
- o The most southern roof truss in the 609 Building has a top chord node that is out of plane by over 6 inches. This represents a significant structural concern and should be evaluated further with possible remedial actions should the building remain. The remedial action includes installing a new girder and columns to support the truss thereby removing mezzanine and roof loading from the truss
- o The removed floor beams distributing roof load in the 611 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain.
- o The rotting bearing points of the roof trusses in the 619 Building represent a significant structural concern and should be evaluated further with possible remedial actions should the building remain."

Based on the information provided in Exhibits 1 (Historic Resources Assessment, Architectural Resource Group, November 2022), 2 (Existing Building Structural Summary, HHPR, November 6, 2022), and 3 (Documentation of Existing Building Structures, HHPR, July 29, 2022), the general condition of the buildings is best characterized as poor or marginal at best, depending on the proposed use case. While the buildings are not "dangerous" (which condition would require removal of the existing tenants), it is clear that significant work must be undertaken to ensure these buildings' future preservation, even if they are not seismically upgraded. Bear in mind that this is the requirement for continued use of the buildings for ground-floor retail or limited-occupancy offices; any more intensive uses will require substantially more structural upgrades. It is also important to note that, under both state and local criteria, the buildings need not be considered "dangerous" in order for their condition to be a major factor in allowing their demolition.

FINDING: The applicant argues that the combination of structural issues associated with a lack of building maintenance and investment and the structural costs of reinforcing unreinforced masonry buildings is a significant cost burden for a one or two-story building to overcome. And the city concurs. However, unreinforced masonry buildings are rehabilitated all of the time and lack of maintenance should not be justification for demolition of a historic resource.

The physical condition of the building is not a stand-alone reason to allow demolition of the property however it is part of a collective consideration. The Historic Landmarks Committee finds that the applicant's structural evaluation, including painted brick, mold and some deterioration at the bearing points of roof trusses, are not physical conditions that are uncommon to historic buildings or

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Attachment 1: Application and Attachments (Provided August 9, 2022)
 Supplemental Materials (Provided November 4, 2022)
 Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

circumstances that are so extreme as to justify demolition rather than restoration. Further, the record does not reflect what steps the owner has taken to protect the building and avoid demolition by neglect, which the Committee finds is directly relevant to evaluating how a building's poor physical condition might serve as a basis for demolition.

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

APPLICANT'S 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.

FINDING: The historic resource is not a hazard to the safety of the public.

17.65.050(B)(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;*

APPLICANT'S 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
- 67 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.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

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.

APPLICANT SUPPLEMENTAL RESPONSE (November 4, 2022): As noted in the land use application narrative dated August 6, 2022, the MAC-Town 2032 Economic Development Strategic Plan includes several relevant goals. The application to these goals focused on the potential of the proposed new Gwendolyn Hotel to implement the MAC-Town 2032 Plan.

Per staff’s request, these addition responses focus on how the existing buildings could, or could not, implement the Plan.

Goal 6 : Be a leader in hospitality and place-based tourism

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.

[...]

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Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

Following the adoption of the MAC-Town 2032 plan, the City revised its off-street parking and site landscaping requirements to exempt large portions of downtown, allowing more efficient use of the limited area in the downtown core.

Staff does not dispute that the current 1- and 2-story buildings do not represent the highest and best use of the site. The C-3 zone is applied to downtown McMinnville and other commercial areas, and includes a height allowance of 80 ft. The zero setback requirements, off-street parking exemptions, and landscaping exemptions encourage buildings that occupy the entire site. The proposed development will intensify the use of the corner of NE Third and Ford streets and will offer the highest and best use for the site under current zoning regulations.

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.

“Hospitality” generally includes housing and entertaining visitors, including lodging, food and drink, and activities. Likewise, “local opportunities” typically refer to available properties with willing sellers.

The proposed development includes hotel, restaurant, and retail uses, as well as a rooftop deck and lap pool. The rooftop space will be available for rent for special events and gatherings, filling an identified need in downtown McMinnville.

The existing buildings are available for sale by willing sellers. They do not currently include hospitality uses and cannot be upgraded to accommodate them without triggering substantial seismic and building code upgrades.

As noted in Attachment 6, upgrading the buildings to add 13 hotel guestrooms would cost almost \$25 million, which is not financially feasible. The building could be converted to a wine tasting or food service use, which would trigger the same seismic and building code upgrades noted above and would provide even less income.

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.

The current buildings include small meeting areas to serve the tenants. They do not include conference space or lodging for conference attendees. In order to accommodate conference space, the existing uses would need to be removed or downsized.

APPLICANT SUPPLEMENTAL RESPONSE (December 15, 2022): The HLC can find that this factor favors demolition for the following reasons.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

*Attachment 1: Application and Attachments (Provided August 9, 2022)
Supplemental Materials (Provided November 4, 2022)
Supplemental Materials (Provided December 15, 2022, and December 19, 2022)*

Attachment 2: Department/Agency Comments

Attachment 3: Public Testimony

- As explained in detail in response to OAR 660-023-0200(8)(a), the buildings are listed as contributing to the district primarily due to their dates of construction. All appear to have been constructed (or at least re-constructed) for use as automobile garages and a car dealership and, in the case of the 609 Building, a gas station. The buildings were designed and adapted to this purpose. The buildings have each lost at least half of their historic facades (indeed, the 609 Building has lost its entire original facade), and the upper floors of the 609 and 611 Buildings are unoccupied and have few remaining interior historic finishes. Remaining historic features generally include some window casings on the 609 Building, the parapets on the 611 and 619 Buildings, and some interior features. Otherwise, their remaining characteristics are simply their masses and structural elements. For this reason, their historic value is low after having been substantially compromised prior to establishment of the Downtown Historic District.

There is no evidence that any of these buildings are connected with important historical events. While the 609 Building was built by McMinnville resident Frank W. Fenton, Mr. Fenton was a developer and built several buildings, and there is no evidence that he made personal use of the building for long, if at all. And, this building does not resemble at all its original exterior during the period in which Mr. Fenton might have made use of it. There is also no evidence that these buildings served as community gathering spaces during their periods of historic significance.

Based on the above, the public interest in preservation of these buildings is confined to the fact that they are listed as contributing structures within the Historic District. There are no other factors that reasonably weigh in favor of preservation. On the other hand, they are not remarkable in relation to the other contributing buildings within the Historic District and they retain very little of their respective historically-relevant features, most of which have been covered with stucco or removed. For all of the above reasons, the HLC can find that the public interest in their preservation is low.

- The buildings will require substantial structural repairs to continue to be used for the limited retail and office uses they have been used for since the establishment of the Historic District. Seismic retrofit of the buildings is unaffordable if their current configuration is maintained, and there is no positive return on investment if they were to be rehabilitated for use as a hotel.
- As explained in the HRA, the primary historical value of these buildings is their location, massing, and roof configuration. Assuming that the buildings' massing must be retained for that reason, no owner will be able to meaningfully intensify their uses. This is a further headwind against any substantial repair or seismic upgrade. Therefore, the economic value of the buildings to the City is represented by their current uses, with a Current Market Value of \$1,250,150 for all three buildings, collectively. Exhibit 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022). This is less than the combined assessed value of the buildings, noted below. Even excluding debt service obligations and tenant improvements, the collective market value of the buildings is only \$2,230,066. On the other hand, the projected market value of the Gwendolyn after construction and occupancy in FY 2025 is roughly \$64M after an

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investment of approximately \$61 M. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

The combined assessed value of all three buildings in 2022 is \$1,793,470; at a combined rate of 16.4925 these collectively generate roughly \$29,500 in annual property tax revenue, with roughly \$10,670 of that amount going to the City of McMinnville. Exhibit 9 (2022 Tax Statements). Assuming a standard rate (non-historic) of 16.5854, property taxes after completion and occupancy of the Gwendolyn in 2025 would be \$327,917. Exhibit 10 (The Gwendolyn Financial Pro-Forma, December 15, 2022).

Construction of the Gwendolyn will be a significant draw to McMinnville's downtown, increasing traffic to businesses within the Historic District. Given that this will increase the value of the other buildings in the Historic District, construction of the hotel is likely not only a benefit to the City from a financial perspective, but also a long-term benefit to the district itself. According to the Nov. 2, 2022 Johnson Economics Report, "[t]he proposed new hotel would provide significant economic value on the site, supporting the ongoing positive investment patterns in downtown McMinnville. Keeping the existing structures would effectively preclude new investment on the site, and result in underutilization of the parcels while yielding no economic return.'

- For the above reasons, the HLC can find that the proposed Gwendolyn Hotel is an "an improvement program of substantial benefit to the City." Preservation of these buildings presents a substantial barrier to this program because these buildings must be removed to allow for construction of the Gwendolyn, because they have little to no economic viability for adaptive re-use, and because their value under their current use case is miniscule compared to the proposed development. It is also worth considering that the value of the buildings is likely to decline even in their current or similar tenancies unless structural repairs are made; as explained above, such repairs are likely not financially rational without a more intensive use case for the buildings, which itself may trigger seismic upgrades.

FINDING: The Historic Landmark Committee finds that, although the Gwendolyn Hotel would further the economic development interests identified in the Comprehensive Plan, the subject property is not the only location in which to accomplish these objectives. For example, there are non-contributing and/or non-historic structures on the corner of Galloway Street and NE Third Street that might be able to accommodate a hotel with many of the high-end luxury accommodations that the applicant seeks. Further, there are other uses that could be accomplished within the existing structures that would move the needle in attracting tourists and greater businesses downtown. The Historic Landmarks Committee notes that it received dozens of statements from residents expressing a desire to see these buildings preserved which serves as substantial evidence that there is a strong interest in seeing these buildings preserved and the significance of retaining the historic integrity of the district.

For these reasons, the Committee finds that denying this demolition request is not a deterrent to achieving other public interest objectives.

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17.65.050(B)(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*

APPLICANT'S 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.

The public interest in the resource's preservation is not clearly articulated in any adopted document. However, the HLC can find that the public interest in preservation of these buildings is related to their ability to reflect their historical period of significance. As explained above, these buildings do so to only a limited degree because their facades have been largely replaced. Therefore, the public interest in their preservation should be viewed as reduced as compared to buildings that have not been substantially altered, and such interest is largely a factor of their year of construction.

The public interest in their preservation must necessarily include their ability to serve an economic function to McMinnville's historic Downtown. As explained above, the current economic viability of these buildings and their future prospects are poor. Adaptive re-use is not a realistic option because of the significant structural upgrades that would be required, and re-use of the buildings for the hotel use proposed by the Applicant is not economically feasible.

In view of both of these factors, the public's interest in these buildings' preservation seems limited at best, and low when compared to buildings in the District which have better future economic use prospects or better reflect their original appearance, or both.

The question posed by this criterion was directly evaluated in the Johnson Economics Report (Exhibit 5). This report concludes as follows:

"Keeping the buildings in their current use would negate the requirement to upgrade the structures but would also limit the amount of investment that could be made within triggering the requirement. The buildings have structural deficiencies and obvious deterioration that would need to be addressed prior to re-tenanting in any of the buildings.

Building the hotel above the existing structures would require a complete seismic upgrade of the structures, and new columns to support the hotel would need to penetrate the structures. The cost of this type of structure would be substantially higher than new construction and the resulting development would be significantly less efficient.

As a result of these myriad factors, the retention of the existing structures would cause substantial financial hardship to the owners. Based on our previous experience, the likely cost of the necessary improvements and upgrades would render the cost of space to likely be hundreds of dollars more per square foot than new construction. If the redevelopment was not done and the buildings were kept in their current use without significant upgrades, they would pose a life safety hazard and may not be insurable. The structures are depreciated to a point in which Investments in the structures would be unlikely over time as they would not yield an

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Attachment 3: Public Testimony

economic return. As a result the properties would be likely to face an extended period of declining condition and underutilization for the foreseeable future."

This conclusion is consistent with the other information discussed above, which generally demonstrates that the buildings are not likely to generate a meaningful return for Hugh Development with a current or similar tenant mix. This is reflected by the fact that the actual market value when accounting for debt service is actually less than the assessed value of the property. See Exhibits 7 (McMinnville Lease rates, 609, 611 and 619 NE Third, McMinnville, Phillip Higgins, November 2, 2022) and 9 (2022 Tax Statements).

For the above reasons, the HLC can find that retention of the buildings in their current configurations would not just be a financial hardship to the owner, but will likely result in the eventual degradation of the buildings to the point where demolition for safety reasons becomes increasingly likely. These practical headwinds against continued use of the buildings in their current configurations far outweigh the buildings' relative contribution to the objectives of the Historic District, as discussed above, and therefore outweighs the public's interest in preservation.

FINDING. The Historic Landmarks Committee disagrees with the applicant's premise in response to this criterion that "the public interest in the resource's preservation is not clearly articulated in any adopted document." First, Comprehensive Plan Goal III 2 requires that the "preserve and protect...structures...of historical, [or] architectural...significance to the City of McMinnville. This significance is well established by the HRI and the National Register designation documentation set forth in the record. This is not just the building's age, but its scale and roof in contributing to the overall district. The Historic Landmarks Committee further rejects the idea the public interest is not served in protecting this building, as well as the other two buildings for their contribution to the Historic District. Therefore, this criterion is not satisfied.

17.65.050(B)(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.*

APPLICANT'S 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.

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APPLICANT’S RESPONSE (December 15, 2022 Application). For the above reasons, the HLC can find that the retention of these three buildings would not be in the best interests of the citizens of the City. These reasons can be summarized as follows:

- The buildings do not reflect their appearance or use during their respective periods of significance.
- The building have few remaining residual historic features charactering the Historic District, aside from their masses, structural frames, and roof lines.
- The buildings have limited value under current uses.
- Current or similar uses are probably unable to generate sufficient value to repair the buildings.
- Adaptive re-use would require seismic upgrades and the buildings cannot be economically used for hospitality.

On the other hand, the economic opportunity for the Historic District presented by the proposed Gwendolyn Hotel far outweighs the limited benefits of building preservation, as discussed above.

Historic features identified by the HRA, such as belt courses and cornices, are emulated by the proposed architectural design of the Gwendolyn. Any moveable historic features of these buildings, such as windows, can be incorporated into the proposed building. The remaining characteristics of the buildings—their massing and roof line—can be easily documented with photographs.

For these reasons, the HLC can find that on balance, retention of these buildings would not be in the best interest of the City’s citizens when weighed against the benefits of the proposed Gwendolyn Hotel.

FINDING: Although the applicant relies on expert consultants to downplay the importance of the resource, the Commission findings that determining what is the “best interests of a majority of the citizens of the City is best represented by the testimony of those who testified which overwhelmingly favored denying this application. It is because these buildings retain the historic integrity that made them suitable for designation, communicate a historic significance of automobile culture that is not reflected in those designations and the claimed economic hardship particular to this owner is not established, the Commission finds that demolition is not in the best interests of the citizens.

17.65.070 Public Notice.

- A. *After the adoption of the initial inventory, all new additions, deletions, or changes to the inventory shall comply with subsection (c) of this section.*
- B. *Any Historic Landmark Committee review of a Certificate of Approval application for a historic resource or landmark shall comply with subsection (c) of this section.*
- C. *Prior to the meeting, owners of property located within 300 feet of the historic resource under consideration shall be notified of the time and place of the Historic Landmarks Committee meeting and the purpose of the meeting. If reasonable effort has been made to notify an owner, failure of the owner to receive notice shall not impair the validity of the proceedings*

APPLICANT’S RESPONSE: None.

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FINDING: SATISFIED. Notice of the Historic Landmarks Committee's consideration of the Certificate of Approval application was mailed to property owners located within 300 feet of the historic resource. A copy of the written notice provided to property owners is on file with the Planning Department.

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.*

APPLICANT'S RESPONSE: This submittal includes the required materials.

FINDING: SATISFIED.

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.*

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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;

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- 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).*

APPLICANT’S 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.

FINDING: SATISFIED.

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DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS OF THE MCMINNVILLE HISTORIC LANDMARKS COMMITTEE FOR THE APPROVAL OF A NEW BUILDING AT 609, 611 AND 619 NE THIRD STREET WITHIN THE DOWNTOWN DESIGN AREA

DOCKET: DDR 2-22 (Downtown Design Review)

REQUEST: Approval of the exterior design of a proposed new five-story hotel with ground floor commercial, an underground parking garage and an active roof deck, to be constructed on a property located within the Downtown Design Overlay District

LOCATION AND PROPERTY OWNER: 609 NE Third Street. Tax Lot R4421BC04500
Property Owner, Jon Bladine, Oregon Lithoprint, Inc.

611 NE Third Street, Tax Lot R4421BC04300
Property Owner, Jon Bladine, Bladine Family Limited Partnership

619 NE Third Street, Tax Lot R4421BC04201
Property Owner, Phillip Frischmuth, Wild Haven, LLC

ZONING: C-3 General Commercial (Downtown Overlay District)

APPLICANT: Mark Vuong, HD McMinnville LLC

STAFF: Heather Richards, Community Development Director

DATE DEEMED COMPLETE: September 7, 2022

HEARINGS BODY & ACTION: McMinnville Historic Landmarks Committee

HEARING DATE & LOCATION: September 29, 2022, 3:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 859 9565 0539, Meeting Password: 661305

Hearing continued to December 8, 2022, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 892 5565 1124, Meeting Password: 257277

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Hearing continued to January 5, 2023, 4:00 PM. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 831 7965 5545, Meeting Password: 725658. At the conclusion of this meeting, the record was closed to further testimony.

Meeting continued to January 26, 4:00 PM for Historic Landmarks Committee deliberation, a decision and adoption of written findings. In person at Kent Taylor Civic Hall 200 NE 2nd St and online via Zoom. Zoom Online Meeting ID: 885 9559 0268, Meeting Password: 925948.

PROCEDURE: An application for a Downtown Design Review is processed in accordance with the procedures in Section 17.59.030(A) of the McMinnville Municipal Code.

CRITERIA: The applicable criteria for a Downtown Design Review are specified in Section 17.59.040 of the McMinnville Municipal Code. In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated, but are to be undertaken in relation to all applicable land use requests.

APPEAL: As specified in Section 17.59.030(E) of the McMinnville Municipal Code, the Historic Landmarks Committee’s decision may be appealed to the Planning Commission within fifteen (15) days of the date written notice of decision is mailed. The City’s final decision is subject to a 120 day processing timeline, including resolution of any local appeal. The 120-day deadline is January 5, 2023. Per an email dated September 29, 2022 from Garrett H. Stephenson, the applicant requested a 70-day extension to the 120 day decision deadline. The 190-day deadline is March 16, 2023. Per an email dated December 1, 2022 from Garrett H. Stephenson, the applicant requested an additional 30-day extension for a total of 100 days added to the 120 day decision deadline. The 220 day deadline is April 15, 2023.

COMMENTS: This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Public Works; Yamhill County Planning Department; Frontier Communications; Comcast; Northwest Natural Gas; and Oregon Department of Transportation. Their comments are provided in this document.

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I. APPLICATION SUMMARY:

The applicant has provided information in their application narrative and findings (attached as Attachment 1) regarding the history of the subject site(s) and the request(s) under consideration. The Historic Landmarks Committee has found the information provided to accurately reflect the current land use request, and excerpted portions are provided below to give context to the request, in addition to the City's findings.

Proposed Project

Below is an excerpt from the application describing the proposed improvement program. The applicant would like to demolish the structures at 609, 611 and 619 NE Third Street and redevelop the property with a mixed-use hotel project that includes ground floor commercial amenities and dedicated underground parking for the project.

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 67 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.

(Application Narrative, page 3)

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Subject Property & Request

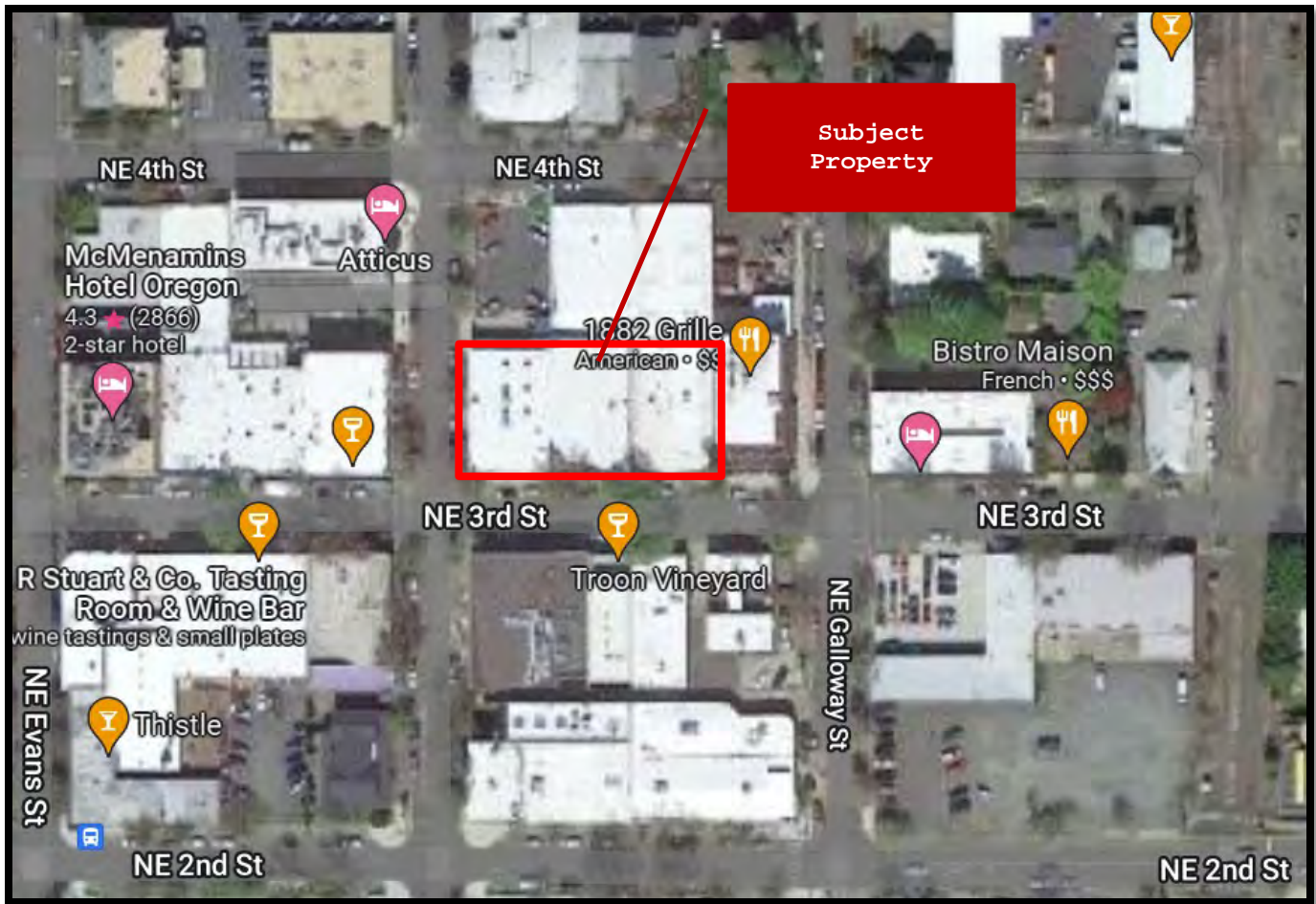
The subject property is located at 609, 611 and 619 NE Third Street. The property is identified as Tax Lots 4500, 4300, and 4201, Section 21BC, T. 4 S., R. 4 W., W.M.

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 on the southeast corner of NE 3rd Street and NE Ford Street. 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.

See Vicinity Map and Proposed Site Plan (Figure 1 and Figure 2) below, which identifies the approximate location of the development site in question.

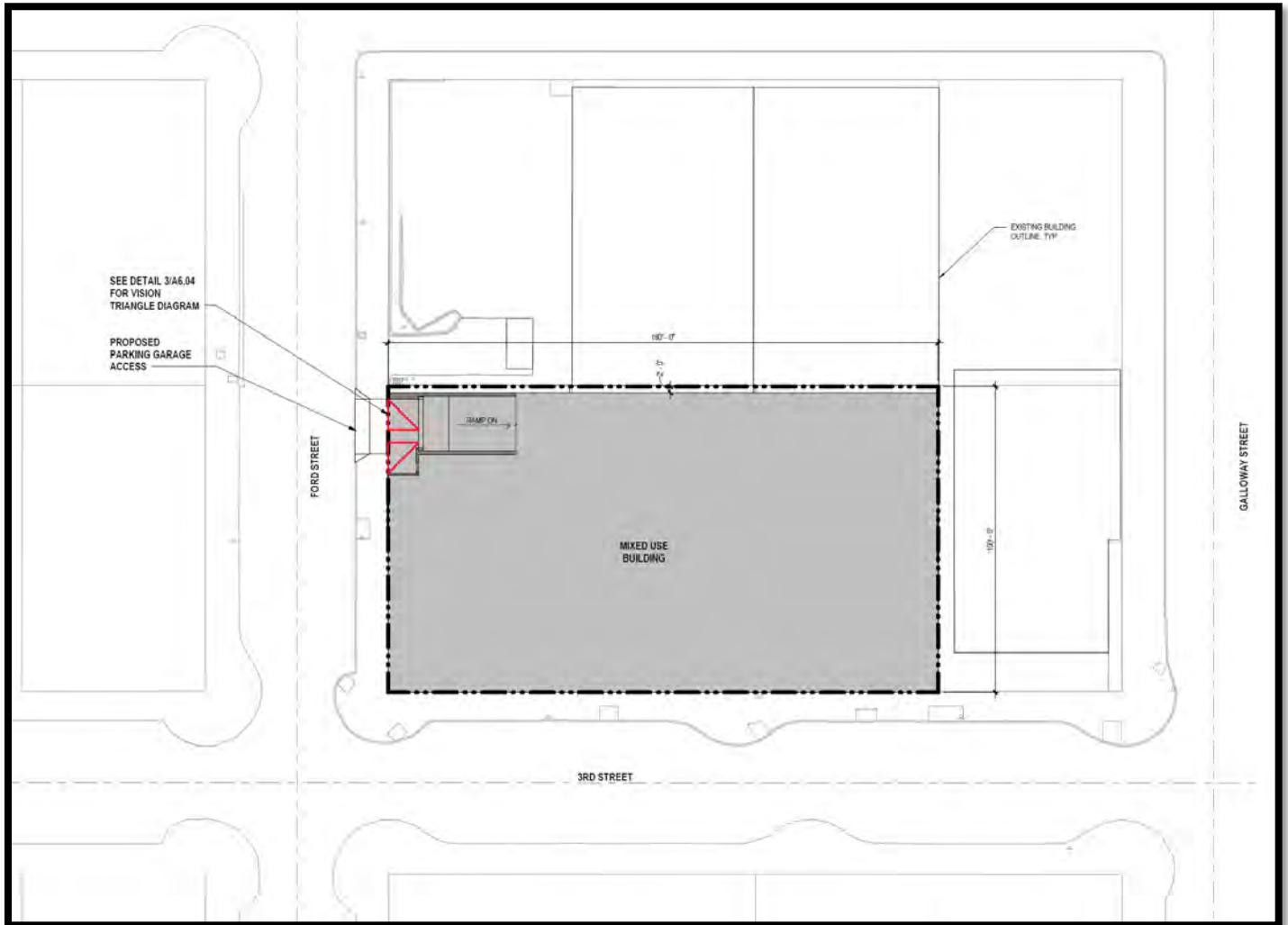
Figure 1. Vicinity Map (Approximate Development Site)



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Figure 2. Proposed Site Plan

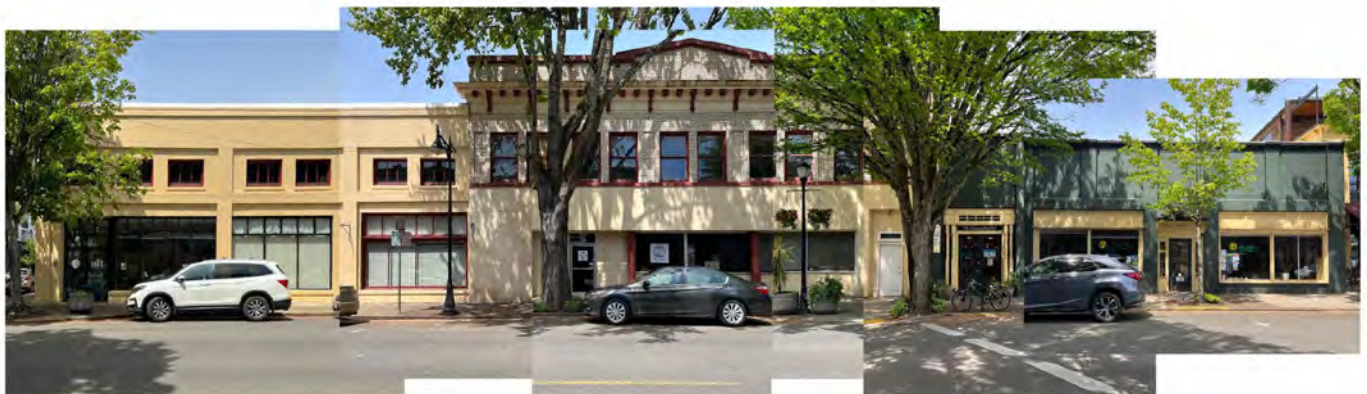
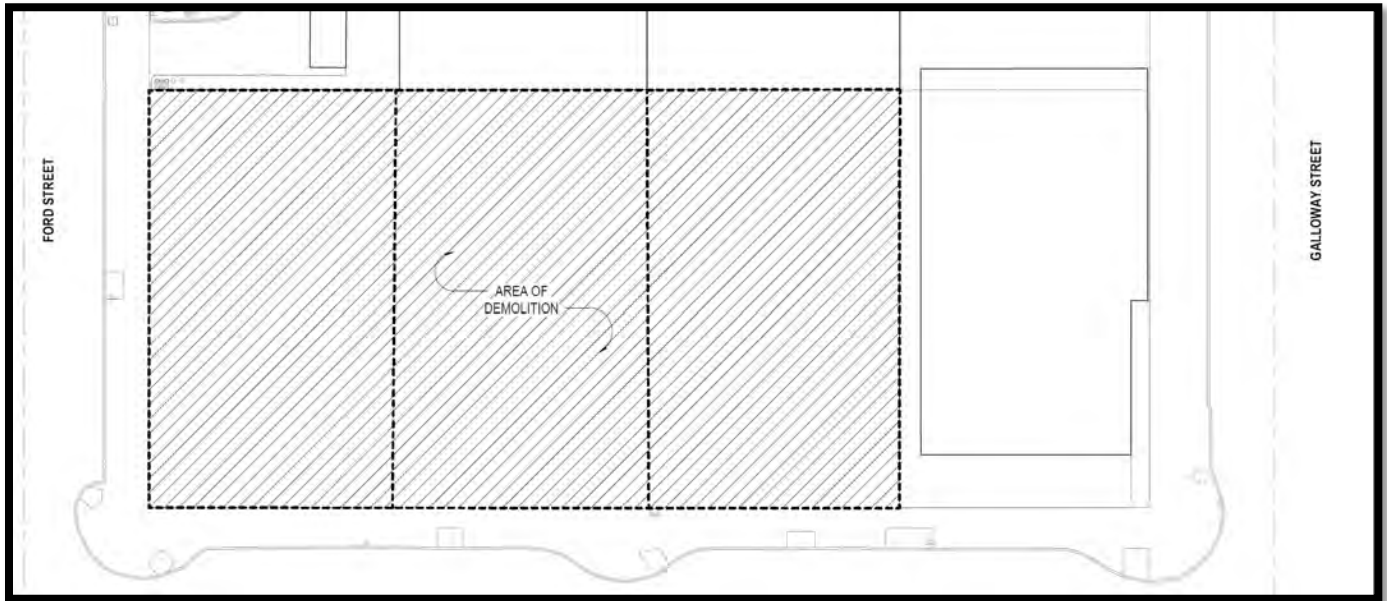


There are currently three structures on the properties. Each structure is listed on the McMinnville Historic Resources Inventory and is a contributing property to the Downtown McMinnville National Register of Historic Places District. The applicant has requested the consideration of three Certificates of Approval for the demolition of the structures at 609, 611 and 619 NE Third Street concurrently with this application. This application is contingent upon the successful approval of those applications, HL 6-22 (609 NE Third Street), HL 7-22 (611 NE Third Street) and HL 8-22 (619 NE Third Street). **Please see Figure 3 below.**

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Figure 3, Demolition Site and Historic Resources to be Demolished



The proposed project is a five-story building with ground floor commercial and retail space, four floors of hotel rooms (90-95 rooms), a roof-top deck and an underground parking structure (67 parking stalls). The building has a series of setbacks designed into the different floors to reduce height impact. The tallest point of the building is in the northeast corner where the elevator shaft is located for a total height of approximately 81 feet (the tallest roof is 73' 10" and the roof deck is 61' 6"). The total width of the building is 180 feet on the ground floor and 98 feet in depth on the ground floor. **Please see Figures 4 and 5 for exterior elevation renderings and series of floor plans.**

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Figure 4, Exterior Elevation Renderings



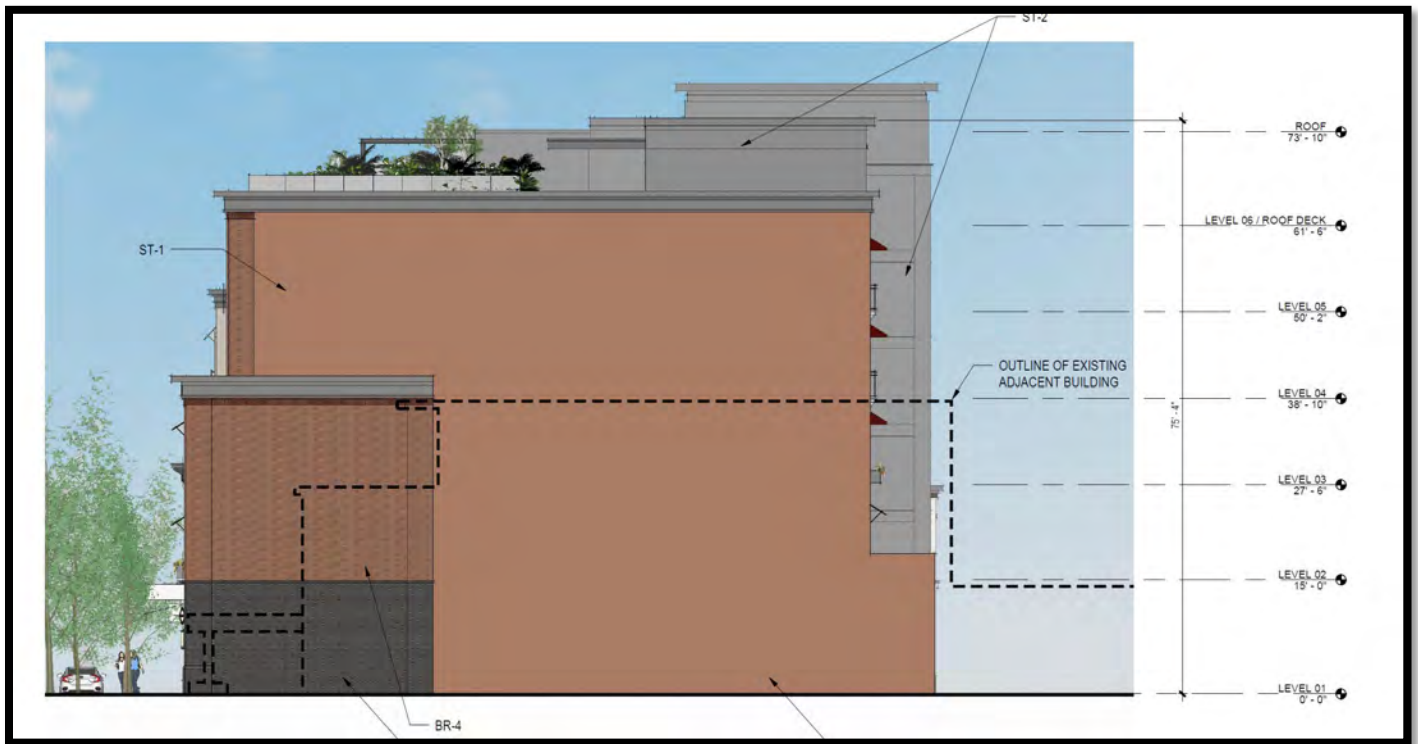
West Elevation Rendering



South Elevation Rendering

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East Elevation Rendering



North Elevation Rendering

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ENLARGED PARTIAL ELEVATION - 3RD STREET

SCALE: 3/16" = 1'-0"

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\)](#) - 609, 611 and 619 NE Third Street | [McMinnville Oregon](#) and on file with the Planning Department)

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AXONOMETRIC - CORNER OF 3RD AND FORD

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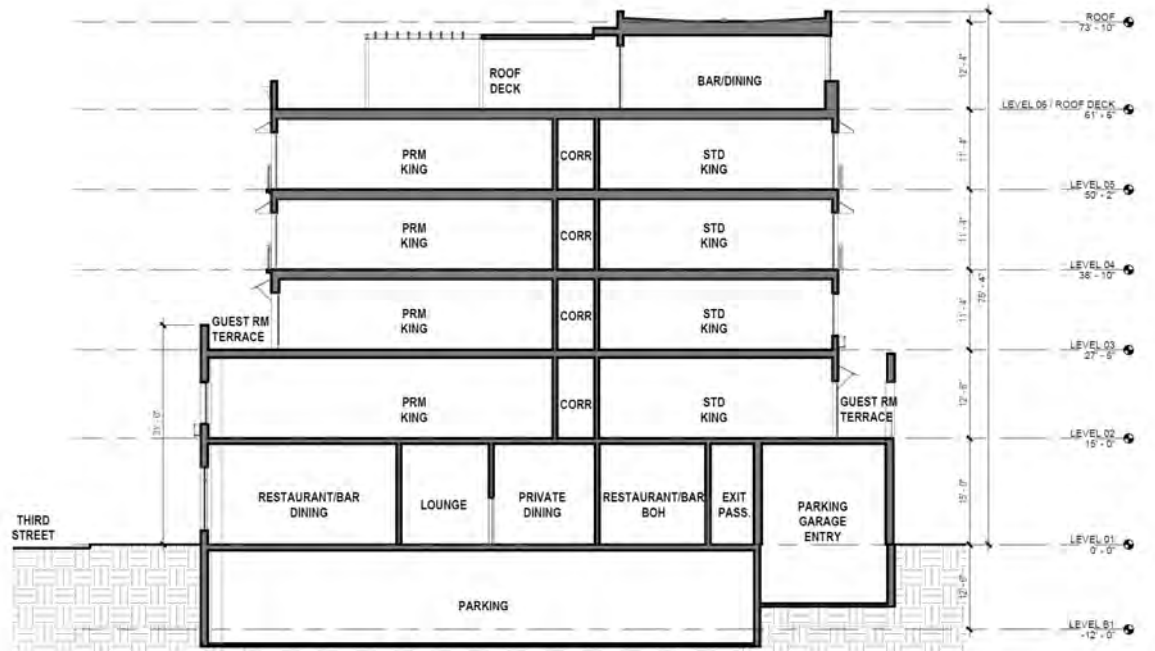
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East – West Section

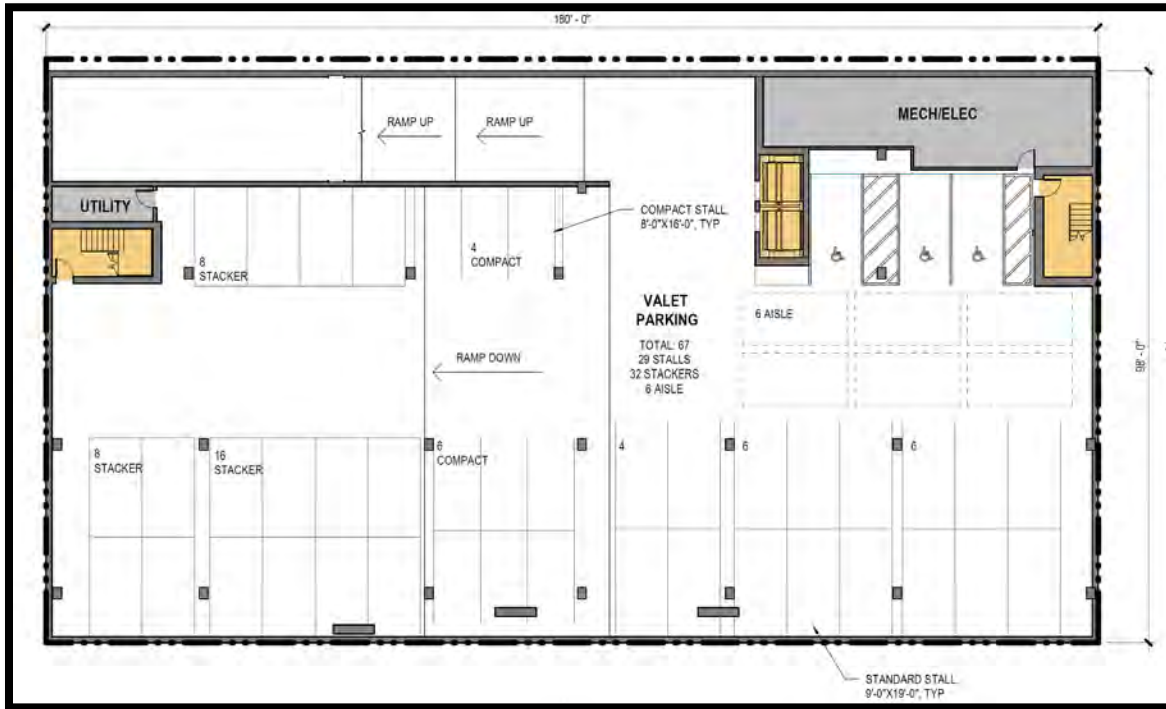


North – South Section

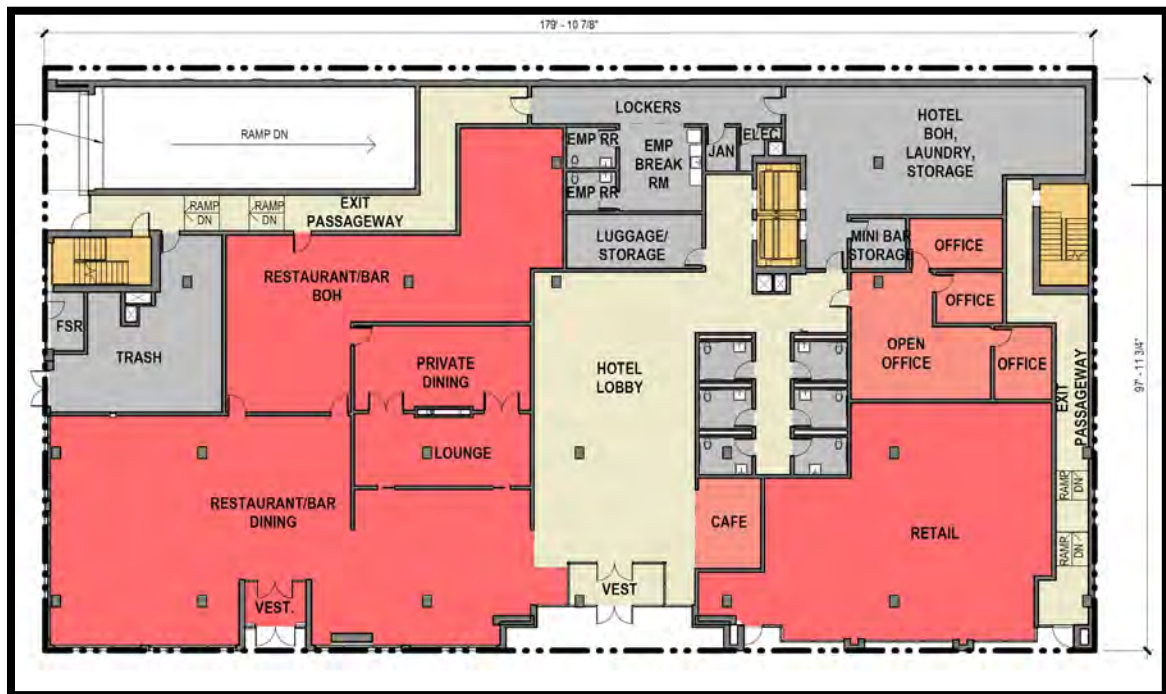
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Figure 5, Series of Floor Plans



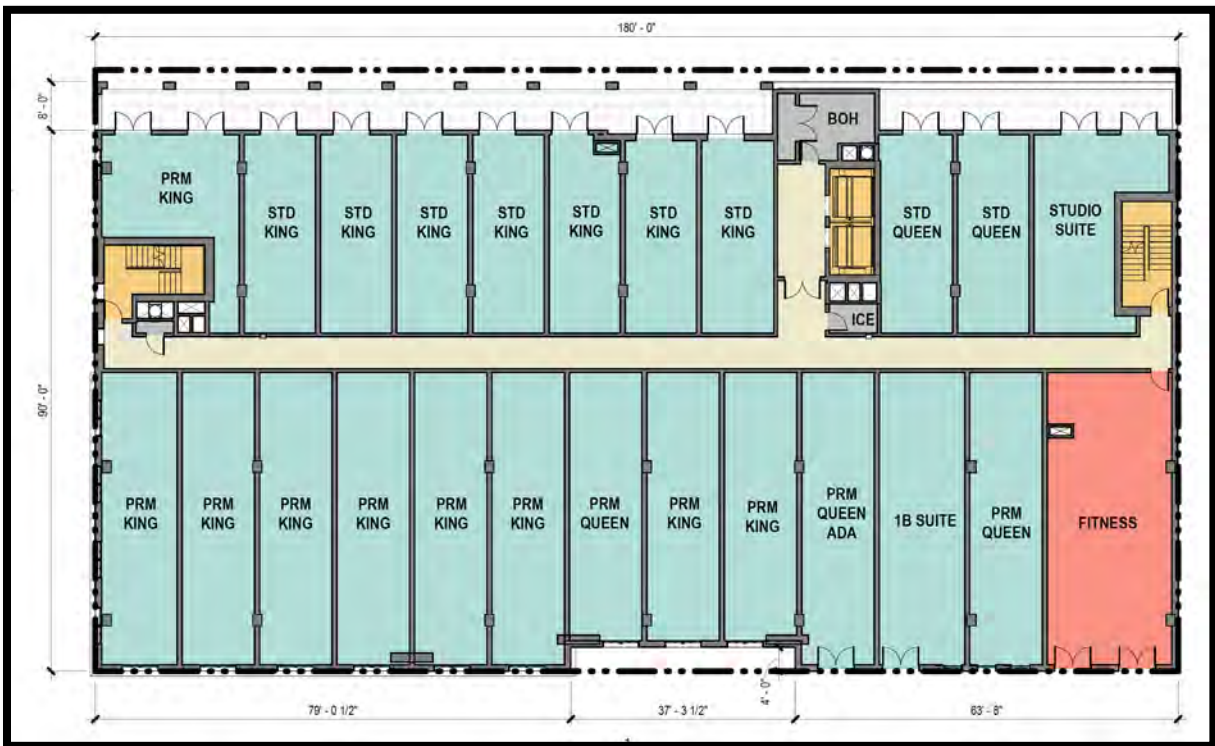
Basement – Underground Parking Structure



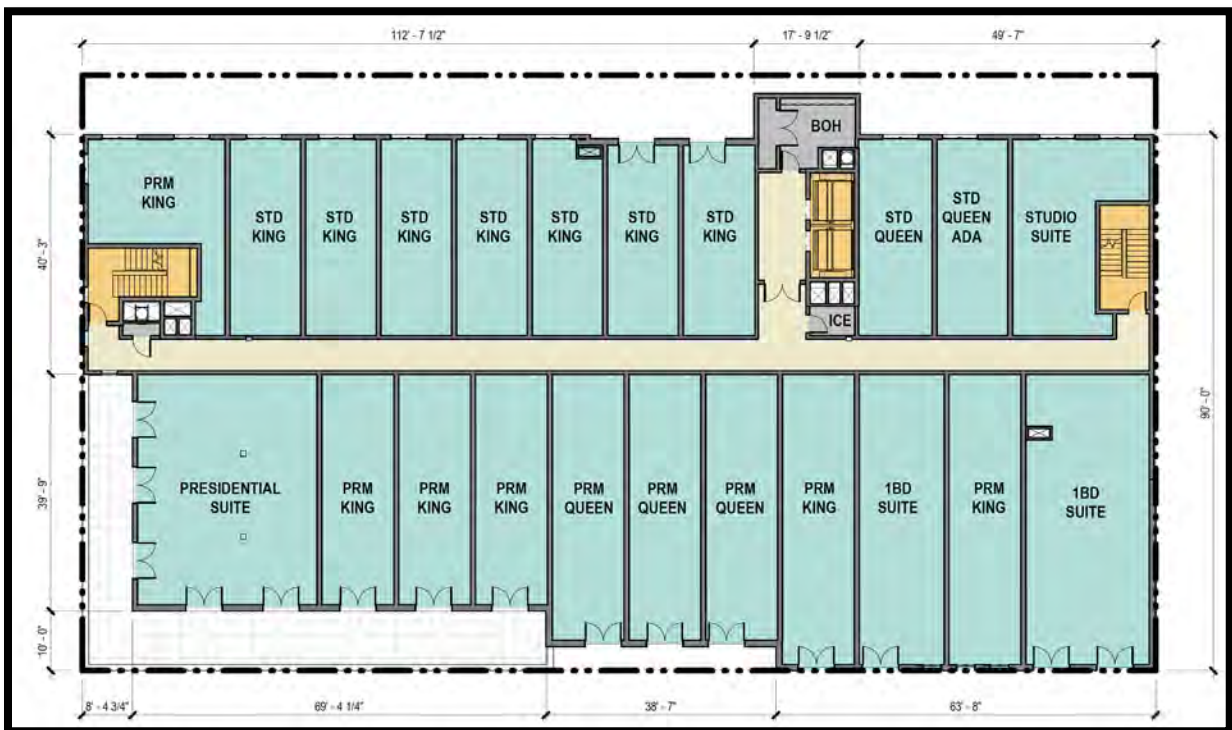
Ground Floor – Restaurant, Retail, Hotel Lobby

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\)](#) - 609, 611 and 619 NE Third Street | [McMinnville Oregon](#) and on file with the Planning Department)

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Second Floor – Hotel Rooms



Third Floor – Hotel Rooms

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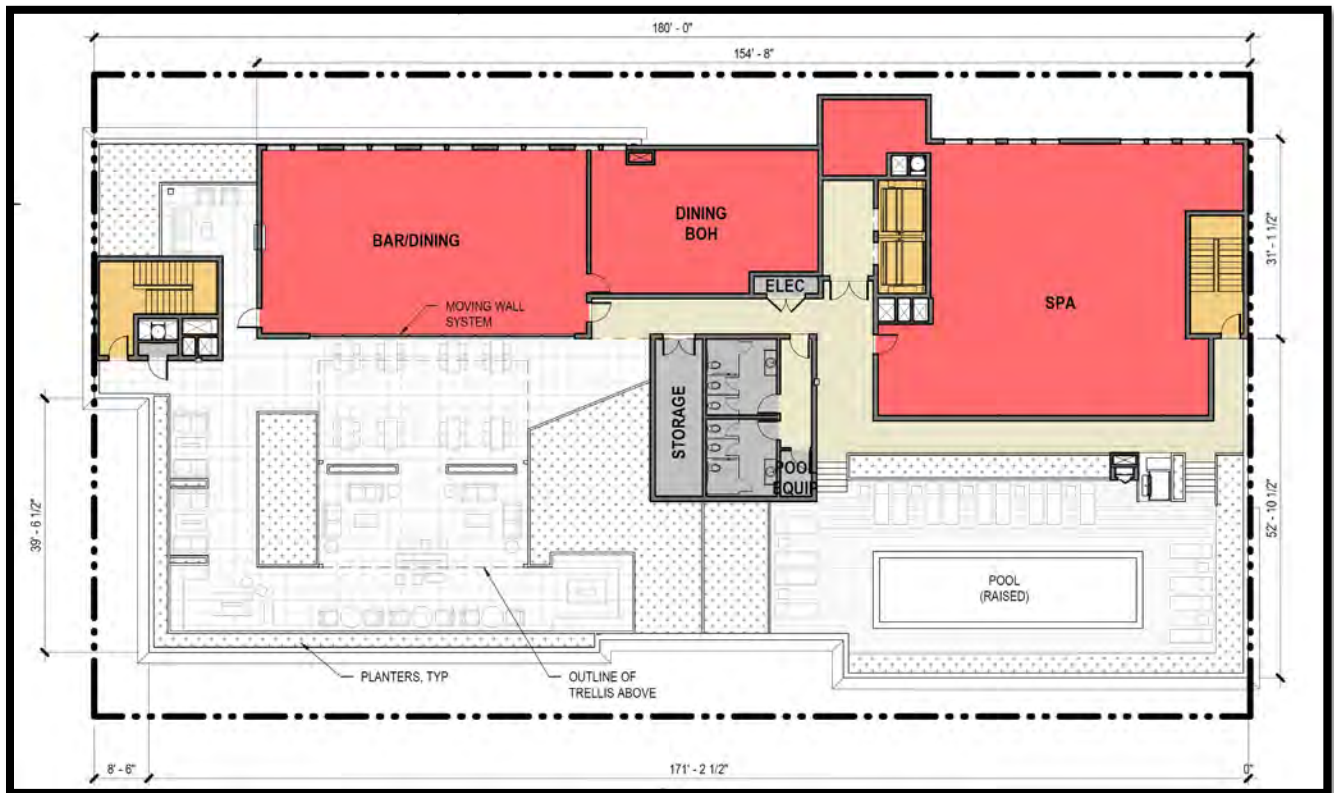
Fourth Floor – Hotel Rooms



Fifth Floor – Hotel Rooms

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Roof Deck with Pool, Spa and Dining

Summary of Criteria & Issues

This Downtown Design Review request was submitted for review concurrently with three other land use applications, as allowed by Section 17.72.070 of the MMC. The requested new construction is being reviewed concurrently with a Certificate of Approval for Demolition of a historic resource at 609, 611, and 619 NE Third Street. The Downtown Design Review request is being reviewed following the review and decision on the three Certificates of Approval for Demolition and is contingent upon those applications being approved.

The application (DDR 2-22) is subject to review criteria in Sections 17.33, 17.57, 17.59 and 17.60 of the McMinnville Municipal Code. The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

The applicant has provided findings to support the request for a Downtown Design Review approval. These will be discussed in detail in Section VI (Conclusionary Findings) below.

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II. ATTACHMENTS:

Due to size, the following documents are located on the project website at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and are on file with the Planning Department.

❖ **DDR 2-22 Application and Attachments**

Original Submittal (August 9, 2022)

- Application Form
- Application Narrative
- Project Structural Analysis
- Project Site Plan and Concept Drawings
- Traffic Impact Analysis
- Memorandum
- Neighborhood Meeting Materials

Supplemental Submittal (November 4, 2022)

- Architectural Plans
- DDR 2-22 OTAK Approvability Memorandum
- Contaminated Media Management Plan (October 13, 2022)
- Traffic Impact Analysis Addendum

Supplemental Submittal (December 15, 2022)

- Letter to City with Additional Findings
- Additional Findings (Exhibits 1 – 3)
- Additional Findings (Exhibits 4 – 10)

Supplemental Submittal (December 19, 2022)

- Supplemental Findings, DDR 2-22

❖ **Department/Agency Comments**❖ **Public Testimony****III. COMMENTS:****Agency Comments**

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas and Oregon Department of Transportation. The following comments were received:

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McMinnville Engineering Department**TRANSPORTATION**

Comments and/or conditions of approval related to transportation include:

1. ADA Sidewalk and Driveway Standards are now being applied to all new construction and remodels. These standards are intended to meet the current ADA Standards as shown in the "PROWAG" Design Guidelines. The standards can be found at the following webpage: <https://www.access-board.gov/files/prowag/PROW-SUP-SNPRM-2013.pdf> prior to final occupancy, the applicant shall construct new driveways and sidewalks in the right-of way that conform to these standards.
2. Study shows that queue lengths exceed storage length at the eastbound thru and westbound all of 2nd St at Baker St. Queue lengths also exceed storage lengths at the westbound thru and southbound left at the intersection of Johnson St/Lafayette St & 3rd St.

SANITARY SEWER

Comments and/or conditions of approval related to sanitary sewer service include:

1. The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.
2. Sewer Capacity may be an issue with the change of use of the property, the developer shall enter into an agreement with the City to perform a sewer capacity analysis. The cost of this analysis shall be born by the developer.

MISCELLANEOUS

Additional comments and/or suggested conditions of approval:

1. In the narrative, Part 4. B. Chapter 17.54.050 Yards part F. Response (Page 23) – 3rd St is listed as a Local Street. It is a Major Collector, please change to reflect the correct street classification.
2. Provide detailed plans for the parking structure, email correspondence has been provided by the developers engineer mentioning a possible encroachment into the city right-of-way for the structure of the underground parking. This needs to be reviewed prior to permit issuance.
3. Provide details for valet parking so the City can review the location and the size of the parking for approval prior to building permit issuance.
4. The engineering department will need to review building permit submittals that show in detail items that could be missing in the applications provided. These reviews will be prior to any issuance of building permits.
5. The Contaminated Media Management Plan dated July 20, 2022 is not included in this application. This is a key point of discussion and should be included in the application.

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6. CPP (Comprehensive Plan Policy): 2.00 “The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.”
 - a. The Applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city’s right of ways.
7. CPP 8.00 “The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.”
 - a. The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.
8. CPP 132.40.05 Conditions of Approval–In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:
 - a. Improvement of on-site transportation facilities,
 - b. Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards.
9. The Applicant shall demonstrate its demolition, excavation and onsite construction activities do not create safety concerns related to the DEQ LUST matter and its site and known polluted soil and water. Additionally, the Applicant shall demonstrate how its demolition and construction activities will improve the use of the city’s off-site transportation facility, including but not limited to underground facility uses.
10. CPP 132.46.00 Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010).
 - a. The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.
11. CPP 142.00 The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.
 - a. The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

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12. CPP 151.00 The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:

- a. Federal, state, and local water and waste water quality standards can be adhered to.
- b. The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

McMinnville Building Department

No building code concerns. Analysis of IEBC appears to be accurate and based on Oregon adopted code.

McMinnville Water and Light

Water: Please contact MW&L to turn off water meters and disconnect customer side of the meter – A16972894, C47575190 & A16972900 prior to demolition of property.

Power: Please contact MW&L to coordinate the removal of existing electric services prior to demolition. The Bindery Event space does not appear to have a dedicated electric service. There will need to be a provision for re-serving the Bindery Event Space with electricity during demolition.

Public Comments

Notice of this request was mailed to property owners located within 300 feet of the subject site on September 8, 2022 and notice of the public hearing was published in the News Register on Tuesday, September 20, 2022 and Friday, September 23, 2022. The following testimony has been received by the Planning Department.

- Email from Kira Barsotti, 09.16.22
- Email from Shanna Dixon, 09.16.22
- Email from Marianne Mills, 09.18.22
- Email from Megan McCrossin, 09.18.22
- Email from Courtney Cunningham, 09.20.22
- Email from Jordan Robinson, 09.20.22
- Email from Phyllice Bradner, 09.20.22
- Email from Victoria Anderson, 09.20.22
- Letter from Marilyn Kosel, 09.20.22
- Letter from Patti Webb, 09.20.22
- Email from Sylla McClellan, 09.21.22
- Email from Meg and Zach Hixson, 09.22.22
- Email from Sharon Julin, 09.25.22
- Email from Daniel Kiser, 09.27.22
- Letter from Carol Dinger, 09.28.22
- Letter from Carol Paddock, 09.28.22
- Letter from Katherine Huit, 09.28.22

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- Letter from Jeb Bladine, 09.28.22
- Letter from Practice Hospitality, 09.28.22
- Email from Kellie Peterson, 09.28.22
- Letter from JP and Ames Bierly, 09.28.22
- Memo from Nathan Coopriider, 09.28.22
- Email from Elizabeth Goings, 09.29.22
- Email from Abigail Neilan, 09.29.22
- Letter from Ilsa Perse, 09.29.22
- Email from The Scott Family, 09.29.22
- Email from Mande Tatum, 10.05.22
- Email from Crystal55dreams, 10.25.22
- Email from Peter and Linda Enticknap, 11.22.22
- Letter from Karen Saxberg, 11.17,22
- Letter from Jeb Bladine, 11.29.22
- Letter from Nathan Coopriider, 11.29.22
- Letter from Ernie Munch, 11.30.22
- Letter from Marilyn Kosel, 11.30.22\
- Letter from Nathan Coopriider, 1.3.23
- Letter from Carol Paddock, 1.3.23
- Email from Daniel Kizer, 1.3.23
- Email from Michael Kofford, 1.3.23
- Email from Paul Lusignan, National Park Service, 1.3.23
- Email from Ernie Munch, 1.3.23
- Email from Beth Caster, 1.4.23
- Letter from Ernie Munch, 1.5.23

IV. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. The applicant, Mark Vuong, on behalf of HD McMinnville LLC submitted the Downtown Design Review application (DDR 2-22) on August 9, 2022.
2. The application was deemed complete on September 7, 2022. Based on that date, the 120-day land use decision time limit expires on January 5, 2023.
3. Notice of the application was referred to the following public agencies for comment in accordance with Section 17.72.120 of the Zoning Ordinance: McMinnville Fire Department, Police Department, Parks and Recreation Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Recology Western Oregon, Frontier Communications, Comcast, Northwest Natural Gas, and the Oregon Department of Transportation on September 7, 2022.

Comments received from agencies are addressed in the Decision Document.

4. Notice of the application and the September 29, 2022, Historic Landmarks Committee public hearing was mailed to property owners within 300 feet of the subject property in accordance with Section 17.65.070(C) of the Zoning Ordinance on Thursday, September 8, 2021.

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5. A public hearing notice was published in the News Register on Tuesday, September 20, 2022, and Friday, September 23, 2022.
6. On September 29, 2022, the Historic Landmarks Committee held a duly noticed public hearing to consider the request.
7. At the public hearing on September 29, 2022, the Historic Landmarks Committee chose to continue the public hearing to December 8, 2022. The applicant requested to extend the 120-day decision deadline by 70 days.
8. On November 4, 2022, the applicant provided supplemental application materials based on the requests from the Historic Landmarks Committee.
9. On December 1, 2022, the applicant requested, with the concurrence of city staff, to continue the public hearing from December 8, 2022, to January 5, 2023, and to extend the 120-day decision deadline by an additional 30 days for a total extension of 100 days.
10. On December 8, the Historic Landmarks Committee continued the public hearing to January 5, 2023.
11. On December 15, 2022, and December 19, 2022, the applicant provided supplemental materials per the request of city staff.
12. On January 5, 2023, the Historic Landmarks Committee hosted a public hearing, closed the public hearing, deliberated, and instructed staff to draft written findings of denial consistent with its deliberation for consideration at its meeting on January 26, 2023.
13. On January 26, 2023, the Historic Landmarks Committee voted to deny this application based on the following written findings.

V. FINDINGS OF FACT – GENERAL FINDINGS

1. **Location:** 609 NE third Street, 611 NE Third Street (Third Street Frontage), 619 NE Third Street. The property identified as Tax Lots 4500, 4300 and 4201, Section 21BC, T. 4 S., R. 4 W., W.M.
2. **Size:** Approximately 20,000 square feet.
3. **Comprehensive Plan Map Designation:** Commercial
4. **Zoning:** C-3 (General Commercial)
5. **Overlay Zones/Special Districts:** Downtown Design Standards Area (per Section 17.59.020(A) of the Zoning Ordinance); Reduced Off-Street Parking Requirements Area (per Section 17.60.100); Reduced Landscaping Requirements Area (per Section 17.57.080).
6. **Current Use:** Office

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7. **Inventoried Significant Resources:**
 - a. **Historic Resources:** Historic Resources Inventory – Resource Number B859, B872, D876. Primary Significant Contributing property (609 NE Third Street), Secondary Significant Contributing Property (611 NE Third Street) and (619 NE Third Street) in the McMinnville Downtown Historic District.
 - b. **Other:** None
8. **Other Features:** There are no significant or distinguishing natural features associated with this property.
9. **Utilities:**
 - a. **Water:** Water service is available to the subject site.
 - b. **Electric:** Power service is available to the subject site.
 - c. **Sewer:** Sanitary sewer service is available to the subject site.
 - d. **Stormwater:** Storm sewer service is available to the subject site.
 - e. **Other Services:** Other utility services are available to the subject site. Northwest Natural Gas and Comcast is available to serve the site.
10. **Transportation:** The site is adjacent to NE Third Street, which is identified as a major collector in the McMinnville Transportation System Plan. Section 17.53.101 of the McMinnville Municipal Code identifies the right-of-way width for major collector streets as 74 feet. The right-of-way width adjacent to the subject site is only 60 feet, but the site is fully developed and within an area with historic buildings constructed up to the property line. Therefore, no right-of-way dedication is required during the course of development of the properties adjacent to NE Third Street.

VI. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application. The applicable criteria for a Downtown Design Review request are specified in Section 17.59.040 of the Zoning Ordinance.

In addition, the goals, policies, and proposals in Volume II of the Comprehensive Plan are to be applied to all land use decisions as criteria for approval, denial, or modification of the proposed request. Goals and policies are mandated; all land use decisions must conform to the applicable goals and policies of Volume II. “Proposals” specified in Volume II are not mandated, but are to be undertaken in relation to all applicable land use requests.

Comprehensive Plan Volume II:

The following Goals, Policies, and Proposals from Volume II of the Comprehensive Plan provide criteria applicable to this request:

The implementation of most goals, policies, and proposals as they apply to this application are accomplished through the provisions, procedures, and standards in the city codes and master plans, which are sufficient to adequately address applicable goals, policies, and proposals as they apply to this application.

The following additional findings are made relating to specific Goals and Policies:

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GOAL II 1: TO PRESERVE THE QUALITY OF THE AIR, WATER, AND LAND RESOURCES WITHIN THE PLANNING AREA.

2.00 *The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.*

APPLICANT RESPONSE: A draft Contaminated Media Management Plan (CMMP) that addresses all three properties was submitted as Attachment 1 in the supplemental submittals on November 4, 2022 (Contaminated Media Management Plan for 609, 611 and 619 NE Third Street, Evren Northwest, October 13, 2022). The CMMP is a requirement of the Prospective Purchaser Agreement between the Applicant and Oregon Department of Environmental Quality (“DEQ”). As a practical matter, former automotive shops and fuel stations are routinely redeveloped and there is nothing about these buildings that presents a unique risk. The draft CMMP requires removal and safe disposal of any contaminated media (i.e. soil or ground water), and recommends only standard protective measures to mitigate the limited identified risk of petroleum contamination.

This is sufficient to satisfy Goal II of the City’s Comprehensive Plan, which implements Statewide Planning Goal 6. Goal 6 requires that the local government establish that there is a reasonable expectation that the use for which land use approval is requested will also be able to comply with the state and federal environmental quality standards that it must satisfy to be built. *Hess v. City of Corvallis*, 70 Or LUBA 283 (2014). The City’s comprehensive plan does not address spoil contamination, and with respect to water, Policy 10.00 of the Comprehensive Plan provides that “The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area.” The Applicant’s ongoing work with DEQ through the PPA process is evidence not only that DEQ will provide sufficient oversight to ensure the safety of workers and the public, but also demonstrates that the Application will be able to comply with DEQ’s standards.

FINDING: SATISFIED WITH CONDITION OF APPROVAL. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST). The Lithoprint LUST site involves underground gasoline storage tanks that were removed in the mid-1980s. The tanks were located beneath the sidewalk on the east side of NE Ford Street, just north of NE Third Street. Some gasoline-contaminated soil was excavated during the tank removal, but further investigation indicated that soil contamination extended beneath the O’Dell Building, which is owned by Lithoprint and is adjacent on the east of the former tanks. Groundwater contamination originating at the former tanks’ location extends to the southwest beneath NE Ford Street, the Oddfellows Building across NE Ford Street on the west, and into NE Third Street. Soil and groundwater conditions associated with the LUST site have been monitored for the past 30+ years and contamination persists in both soil and groundwater at concentrations exceeding Oregon’s cleanup requirements. Lithoprint’s consultant produced a Supplemental Site Investigation Summary Report in June 2022 that does not contemplate redevelopment of the O’Dell Building and states:

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“Based on the current Site use, the primary potential risk exposure that was identified as being of potential concern is limited to construction worker exposure beneath the southwest corner of the O’Dell Building and in the vicinity of MW-4. This exposure would only present a potential risk if construction or excavation activities were undertaken without appropriate precautions. The potential for unacceptable risk to construction workers beneath the O’Dell Building is further limited by the fact that the building would need to be razed or excavation activities would need to be conducted within the existing building footprint for potential exposures to occur.”

This implies that if the building is razed and excavation occurs, there is a potential exposure that should be considered. The Supplemental Site Investigation Summary Report does not recommend whether additional remedial activities should occur if the O’Dell Building is demolished and allows access to contaminated soil. The Supplemental Site Investigation Summary Report should be expanded to consider the demolition of the O’Dell building.

On November 4, 2022, the applicant provided a Contaminated Media Management Plan for 609, 611 and 619 NE Third Streets dated October 13, 2022.

If approved, the following condition of approval would be necessary: The applicant must demonstrate how construction activities regarding known pollutants residing under the structures onsite will not negatively affect development onsite, and not negatively affect the adjoining properties, including the city’s right of ways.

- 8.00 *The City of McMinnville shall continue to seek the retention of high water quality standards as defined by federal, state, and local water quality codes, for all the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST).

If approved, the following condition of approval would be necessary: The Applicant must demonstrate that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.

- 10.00 *The City of McMinnville shall cooperate with the Oregon Department of Environmental Quality, the Mid-Willamette Valley Council of Governments, and other appropriate agencies and interests to maintain water quality and to implement agreed upon programs for management of the water resources within the planning area.*

APPLICANT RESPONSE: None

FINDING: SATISFIED WITH CONDITION OF APPROVAL. A Contaminated Media Management Plan (CMMP) was prepared for Oregon Lithoprint, Inc. on July 20, 2022, to address residual petroleum

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contamination that may be encountered in soil and groundwater in the vicinity of the Oregon Lithoprint site located at 609 NE Third Street due to a former Leaking Underground Storage Tank (LUST).

If approved, the following condition of approval would be necessary: The Applicant must demonstrate compliance with the Department of Environmental Quality and other appropriate agencies that its onsite excavation and building demolition activities do not degrade water quality in the area of the site, adjoining properties, the LUST site, the City’s Right of Way and downstream users and properties.

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.

APPLICANT 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

COMMERCIAL DEVELOPMENT

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.

APPLICANT 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

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measures. Action items within that goal identify additional high-quality hospitality offerings and additional conference space. Focus groups participating in MAC Town

GOAL IV 3: TO ENSURE COMMERCIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USE THROUGH UTILIZATION OF EXISTING COMMERCIALY 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.*

APPLICANT 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.

FINDING: SATISFIED. The proposed project maximizes the existing commercially designated lands by building a higher density commercial program on the site, which will also serve to revitalize the east side of Third Street that was identified as a redevelopment area in the adopted 2000 Downtown Improvement Plan.

25.00 *Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.*

FINDING: SATISFIED WITH CONDITIONS OF APPROVAL. Higher density commercial development in the city center utilizes existing infrastructure efficiencies. The following conditions of approval will need to be met to ensure that the existing infrastructure will support the development.

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If approved, the following condition of approval would be necessary: The applicant shall evaluate the existing sanitary sewer system onsite for defects that allow inflow and infiltration (I&I) of rain water into the sanitary sewer system. The city has an aggressive I&I program that specifically targets aging sewer laterals. Prior to the issuance of a building permit, the applicant shall revise the plans to show that the existing sewer laterals that serve the buildings, will be video inspected and any defects found in the lateral, will be repaired or replaced. Contact the City Engineering Department for further information and assistance.

If approved, the following condition of approval would be necessary: The applicant shall enter into an agreement with the City to perform a sewer capacity analysis. The cost of this analysis shall be borne by the developer. The developer will be responsible for any necessary improvements identified by the capacity analysis.

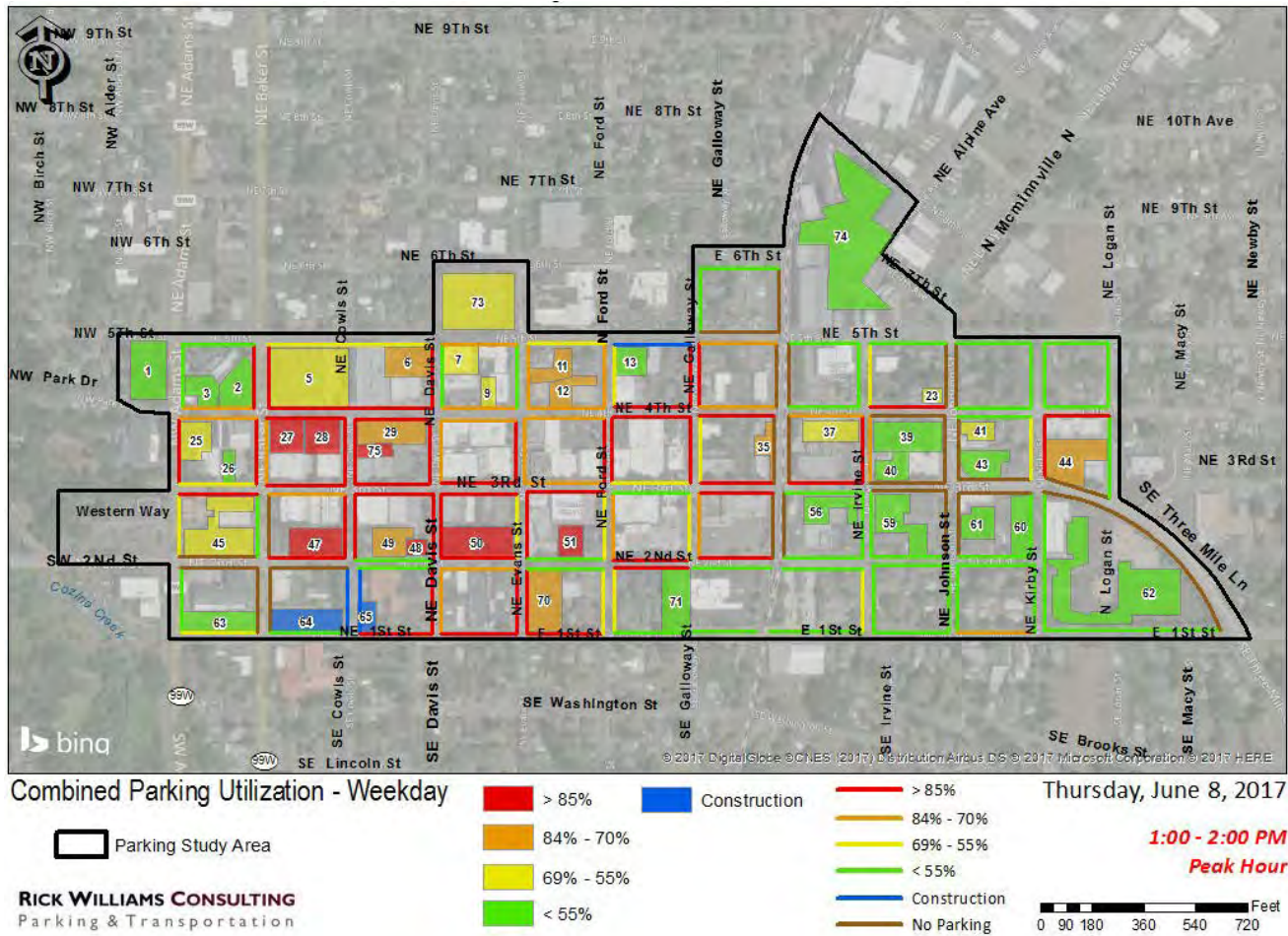
26.00 *The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.*

FINDING: SATISFIED. The replacement plan project will be located in the Central Business District. The Transportation Impact Analysis provided as part of the application indicates that all intersections studied perform within mobility standards with the project as developed. No mitigation measures were identified.

Parking in the core downtown area is limited. However, a utilization study conducted in 2017 identified that parking on Ford Street between 3rd and 4th Streets was maximized at the peak hour of a weekday. Although the McMinnville Municipal Code does not require the provision of off-street parking for new developments on this site, the replacement project is providing 67 off-street parking stalls in an underground parking structure.

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(City of McMinnville, Oregon, Downtown Strategic Parking Management Plan, March 27, 2018, page 17)

33.00 *Encourage efficient use of land for parking; small parking lots and/or parking lots that are broken up with landscaping and pervious surfaces for water quality filtration areas. Large parking lots shall be minimized where possible. All parking lots shall be interspersed with landscaping islands to provide a visual break and to provide energy savings by lowering the air temperature outside commercial structures on hot days, thereby lessening the need for inside cooling. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED WITH CONDITION OF APPROVAL. Although the McMinnville Municipal Code does not require the provision of off-street parking for new developments on this site, the replacement project is providing 67 off-street parking stalls in an underground parking structure.

If approved, the following condition of approval would be necessary: Provide detailed plans for the parking structure, email correspondence has been provided by the developers engineer mentioning a possible encroachment into the city right-of-way for the structure of the underground parking. This needs to be reviewed prior to permit issuance.

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If approved, the following condition of approval would be necessary: Provide details for valet parking so the City can review the location and the size of the parking for approval prior to building permit issuance.

GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.

Downtown Development Policies:

36.00 *The City of McMinnville shall encourage a land use pattern that:*

1. *Integrates residential, commercial, and governmental activities in and around the core of the city.*
2. *Provides expansion room for commercial establishments and allows dense residential development.*
3. *Provides efficient use of land for adequate parking areas.*
4. *Encourages vertical mixed commercial and residential uses; and,*
5. *Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED.

37.00 *The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)*

FINDING: NOT APPLICABLE. Phase II of the Downtown Improvement Plan is a list of public improvement projects that are not associated with this application.

38.00 *The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.*

FINDING: SATISFIED. The City provides grants and loans to encourage the renovation and rehabilitation of buildings in the downtown area.

The extant structure at 609 NE Third Street is not of historical significance or unique design.

44.00 *The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

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GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER.

127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*

FINDING: SATISFIED. The replacement plan project is providing an off-street underground parking structure with 67 parking stalls.

132.40.05 *Conditions of Approval—In accordance with the City’s TSP and capital improvements plan (CIP), and based on the level of impact generated by a proposed development, conditions of approval applicable to a development application should include:*

1. *Improvement of on-site transportation facilities,*
2. *Improvement of off-site transportation facilities (as conditions of development approval), including those that create safety concerns, or those that increase a facility’s operations beyond the City’s mobility standards; and*
3. *Transportation Demand Management strategies. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED. Due to the size of the replacement plan project, the City required the applicant to provide a Transportation Impact Analysis that identified no need for mitigating measures with the development of the project.

132.46.00 *Low impact street design, construction, and maintenance methods should be used first to avoid, and second to minimize, negative impacts related to water quality, air quality, and noise in neighborhoods. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate its design and construction methods will avoid, and then minimize negative impacts related to water and air quality given the onsite and off-site hazards caused by the known hazardous spills associated with the site.

142.00 *The City of McMinnville shall insure that adequate storm water drainage is provided in urban developments through review and approval of storm drainage systems, and through requirements for connection to the municipal storm drainage system, or to natural drainage ways, where required.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate that storm water collection, detention, and drainage is constructed and maintained to restrict negative consequences and minimize adverse effects from the known underground pollution onsite and off-site areas caused by the owner of the site.

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151.00 *The City of McMinnville shall evaluate major land use decisions, including but not limited to urban growth boundary, comprehensive plan amendment, zone changes, and subdivisions using the criteria outlined below:*

1. *Sufficient municipal water system supply, storage and distribution facilities, as determined by McMinnville Water and Light, are available or can be made available, to fulfill peak demands and ensure fire flow requirements and to meet emergency situation needs.*
2. *Sufficient municipal sewage system facilities, as determined by the City Public Works Department, are available, or can be made available, to collect, treat, and dispose of maximum flows of effluents.*
3. *Sufficient water and sewer system personnel and resources, as determined by McMinnville Water and Light and the City, respectively, are available, or can be made available, for the maintenance and operation of the water and sewer systems.*
4. *Federal, state, and local water and wastewater quality standards can be adhered to.*
5. *Applicable policies of McMinnville Water and Light and the City relating to water and sewer systems, respectively, are adhered to.*

FINDING: SATISFIED WITH CONDITION OF APPROVAL.

If approved, the following condition of approval would be necessary: The Applicant shall demonstrate how it will comply with all federal, state and local water and wastewater quality standards, given the DEQ LUST case regarding a hazardous gasoline spill on the site and the deficiencies noted in the Record.

GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.

GOAL X 2: TO MAKE EVERY EFFORT TO ENGAGE AND INCLUDE A BROAD CROSS SECTION OF THE COMMUNITY BY MAINTAINING AN ACTIVE AND OPEN CITIZEN INVOLVEMENT PROGRAM THAT IS ACCESSIBLE TO ALL MEMBERS OF THE COMMUNITY AND ENGAGES THE COMMUNITY DURING DEVELOPMENT AND IMPLEMENTATION OF LAND USE POLICIES AND CODES.

Policy 188.00 The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The process for a Certificate of Approval for Demolition provides an opportunity for citizen involvement throughout the process through the public notice and the public hearing process. Throughout the process, there are opportunities for the public to review and obtain copies of the application materials and the completed staff report prior to the advertised public meeting(s).

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All members of the public have access to provide testimony and ask questions during the public review and meeting process.

McMinnville Zoning Ordinance

The following Sections of the McMinnville Zoning Ordinance (Ord. No. 3380) provide criteria applicable to the request:

Chapter 17.03. General Provisions

17.03.020 Purpose. *The purpose of this ordinance is to encourage appropriate and orderly physical development in the City through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, and adequate community facilities; to provide assurance of opportunities for effective utilization of the land resource; and to promote in other ways public health, safety, convenience, and general welfare.*

APPLICANT’S RESPONSE: None.

FINDING: SATISFIED. The purpose of the Zoning Ordinance is met by the proposal as described in the Conclusionary Findings contained in this Decision Document.

Chapter 17.33. C 3, General Commercial

17.33.010 Permitted uses.

APPLICANT’S 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.

FINDING: SATISFIED. All proposed uses are permitted uses in the C3 zone.

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).*

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

FINDING: SATISFIED.

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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).

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

FINDING: SATISFIED. Note that Sheet A3.01 in the amended architectural plans provided on November 4, 2022, indicates that the height of the elevator tower is 80’ 10”. However, per Section 17.54.040, elevator towers are not subject to the building height limitations. The roof height is 73’ 10”.

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).

APPLICANT’S RESPONSE: No outside storage is proposed. These standards are not applicable.

FINDING: NOT APPLICABLE

Chapter 17.57, Landscaping

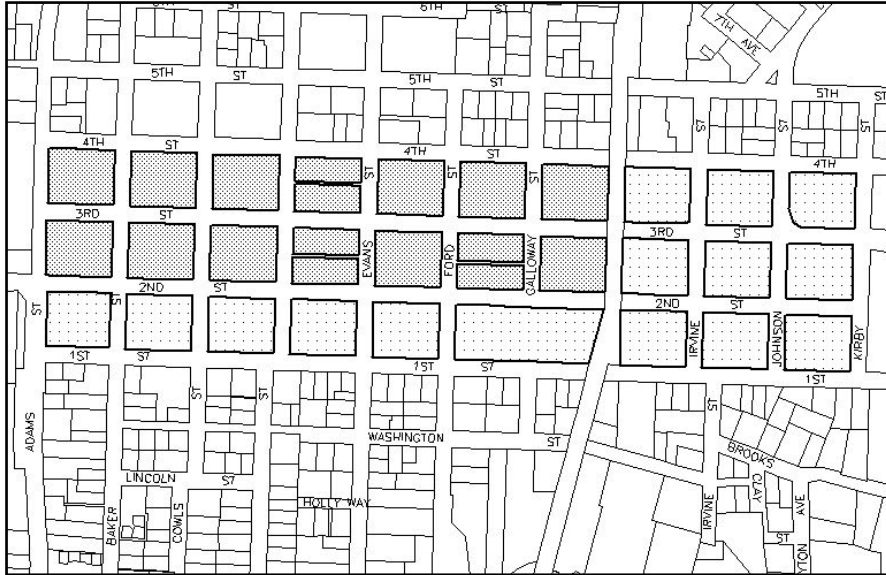
17.57.080 Central business district. *The central business district shall be divided into two areas as defined in this section:*

- A. *Area I is that area between Adams Street and the railroad tracks and between Second and Fourth Streets. The landscaping requirements set forth herein shall not apply to this portion of the central business district, except for the provision of street trees according to the city's master plan;*
- B. *Area II is defined as being that area between Adams and Kirby Streets from First to Fourth Streets, excluding the area in subsection A above. One-half of the landscaping requirements set forth in Section 15.57.050 above shall apply to this area. (Ord. 5027 §2, 2017; Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).*

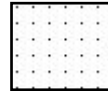
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REDUCED LANDSCAPING REQUIREMENTS



Area I - No Required Landscaping



Area II – One Half Required Landscaping

APPLICANT’S RESPONSE: No response.

FINDING: SATISFIED. Project site is in Area 1 and no landscaping is required. The applicant will not need to submit a landscape plan for review.

Chapter 17.59, Downtown Design Guidelines

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.*
- 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.*
- A. *This ordinance shall not apply to the following activities or uses:*
 - 1. *Maintenance of the exterior of an existing structure, such as re-roofing, re-siding, or repainting where similar materials and colors are used that comply with this ordinance;*
 - 2. *Interior remodeling; and,*
 - 3. *Single-family detached housing.*

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- D. *The Planning Director shall determine whether any proposed maintenance activity complies with this ordinance and whether the proposed activity is subject to the review procedures contained in this chapter.*
- 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).*

APPLICANT'S RESPONSE: The site is located at the northeast corner of NE 3rd and Ford streets. The provisions of this chapter are applicable. The proposed development is new building construction, and the provisions of this ordinance are applicable.

FINDING: SATISFIED. The project is new construction located in the Downtown Design Overlay.

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.*
- 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.*
 - 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.*
 - 3. *A narrative describing the architectural features that will be constructed and how they fit into the context of the Downtown Historic District.*
 - 4. *Photographs of the subject site and adjacent property.*
 - 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.*
- 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*

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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.*

APPLICANT’S RESPONSE: This application has been submitted as described. 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. 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. 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. Photographs of the subject site and adjacent property are included in Sheets 2 and A0.01. 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.

Note: The application originally included an application for a waiver 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. The waiver request was subsequently withdrawn with the submittal of a modified design that the applicant argued showed a two-story building at the corner.

FINDING: SATISFIED. The applicant submitted an application as required, and the application was reviewed by the Historic Landmarks Committee as it consists of new construction. Notification was provided to property owners within 300 feet of the subject site, which exceeds the distance required by Section 17.72.110. However, the application was submitted concurrently with three other land use applications, so all four applications are reviewed under the hearing procedure that affords the most opportunity for public hearing and notice, per Section 17.72.070 of the Zoning Ordinance. The other three land use applications required a 300 foot notification distance, which was used for the Downtown Design Review application as well.

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17.59.030 Review Process.**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).

APPLICANT’S RESPONSE: Per their supplemental submittal on November 4, 2022, the applicant revised their design so that they no longer needed a waiver from the Downtown Design Review criteria.

FINDING: APPLICABLE. As discussed in greater detail below, the Historic Landmarks Committee found that the application did not comply with the 17.59.050(B)(1) and (2). Therefore, in order to approve this design, a waiver was required.

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;*
 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*

APPLICANT’S RESPONSE: The City’s historic preservation policies of the Comprehensive Plan are addressed in Section 5 of this narrative (original application).

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 (original application).

FINDING: SATISFIED. This is not a review of a modification to a historic resource; it is new construction.

17.59.040 Review Criteria

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;*
 - b. *There is demonstrable evidence that the alternative design accomplishes the purpose of this Chapter in a manner that is equal or superior to a project designed consistent with the standards contained herein; and*
 - c. *The waiver requested is the minimum necessary to alleviate the difficulty of meeting the requirements of this Chapter. (Ord. 5034 §2, 2017; Ord. 4797 §1, 2003).*

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APPLICANT’S RESPONSE: (Per the applicant’s November 4, 2022, supplemental submittal), the building design has been revised to meet the height provisions of 17.59.050.B.1. Therefore, the requested waiver is no longer required.

FINDING: NOT SATISFIED. As discussed in greater detail below, the Historic Landmarks Committee finds that the massing of this building overwhelms the adjacent and nearby historic buildings on the same block and does not “appear” to be two stories at the corner. Therefore, it fails to meet 17.59.050(B)(1). The Historic Landmarks Committee also finds that the project is not compliance with 17.59.050(B)(2). Since a waiver was required and not pursued, the HLC finds that these criteria are not satisfied.

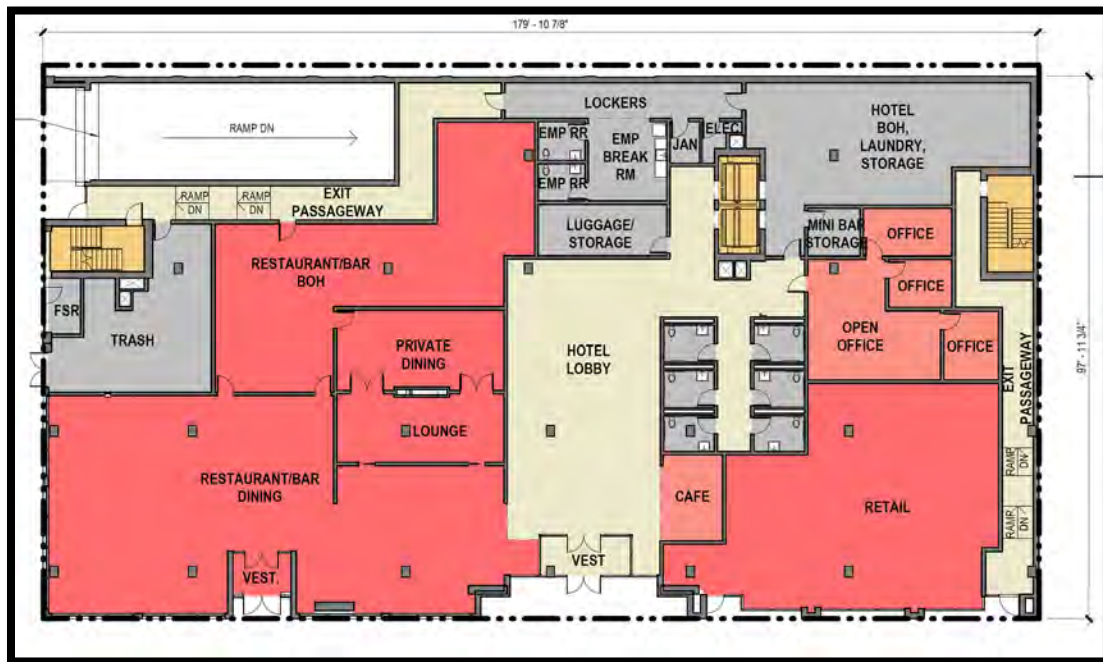
17.59.050 Building and Site Design.

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.

APPLICANT’S 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.

FINDING: SATISFIED. The City concurs with the applicant’s findings. The proposed site plan for the building and development show construction of the new building with zero setbacks from the property lines:



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17.59.050 Building and Site Design**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.

APPLICANT’S RESPONSE: *(Per the applicant’s November 4, 2022, supplemental submittal).* Though described as a design standard, given the use of the word “should,” this criterion can be applied as a guideline that can be met in more than one way.

In response to the first component of this criterion, the 3rd Street façades have been refined to appear as three separate buildings. The westernmost section of the building is clad in white brick; the center portion of the building is clad in buff brick; and the eastern portion of the building is clad in red brick. In addition to the differences in material and color, each of the three building expressions have distinct massing and varied window detailing, cornice elements, and Juliet balconies. The westernmost section has a 2-story base and 3 levels above that step back 10 feet on both 3rd Street and Ford Street. The center portion has a 2-story base with a 3-foot setback on levels three and four, and the fifth level stepping back an additional 8 feet. The eastern portion has a 3-story base and two levels above that setback 5 feet.

The overall building height and ground-floor dimensions of the proposed building are unchanged, but has been broken into three distinct expressions. As viewed from the corner of 3rd and Ford streets, the apparent height of the building is two stories. As a viewer moves to the north and the east, the height of the building becomes more apparent, but the full six-story height is visible only from the north. See Sheet A7.03.

In Chapter 17.33, C-3, General Commercial, the language reads in section 17.33.040, building height, that “Buildings shall not exceed a height of eighty feet.” The City’s staff report and findings stated that the building satisfies this finding. The need for a requested waiver for a 3-story expression at the corner is no longer necessary, as the building façade at the corner has been reduced to 2 stories.

But this isn't the whole story as it relates to “height” within the zoning code. There is code criteria that states buildings should have the same massing and configuration (interpreted by staff to include height) similar to adjacent or nearby historic buildings on the same block. The applicant team has submitted considerable information on the nature of 3rd Street at its easterly end, showing that the remaining historical buildings were built as one- and two-story structures, and therefore if future development were to match the bulk and height of these buildings, most likely no new development would occur. And, therefore, the potential for these properties to contribute to the growth and density potential of downtown McMinnville would not be realized.

By definition, “adjacent” means “Contiguous to a property boundary at a property line or property corner. Two properties separated by street or right-of-way are considered adjacent.” In applying this approval criterion, perhaps “adjacent” can be thought of more broadly, in a cohesive way, to include all of downtown McMinnville. In that case, doesn't that mean in a way that all buildings downtown are adjacent? Adjacent to each other and adjacent to the whole?

The proposed building is a bit taller than other buildings in downtown McMinnville, but not in any exaggerated way. The Gwendolyn Hotel is two stories taller than the 4-story Atticus hotel, though the

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sixth floor consists largely of a roof top amenity, and one floor taller than the Hotel Oregon, including the hotel's rooftop amenity. And again, the building is below the allowable height of 80'.

Regarding the second component of the criterion, as noted previously, the building design has been revised to meet the height provisions of this section and is now two stories in height at the street corner/intersection as shown on Sheets A3.01, A6.01, and A6.04. The ground floor is a generous 15' in height to allow for a variety of commercial uses, including restaurants and retail.

FINDING: NOT SATISFIED. The Historic Landmarks Committee understands that these are “should” guidelines rather than “shall” criteria and as such are not mandatory. However, the Committee rejects the notion that it can interpret these standards as so permissive as to be essentially inapplicable. Rather, the Commission interprets them, as the applicant does, to allow some variability in approach so long as the building appears to have a relatable massing and appears to be two-stories in height at the corner. In other words, this guideline allows the Historic Landmarks Committee significant discretion to determine the degree to which proposed scale, massing and height is responsive to its surroundings.

With respect to the first sentence of this standard, the Committee interprets the massing to include consideration of height as well. Height relates to mass. Increasing the height of a building has the effect of increasing its overall mass. The City has established precedent for requiring that new construction (KAOS, First Federal, Atticus Hotel) consider how the overall massing and height is minimized or mitigated so as to complement and not detract from adjacent or nearby historic buildings on the same block. To do otherwise would ignore the Committee's obligation to find that the guidelines and standards set forth in 17.59.040 are satisfied. The applicant has attempted to respond to this obligation by breaking the Third Street façade into three expressions and by setting back the upper stories along Third Ave. The Committee finds that although an improvement, the language is specific about requiring that the mass be “similar” to adjacent and nearby buildings on the same block. The Committee interprets the term “similar” to mean “resembling, without being identical.”

The term “adjacent” is defined in the McMinnville Zoning Code to mean “Contiguous to a property boundary at a property line or property corner. Two properties separated by street or right-of-way are considered adjacent.” Therefore, the area of consideration includes not only the extant historic buildings across Ford and Third Streets but also those located on the *same block* including the buildings on Fourth Street as well. The historic buildings facing Fourth Street, which are also “adjacent,” are one story. The proposed Fourth Street façade does not include any setbacks at the upper elevations and will appear as a 6-story building.

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The height and massing of the project over ¾ block along the north elevation will significantly dwarf and detract from the one-story historic buildings along Fourth Street, as illustrated on Sheet A 3.2. The massing compatibility obligations do not distinguish between the primary and secondary elevations but rather require accommodation on all sides where historic buildings are visible.

With respect to the second sentence of this guideline, the Historic Landmarks Committee finds the two-story appearance not as critical as the obligation to achieve compatibility with regard to massing. Like the massing obligation, the degree to which the corner must appear to be two-stories will vary based on the surrounding built context. The Committee acknowledges that it has allowed new construction greater than two-stories at the intersection with the First Federal Building (three stories), the KAOS building (three stories) and the Atticus Hotel (four stories). This can be explained by requiring a step back in the front façade (KAOS building) or a finding that there were no other historic buildings on the block (First Federal). Further, this proposal is five stories tall with a rooftop deck where the tallest building in the district is four stories with a rooftop deck (Hotel Oregon). The Historic Landmarks Committee finds that the street perspective set forth at Sheet A 7.04 is not realistic as it has cropped the upper stories, approximately 60% out of the image. This does not reflect how the overall building height will be viewed. As a result, the Historic Landmarks Committee rejects the applicant’s arguments that this building will “appear” to be two stories at the corner or the surrounding built context dictates allowing something other than two stories.

The massing and configuration are not similar to adjacent or nearby historic buildings and does not appear to be two-stories in height at the corner. Although 17.59.030.D does set forth standards for securing a waiver, the applicant did not seek a waiver with respect to this modified design.

17.59.050 Building and Site Design

B. Building Design. [...]

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.

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APPLICANT’S RESPONSE: *(Per the applicant’s November 4, 2022, supplemental submittal).* Though described as a design standard, given the use of the word “should,” this criterion can be applied as a guideline that can be met in more than one way.

The proposed building exceeds sixty feet in width (it measures approximately 180 ft. along the 3rd Street frontage and approximately 98 ft. along the Ford Street frontage) and this provision is applicable.

As indicated on the Town of McMinnville and Rowland’s Addition plats, traditional north/south lot dimensions in downtown McMinnville are 100 ft., and the proposed building reflects traditional depths. As described in this approval criterion, the traditional east/west lot dimensions in downtown McMinnville are 60 ft., and the building exceeds that width. In order to construct the proposed building, the underlying lots will need to be combined and will be 180 ft. in length.

Though the historic lots in downtown McMinnville were 60 ft. wide, there have been a number of adjustments and revisions over the years, as indicated on Yamhill County Assessor Map 4 4 21 BC. The lots directly to the south have been revised to widths of 90 ft., 30 ft., 40 ft., and 80 ft. The lot directly to the north is 120 ft. in width. The lots between Evans and Ford Streets range from 29.5 ft. to 100 ft. in width. See Sheet A0.01 for illustration. As a result, the current lotting pattern is more organic than rigid and the traditional 60-ft. lot width has become more eclectic.

The building façade is divided into three distinct areas by the use of vertical divisions, materials, detailing, and stepbacks. As shown on Sheet A3.01, the façade bay widths are 90 ft., 30 ft., and 60 ft., and reference several existing historic structures:

- The three buildings directly to the south (TL 10400, 10401, and 10300, the Tributary Hotel and two adjacent buildings on 3rd Street) have similarly-scaled bays at 90 ft., 30 ft., and 40 ft. respectively.
- The site directly east of Galloway Street is 120 ft. wide and presents as a single building with multiple retail entrances.

Given that the proposed façade modulation and widths reflect existing historic context, the Committee can find that the design meets the intent of this criterion.

FINDING: NOT SATISFIED. The criteria requires that buildings that exceed sixty feet in width be visually subdivided by proportional bays, similar in scale to other adjacent historic buildings. With their revised design submitted November 4, 2022, the applicant has argued that the new design is divided into similar proportional bays similar to other adjacent historical buildings. Although the Committee recognizes the efforts to break the Third Street elevation into three distinct buildings, the Historic Landmarks Committee finds that the bays are not proportional to adjacent historic buildings.

17.59.050 Building and Site Design

B. Building Design. [...]

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;

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APPLICANT'S 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 2nd and 3rd stories of the respective bays.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design

- B. *Building Design. [...]*
3. *Storefronts (that portion of the building that faces a public street) should include the basic features of a historic storefront, to include: [...]*
 - b. *A bulkhead at the street level*

APPLICANT'S RESPONSE: All storefronts have a 2 ft. composite panel bulkhead at the street level.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design

- B. *Building Design. [...]*
3. *Storefronts (that portion of the building that faces a public street) should include the basic features of a historic storefront, to include: [...]*
 - 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;*

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design

- B. *Building Design. [...]*
3. *Storefronts (that portion of the building that faces a public street) should include the basic features of a historic storefront, to include: [...]*
 - d. *A recessed entry and transom with transparent door; and*

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

FINDING: SATISFIED. The City concurs with the applicant's findings. The floor plan and rendering provided with the application materials depicts the recessed entry proposed within the storefront window system.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

- Attachment 1: *Application and Attachments (Provided August 9, 2022)*
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17.59.050 Building and Site Design

- B. *Building Design. [...]*
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 recessed entry and transom with transparent door; and*

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

FINDING: SATISFIED. The City concurs with the applicant's findings. The floor plan and rendering provided with the application materials depicts the recessed entry proposed within the storefront window system.

17.59.050 Building and Site Design

- B. *Building Design. [...]*
3. *Storefronts (that portion of the building that faces a public street) should include the basic features of a historic storefront, to include: [...]*
 - e. *Decorative cornice or cap at the roofline.*

APPLICANT'S RESPONSE: A decorative cornice cap is proposed along the entire roofline. See Sheets A3.01 and A3.02.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design

- B. *Building Design. [...]*
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.*

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design

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

APPLICANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's findings.

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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17.59.050 Building and Site Design**B. Building Design. [...]**

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.*

APPLICANT'S 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.

FINDING: SATISFIED. WITH CONDITION. The City concurs with the applicant's findings, but adds that no detail for the windows was provided and the applicant's finding is incomplete in that it does not reference what windows the new windows will match. Therefore, a condition of approval is included to require that the construction plans submitted for the new building include window details depicting that all of the windows on the building will be recessed.

If approved, the following condition of approval would be necessary: That the applicant shall include window details in the construction plans submitted for building permit review that depict how all of the windows on the building will be recessed. (McMinnville Municipal Code, 17.59.050(B)(6))

17.59.050 Building and Site Design**B. Building Design. [...]**

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.*

A APPLICANT'S RESPONSE: The proposed building will be new construction and will not include alteration or addition of building elements. This standard is not applicable.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design**B. Building Design. [...]**

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

ANT'S 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.

FINDING: SATISFIED. The City concurs with the applicant's findings.

17.59.050 Building and Site Design**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.*

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APPLICANT’S 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.

FINDING: SATISFIED. The City concurs with the applicant’s findings.

17.59.050 Building and Site Design

C. Building Materials. [...]

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.*

APPLICANT’S RESPONSE: None of these prohibited materials are proposed.

FINDING: SATISFIED. The City concurs with the applicant’s findings.

17.59.050 Building and Site Design

C. Building Materials. [...]

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.*

APPLICANT’S 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.

FINDING: SATISFIED WITH CONDITION. If this application was approved, it would need to include a condition of approval requiring that samples or examples of the exterior building colors be provided to the Planning Department for review and approval by the Planning Director prior to application on the building.

If approved, the following condition of approval would be necessary: That the applicant shall provide samples or examples of the exterior building colors to the Planning Department for review and approval by the Planning Director prior to application on the building. (McMinnville Municipal Code, 17.59.050(C)(3))

Attachments: (Located at [Gwendolyn Hotel \(HL 6-22, HL 7-22, HL 8-22, and DDR 2-22\) - 609, 611 and 619 NE Third Street | McMinnville Oregon](#) and on file with the Planning Department)

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

APPLICANT’S RESPONSE: No surface parking lots are proposed. Parking will be provided below grade.

FINDING: NOT APPLICABLE.

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.*
- B. *Awnings shall be placed between pilasters.*
- 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.*
- D. *Awnings should be constructed of soft canvas, fabric, or matte finished vinyl. The use of wood, metal or plastic awnings is prohibited.*
- E. *Awnings may be indirectly illuminated; internal illumination of awnings is prohibited.*
- 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.*

APPLICANT’S 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.

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

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.

The awnings will be constructed of soft canvas or fabric.

No internal illumination of the awnings is proposed.

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

FINDING: SATISFIED. This criterion is met.

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117.59.080 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).*

APPLICANT’S 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.

FINDING: SATISFIED WITH CONDITION.

If approved, the following condition of approval would be necessary: The applicant will need to submit a sign permit for review and approval prior to the application of any signs to the project.

17.60 Off-Street Parking.**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.*
 - 1. *Off-street parking for one or two upper story residential dwelling units above a non-residential use*
 - 2. *Off-street parking for residential uses in the City Center Housing Overlay Zone designated in Chapter 17.66*
- 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.*
- C. *When parking is provided on a different lot than the use it is required to serve, the applicant shall provide evidence of a binding parking agreement for use of the property for off-street parking consistent with the provisions of this Chapter for as long as the parking is required to serve the property. If the property is in different ownership or subsequently conveyed to a different owner,*

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the parking agreement shall be recorded. (Ord 5105 §2, 2021; Ord 5060 §2, 2018; Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

APPLICANT’S RESPONSE: No residential uses are proposed. These provisions are not applicable.

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

FINDING: NOT APPLICABLE.

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.

APPLICANT’S RESPONSE: The development site is located within the area described above, and no off-street parking spaces are required. However, 67 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 67

FINDING: SATISFIED.

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.*

APPLICANT’S RESPONSE: This submittal includes the required materials.

FINDING: SATISFIED.

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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.*

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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).*

APPLICANT'S 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.

FINDING: SATISFIED.

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MEMORANDUM

DATE: February 23, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Public Testimony for AP 1-23 (HL 6-22), AP 2-23 (HL 7-22), AP 3-23 (HL 8-22), and AP 4-23 (DDR 2-22), Appeal of the Gwendolyn Hotel Land-Use Applications (Received prior to February 22, 2023)

Planning Commission Members,

Following is the public testimony that has been received for the appeal of the Historic Landmarks Committee's denial of the three Certificates of Approval for Demolition for the historic resources at 609, 611, and 619 NE Third Street, and the Certificate of Approval for New Construction for the Gwendolyn Hotel project.

Public Testimony:

- Letter from Oregon Restaurant and Lodging Association, 02.17.23
- Email from Phyllice Bradner, 02.20.23
- Letter from Ernie Munch, MAP Architecture, 02.21.23
- Letter from Nathan Coopriider, 02.21.23



February 6, 2023

Mayor Drabkin and McMinnville City Councilors
McMinnville Civic Hall
200 NE 2nd Street
McMinnville, OR 97128

Dear Mayor Drabkin and Members of the McMinnville City Council:

We would like to take this opportunity to express our support for the Gwendolyn Hotel development project. Andrew Clarke, Founder of Hugh Development, has been an active part of our 3,000-member association and is deeply committed to bringing McMinnville an exciting new destination location to complement the many hospitality amenities throughout the region.

McMinnville and its local leaders deserve ongoing recognition for their thoughtful approach to economic development in support of the region's hospitality industry. This project, given its plans to demolish three historic buildings in downtown on Third Street, continues to move through extensive review which recently culminated in a decision to deny all four land-use applications associated with the project. The vote by the Historic Landmarks Committee has made careful consideration by McMinnville's City Councilors that much more important as city leaders consider the many positive components provided by a project of this scope in addition to concerns for historic preservation.

For one, if approved, this project helps establish McMinnville as the ongoing epicenter for hospitality in the heart of Yamhill County's wine country. Increasing hotel supply in partnership with companies like Hugh Development provides City Council with the ingredients necessary to protect the appeal of new projects while embracing a new chapter of investments coming to the region.

In addition, the ongoing alterations to design elements through the Historic Landmarks Committee process showcases a commitment not only to protect the look and feel of downtown McMinnville but to enhance it in a way which complements the downtown economy and surrounding region.

We greatly appreciate your consideration of the Gwendolyn Hotel development project.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Brandt", written in a cursive style.

Jason Brandt
President & CEO
Oregon Restaurant & Lodging Association

Statement to McMinnville Planning Department

Feb. 20, 2023

My name is Phyllice Bradner. I am a local resident, property owner and co-owner of a downtown McMinnville business located in our historic district. I wish to support the Historic Landmarks Committee's decision to deny the Gwendolyn Hotel proposal.

The mission of the HLC is to protect the integrity of McMinnville's designated Historic District, as well as preserving all buildings in the city which have been registered as "historic". The HLC is quite aggressive in monitoring all projects that impact historic buildings, right down to requiring porch railings and window treatments on historic houses to comply with their rigorous standards. To an even greater degree, this level of compliance must surely be applied to the buildings in our Historic Downtown District. The character of this district is the lifeblood of our popular and thriving downtown.

The buildings that would be demolished under this proposal are viable and could be restored and/or repurposed. I acknowledge that restoration is expensive, however, extremely successful restorations have been accomplished downtown and more plans to restore deteriorating downtown buildings are underway.

In addition to opposing the proposed demolition, I stand with the majority of my fellow residents who have voiced concern about the size and scope of the Gwendolyn project. A structure of this size is incompatible with the character of our historic main street. A multi-story hotel as described in the proposal should be sited off the main drag where the flow of traffic is not impeded. Another concern that the Planning Commission should consider is the lack of available housing in the McMinnville area. A 90+ room hotel will require hundreds of staff. Where will those people live? In so many ways this is not a practical proposal. I urge you to uphold the decision of the Historic Landmarks Committee.

Phyllice Bradner
203 SE Davis St
McMinnville, OR 97128
pbradner@gmail.com

MAP Architecture

Ernie Munch Architecture Urban Planning LLC
111 SW Oak Street, Suite 300. Portland, OR 97204

21 February 2023

Heather Richards, Planning Director
Members of the Planning Commission.
City of McMinnville, Oregon

Regarding: Proposed Gwendolyn Hotel at 609, 611 and 619 NE Third Street.

I am writing as an outside voice in opposition to the request for demolition permits for three historic buildings at 609, 611 and 619 NE 3rd Street. I am doing so out of respect for what McMinnville's founders, Historic Landmarks Committee, Planning Commission, City Council, and staff have accomplished in the core of your city, through good planning and attention to McMinnville's historic roots. I have observed the progress of McMinnville's Historic District since the mid-1980s and was the architect for the preservation of and addition to the Jamison Hardware Building.

Forty years ago, the City of McMinnville adopted a Comprehensive Plan Goal to preserve, and protect sites, structures, areas, and objects of historical, cultural, architectural significance to the City of McMinnville. In doing so, the Downtown Historic District was recognized as cultural core of McMinnville.

In 1982 the City of McMinnville adopted ordinance 4228 in response to Statewide Planning Goal no. 5, a survey of McMinnville's historic resources, and popular support for historic preservation, thereby creating the Historic Landmarks Committee (HLC), and providing protection the historic resources.

In 1987, the City adopted ordinance 4401 for the stated purposes of: a) Stabilizing and improving property values through restoration efforts; b) Promoting the education of local citizens on the benefits associated with an active historic preservation program; c) Promoting civic pride on the beauty and noble accomplishments of the past; d) Protection and enhancing the City's attractions for tourists and visitors; and e) Strengthening the economy of the City. In that same year, the McMinnville Downtown Historic District was entered in the National Historic Register.

The City of McMinnville in 2003 and again in 2017, adopted ordinances 4797, and 5034, stating and restating its purpose for the establishment of the Historic Landmarks Committee and a system of review for its Downtown Historic District. That was:

"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 to create a themed or artificial downtown environment. Rather it is the purpose to build on the 'main street' qualities which currently exist within the Downtown and foster a cohesive historic district which reflects a 'sense of place' economic base, and history unique to McMinnville and the downtown core." (Section 17.59.010, emphasis added.)

Following are five reasons why the buildings at 609, 911, and 919 buildings should be spared demolition.

REASON #1

As individual structures they qualify under three of the four National Criteria for Evaluation.

- A. To varying degrees, the three building are associated with events that have made a significant contribution to a broad pattern of McMinnville's History. They are the first architectural expressions of the automobile era in McMinnville, a watershed in City's history.
- B. The buildings are associated with the lives of two prominent, pioneering families in McMinnville, the Fentons, a family of lawyers and doctors, and the Wortmans, a family which opened and operated McMinnville's first bank for a hundred years and through three generations. This is an example of how McMinnville, through overlapping business interests and memberships in fraternal organizations, developed a political infrastructure and the leadership needed to succeed beyond the fortunes of neighboring townsites.
- C. The buildings, to varying degrees embody the distinctive characteristics of a period of construction.

The Odell Building



Figure 1, 609 NE 3rd Street ca. 1917

Yamhill County Historical Society

At 609 NE 3rd Street, the Odell Building dates from McMinnville's Primary Significant Contributing period of 1880-1912. The original building was a thoughtfully composed, well proportioned, carefully-detailed, piece of architecture. It could be classified as a Craftsman take on a traditional commercial building.

When it was built, ca. 1904, (perhaps later), the Odell Building would have been considered a modern structure, designed for the most modern mode of transportation, the automobile. It differed from the McMinnville's earlier one-story commercial buildings in that it was built as a high-ceilinged garage with a large central door and a storage mezzanine in the rear of the building. The upper windows are sized for prismatic glass positioned to project natural light deep into the interior of the garage. The windows of the single south and west-facing office shown in the 1912 Sanborn Map are protected with awnings.

The continuous and intermittent corbels were used to give depth to the façade and to create a subtle cornice. Unfortunately, its facing-brick work was covered over by stucco in the 1950's.

The Odell Building was the first architectural expression the automobile era in McMinnville, the beginnings of the city's first "auto row". It **may** have been designed by Portland architect David Lohead Williams who was contemporaneously associated with the Fenton family in both McMinnville and Portland. In 1908, Williams designed the Frank Fenton residence at the corner of NE 5th and Evans, It is a near copy of an earlier Portland residence he designed for one of Frank's younger brothers. D.L. Williams was also the architect for the 1908 six-story Fenton Building in Portland.

The 1917 photo above shows that the building was home for an Overland Touring Car dealership. At the time the Willys-Overland was a popular brand, second only to Ford. It was longer, more comfortable, and more powerful than the Ford, and sold for about a third more than a Ford.

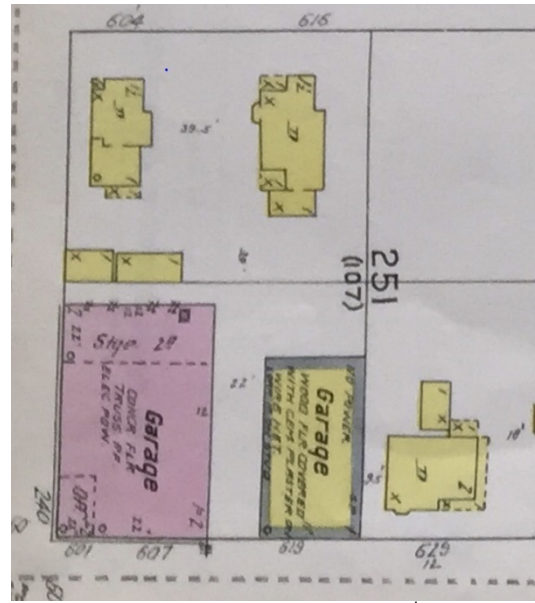


Figure 2, 1912 Sanborn Map, NE 3rd and Ford

The News-Register Building

At 611 NE 3rd Street, the News Register Building with its pediment and bracketed cornice is a commercial structure in the earlier Victorian-Italianate style. It was constructed ca. 1918 as an extension of the Odell Building. The 1927 overview of the neighborhood, (figure 4) shows a large "Overland" sign painted on the side of this building below the names "Turner & Christensen". (The Odell Building was fitted with an oval "Overland" blade sign.)

While the style is less forward looking than the building at 609 both were built as garage and well composed architectural facades. Architect D.L. Williams may have had a hand in the design, but a June 1917 newspaper article credits contractor A.F. Arthur for the plans. It also describes a full basement, a garage, four storerooms, a movie theater on the first floor, then on the second floor, five offices, a large ballroom, ladies' cloak and restroom, and a ladies club room with "all modern conveniences".

However, all niceties were abandoned when the building was constructed with no basement and apartments on the second floor. A 1951 fire destroyed the apartments and bowling alleys were installed in their place. The Fredricks Motor company on the first floor during the fire suffered extensive water damage.



Figure 3, 611 NE. 3d Street

The Bennett Building

The Bennett Building at 619 NE 3rd Street is a less impressive but nearly intact. The one level structure built through the block from NE Third Street to NE 4th Street. The facades on the two streets mirror each other. The Bennett Building was as a further extension of McMinnville's first auto row. The Bennett building was constructed between 1912 and 1927 and was owned by the Fenton estate in the 1980s.

By the 1920's auto related uses took over both sides of the east end of NE 3rd Street and comprised sales, service repair, and auto scraping thrown together in a haphazard way. When improvements were made to what is now 99W most of auto row moved away from confines of NE 3rd Street. The Chevrolet dealership moved down the street to the east and a more spacious location on NE Three Mile Lane.



Figure 4, McMinnville's Auto Row 1927

Yamhill County Historical Society

Together these three buildings mark the beginning of the automobile era in McMinnville. The first was built shortly after the arrival of the first car in McMinnville.

These artifacts mark the beginning of a modal influence which continues to shape the City of McMinnville and the nation today. As an all-encompassing influence on the development of the city, the introduction of the automobile was on par with the provision of clean water and affordable power.

By 1910, a public campaign for paved streets was underway.



Figure 5, Auto parade at McMinnville during a campaign for paved streets. Ca. 1910. The leading car in figure 5 appears to be a Ford. The three cars behind the Ford that can be identified are Overland touring cars. Note that all four cars are equipped with right-hand steering. OHS

You can still buy an Overland in McMinnville at Jim Doran's Auto Center, a Jeep Grand Cherokee Overland. The Overland name was revived by a successor owner of the original Overland Car Company. Oddly enough, Christensen Auto which once shared the News Register Building with Overland, is now located directly across 99W from Jim Doran's Auto Center.

The Fentons and the Wortmans

The Fenton and the Wortman families, two prominent McMinnville families introduced the automobile to the city. Both families came to Oregon by wagon train, the Wortmans in 1852 and the Fentons in 1865. Both families had members rise upper ranks of the McMinnville Mason lodge, were charter members of the local Elks lodge and were involved with the two prominent McMinnville banks.

The Wortman Family

Oregon's automobile era began in November 1899, when businessman E. Henry Wemme received delivery of a Stanley steam powered Locomobile. It caused a sensation in Portland.



Figure 6, Young Frank Wortman shown in the driver's seat of his 1901 steam powered Locomobile on July 4th 1904. When shipped to McMinnville by his grandparents in 1902 it was the first horseless carriage in Yamhill County Yamhill County Historical Society. Yamhill County Historic Society

In McMinnville, the automobile era began in 1902 when another Locomobile was delivered the Wortman family. The Jacob and Eliza Wortman, pioneers who traveled the Oregon trail in the 1852, behind a team of oxen, purchased the machine for their grandchildren Ralph and Frank. Apparently the Wortmans had a fascination for different modes of transportation. Before coming to McMinnville, Jacob Wortman worked on a riverboat operating on the upper Willamette out of Canmah, (south of Oregon City). He then bought a store in Junction City when it was thought that that town would become a rail hub. When the rail hub did not materialize, Jacob Wortman moved his family to McMinnville and founded the First National Bank of McMinnville in 1883. Ralph Wortman owned the first motorbike, the first airplane and the first radio in McMinnville. It is said that Ralph traded his motor bike for the first auto and crashed the airplane in a



Figure 7, Frank Wortman's 1918 Overland

prune orchard. Jacob Wortman was elected Mayor of McMinnville in 1887 and 1901 and was active local Masonic Lodge, as were his son John, and grandsons Ralph and Frank.

Frank and Ralph Wortman delighted in their Locomobile which is on display in the Yamhill County Historical society in McMinnville. Frank later owned a Willys-Overland. His 1918 Touring Car can be seen parked in front of the newly completed Jameson Hardware Store across the street from the Overland dealership. Figure 7

The Fenton Family



Figure 8 James D. Fenton and Margaret Pinkerton Fenton surrounded by their ten children. ca. 1880s Frank Fenton stands upper right. His brother James D. Fenton was Frank's partner in Lafayette and McMinnville before becoming a successful corporate attorney in Portland. OHS

Frank W Fenton

Frank Fenton, a prominent McMinnville attorney, had both the 609 NE 3rd Street, Odell Building and the 610 NE 3rd Street News Register buildings, and possibly the 619 NE 3rd Street Bennett Building built for him. He moved his practice from Lafayette to McMinnville when the county seat was relocated to McMinnville. His career and life overlapped the Wortman Family in the local banking world and McMinnville's fraternal organizations. Fenton was a director of the McMinnville National Bank and the Oregon Mutual Fire Insurance Company. He was a member of the Masonic Temple in McMinnville at the 32nd-Level, charter member of the McMinnville Elks Lodge, and Water and Power Commissioner.

Frank Fenton developed the Hotel Elberton, the Fenton Building and the Elks Lodge in addition to the three buildings at 609, 911 and 919 NE third Street.

REASON #2

Preserving the three buildings will strengthen the continuity of McMinnville's Downtown Historic District.

Over 35 years ago the City of McMinnville has committed itself to the conservation of a Downtown Historic District. That district was given recognition by the Department of Interior. Subsequently the DOI issued criteria defining critical characteristics of a Historic District. (These criteria have been entered into the record. Refer to page 11 of the Criteria Brochure.) They state in part, "A district possesses a significant concentration, linkage, or continuity of sites, buildings, structures or objects united historically or aesthetically by plan or physical development."

Ordinance 4401 defined "Demolition: To raze, destroy, dismantle, deface or in any other manner cause partial or total ruin to an historic resource." While the razing of these three building alone may not disqualify McMinnville's Historic District from the National Register it does not reinforce or conserve the historic character of the district, which is the goal to which the Landmarks Committee is principally committed. Quite the opposite is true.

If demolition is allowed:

1. It may stand as a precedent it may encourage further demolition of contributing resources and ultimately mean the loss of part, or all of the historic district.
2. It allows the infill developments which are inconsistent with the historic character of the district.
3. It will diminish the concentration, linkage and continuity of the district and isolate other significant contributing resources in the district.



Figure 9, 1918 streetscape and historical continuity (Add street trees and delete the overhead utilities.)

REASON #3

The current scheme is not appropriate for the Historic District site and significant problem have not been adequately or straightforwardly addressed.

1. Legitimate concerns have been raised about the massing of the project.
2. Critical issues of queuing for guest drop-off and pickup on Third Street have not been adequately addressed.
3. In the past the city has not allowed the dedication of curbside parking on NE 3rd Street which is often closed for community events. This raises the concern of the lobby's orientation.
4. Fenestration and other elements of the proposed project's architectural vocabulary are not appropriate for the Historic District. Juliette balconies and French casement windows are foreign to Third Street.
5. While the proposer may be correct in their estimate of positive economic impact of such a large project. But it appears from several viewpoints that there are other more appropriate sites in the City of McMinnville.

REASON #4

The claimed economic hardship is partially self-imposed.

1. Preserving and restoring these buildings will be difficult and costly project, but most of the historic projects along NE 3rd Street are.
2. In an earlier letter I mentioned that I had toured the western 4 lots on this block at the request of prospective buyer. In total our team surveyed that property and two other properties for 2-3 buyers, who appeared to be qualified developers. Their interest when they learned that the owners of the four western lots were unwilling to include the two lots fronting on NE 4th Street. I would not be surprised to learn that the same concern was addressed by the current development team, and they opted push the massing of their project toward NE 3rd Street and develop costly below grade parking on a costly and contaminated portion of the site.

To be clear, the owners of the property can choose to sell or keep whatever property they wish, however their claims of economic hardship should be weighed against their choices and the impact on the values of the Historic District.

3. Before approving a demolition permit, the committee should compare the scope of the proposed project with the developers track record to avoid a substantial hole in the Historic District. It may be to everyone's benefit to reappraise a well-intentioned proposal in the face of today's economic uncertainty before authorizing demolition.

REASON #5

A different approach and alternate solution should be explored.

The Secretary of the Interior's Guidelines for Restoring and Reconstructing the Historic Buildings have been previously entered into the record earlier. If those two sets of guidelines are applied to at least the facades of three historic buildings and the site enlarged to the north a more fitting and more economical solution may be possible. At a minimum the Third Street facade the Odell Building could be rebuilt, and the News Register and Bennett building facades could be restored. These guidelines also address the issues of setback and height of additions above historic buildings.

The pictures below show a group of historic buildings in Portland where the Secretary's guidelines were applied. The building in the foreground was carefully documented, dismantled, and **reconstructed**. The other buildings to the right were successfully **restored** and seismically upgraded in situ.



Figure 10, Rebuilt Historic Building.

Historic Buildings Restored and Retrofitted.

CONCLUSION

Denial of the Demolition Permit and Design Review Requests is currently the most effective way to preserve the Historic value of the three buildings in question and the Historic District. Denial will also allow the applicant to develop an alternative proposal which is committed to McMinnville's core historic values and addresses serious project impacts which have been identified.

The histories linked to the site should be more thoroughly researched and documented.

Thank you for this opportunity to comment.

Sincerely yours,



Ernie Munch, Architect, Member MAP Architecture

Ernie Munch • Architecture • Urban Planning, LLC
111 SW Oak Street • Suite 300 • Portland OR 97204

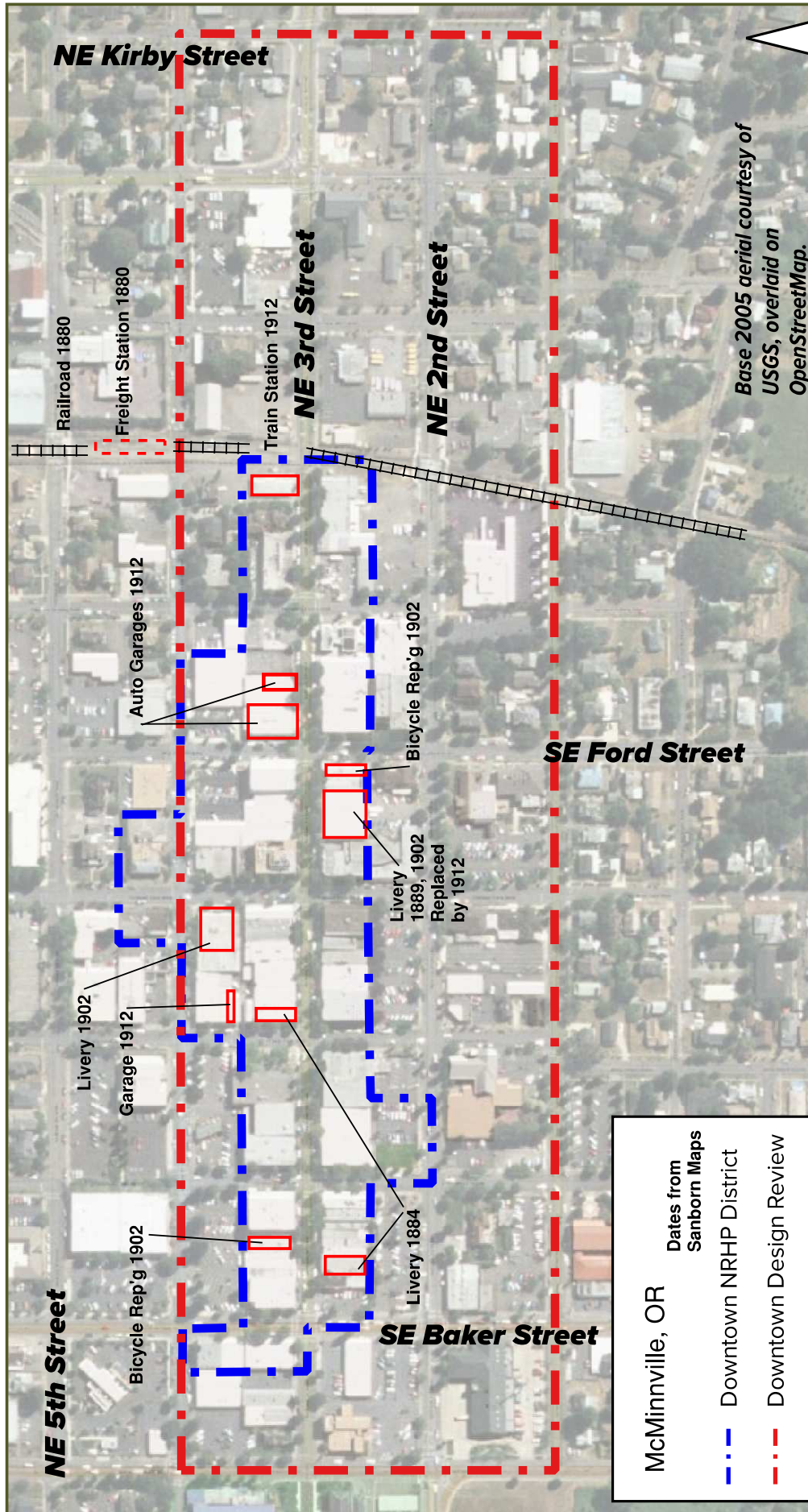


Figure 11
609, 611, and 619 NE 3rd Street McMinnville, 1927

Attachments:

1. Transportation Related Buildings 1884-1912
2. 1899 LOCOMOBILE STANLEY STEAMER AD
3. Odell Building Ca.1917
4. Willys-Overland History 1902-1925.
5. Wortman Family
6. Frank W Fenton
7. 609, 611, and 619 NE 3rd Street, McMinnville, 1927
8. Auto Oriented Land Use Long 3rd Street 1948
9. 1918 AND 2023 Overlands
10. Frank Wortman's 1918 Overland drives into the Future

Buildings Related to Transportation 1884 through 1912



BLOG



Item 1899 LOCOMOBILE STANLEY STEAMER AD (image 1/1)



O'Dell Building built in 1904 shown in 1917 as an Overland Touring Car dealership.

Overland Automobile Wikipedia

From Wikipedia, the free encyclopedia

Overland Auto Company
Willys-Overland Company



Willys-Overland Factory - 1915 postcard

Type Automobile Manufacturing

Industry [Automotive](#)

Founded 1903; 119 years ago

Founder Claude E. Cox

Defunct 1926; 96 years ago

Fate Merger

Successor [Willys-Overland](#)

Headquarters [Indianapolis, Indiana](#) and [Toledo, Ohio](#)

Key people [Claude E. Cox](#), [David M. Parry](#), [John North Willys](#),
[Clarence A. Earl](#)



1910 Overland Model 42 Touring Car

The **Overland Automobile Company** was an American [automobile](#) manufacturer in [Toledo, Ohio](#). It was the founding company of [Willys-Overland](#) and one of the earliest [mass producers](#) of automobiles.^[1]



Contents

- [1History](#)
- [2Models](#)
- [3Media](#)
- [4References](#)
- [5External links](#)

History^[edit]

The Overland Automobile department was founded in [Terre Haute, Indiana](#) by Claude E. Cox, when Charles Minshall of **Standard Wheel Company** decided to expand into automobile manufacturing. Standard Wheel were major suppliers of wheels to the carriage industry. Cox, a recent graduate of [Rose Polytechnic Institute](#), developed a gasoline [runabout](#) in 1903.^{[2][1]}

Cox's runabout was an advanced design with a [water-cooled 5-hp vertical single-cylinder](#) engine mounted up front under a [hood](#), rather than under the seat which was common practice. It featured a [jump-spark ignition](#) and a two-speed [planetary transmission](#) operated by a foot pedal. Priced at \$595 (equivalent to \$17,945 in 2021), 11 were built in 1903 doubling to 23 in 1904 when a [two-cylinder](#) engine was introduced. Claude Cox continued development adding a 16-hp [four-cylinder](#) engine, [shaft-drive](#) instead of chain and a [steering wheel](#) instead of a tiller, by 1905.^[1]

In 1905, Standard Wheel moved Overland production to [Indianapolis, Indiana](#), but decided to leave automobile production and sold Overland to Claude Cox for \$8,000, equivalent to \$241,274 in 2021. [David M. Parry](#) became a 51% investor and formed the **Overland Auto Company**. Overland production was now in an extension of Parry's buggy factory. Now producing two models, production was only 37 cars in 1905 because of the moves and in 1906 production increased to 47, all sold to [John North Willys](#), a car dealer in [Elmira, New York](#).^[2]

The [1907 Panic](#) caused David Parry to go bankrupt, including the loss of his house. By 1910 he had recovered enough to start the [Parry Auto Company](#). J. N. Willys arrived in Indianapolis to protect his investment and ended up taking over Overland Auto Company.^{[2][1]}

In 1908, control of Overland was purchased by J. N. Willys and he managed to increase production that year to 467 Overlands. Overlands were rationalized to one design of a 24hp four-cylinder car on two different wheelbases selling for \$1,295, equivalent to \$39,056 in 2021. In 1909 the production soared to 4,907 Overlands and Claude Cox left for [Inter-State](#) and later to form his own laboratory business (now Testek, Inc.) in [Detroit](#). In 1909, the [Pope-Toledo](#) factory was purchased and Overland moved to Toledo.^{[2][1]}

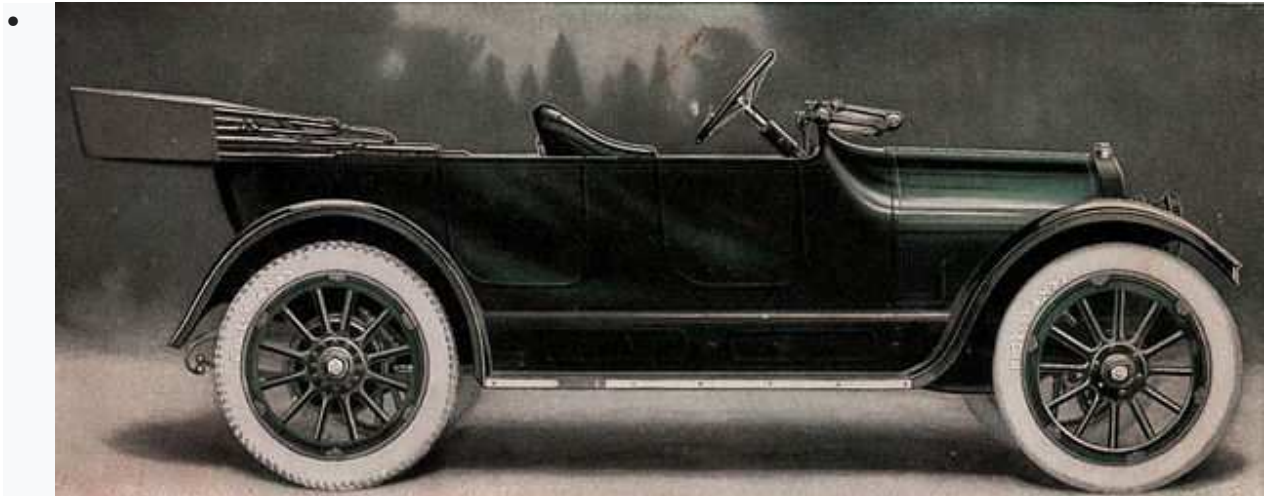
Production continued to grow and Overland remained a top three U. S. automobile manufacturer through 1919. In 1912, it was renamed [Willys-Overland Company](#). Overland models expanded in the mid-price automobile market until 1917 when a new \$500 (equivalent to \$10,575 in 2021) Overland to challenge the Model T Ford was announced. A disastrous strike delayed introduction until 1919 when it was priced at \$845 (equivalent to \$13,207 in 2021) with electric lights and a self-starter. Willys revised this car to the Blue Bird and Red Bird models which helped Willys-Overland return to strength following a Receivership. Willys-Overland continued to use the Overland marque until 1926 when it became the Overland Whippet and then [Willys Whippet](#).^{[2][1]}

Models^[edit]

Year	Model
1903	Model 13
1904	Model 13, Model 15
1905	Model 15, Model 17, Model 18
1906	Model 16, Model 18

1907	Model 22
1908	Model 24
1909	Model 30, Model 31, Model 32, Model 34
1910	Model 38, Model 40, Model 41, Model 42
1911	20 hp, 25 hp, 30 hp, 40 hp
1912	Model 58, Model 59, Model 60, Model 61

Media[[edit](#)]



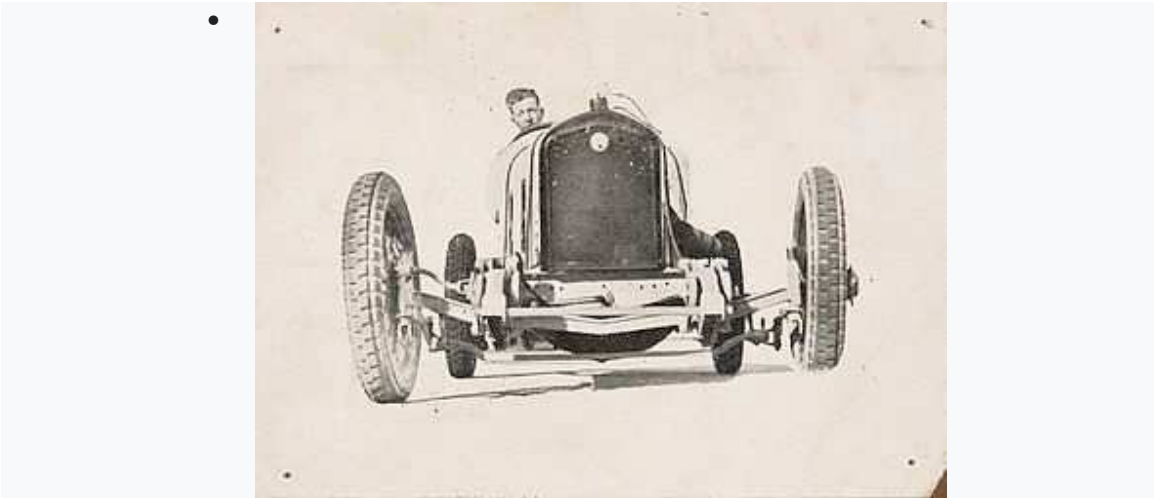
Model 83, produced between 1915 and 1916.



Logo on 1910 radiator



Tom McKelvey in his Overland race car before the [1915 American Grand Prize at San Francisco](#)



D.J. Harkness at the wheel of an Overland Sports car, 1920 - 1929



Model 59T, 1912.



1909 Overland Automobile Advertisement



Ad. from Indianapolis Star, Nov. 27, 1910

One of the more unusual uses of an Overland was in 1911 when Milton Reeves used a 1910 model to create his 8-wheel [Octo-Auto](#), his eight-wheel car.

The last vestige of the Overland automobile empire remains in the form of bricks spelling out "Overland" in the smoke stack at the [Toledo](#) factory that once formed the core of Willys automotive empire. But the name would come back when [DaimlerChrysler](#) (Now [Fiat Chrysler Automobiles](#)) introduced the Overland name for a trim package on the 2002–present (except 2005 model year) [Jeep Grand Cherokee](#). The badging is a recreation of the Overland nameplate from the early twentieth century.

Willys - Overland Part 1: 1902-1925

By John Bentley

Revised by Jeremy

Because he never liked to lose a sale, John Willys saved an auto industry.

The first Overland, grandfather of the famous World War II Jeep and ancestor of today's Jeep automobiles, was born in 1902. That year, the Standard Wheel Company of Terre Haute (later of Indianapolis) put on the market a low-priced runabout with a starkly functional appearance. It used a tiller as a means to control the steering. The power unit was a single-cylinder, water-cooled engine that embodied at least one "modern" design feature--it was located under the hood at a time when many automobiles still had their engines below the driving seat. The company claimed that the "long wheelbase" (78 inches), "large tires" (28 x 2.5 inches) and "long springs" were major contributions to "pleasure in driving."

For one reason or another, people took to the Overland, and after three years the concern (which had now become the Overland Motor Car Company), dropped its one-cylinder engine in favor of more powerful two- and four-cylinder versions, the first of which appeared in 1905. These two models were known as 17 and 18 and developed nine and 16 hp respectively. The wheelbase was lengthened to 86 inches. The two-cylinder car sold for \$750 and the four cost \$100 more.

For 1906, a Special Runabout was introduced. It featured not only a steering wheel with controls "at your fingers' ends," but also a brand new color known as "Silk Green." Priced at \$600, it evoked lavish praise from a Gulfport, Mississippi, dealer: "I received the car and sold it the day it came to a man who never rode in one before. I instructed him for two hours and he has not had one minute's trouble since he started it..."

The steady upsweep in the Overland's popularity, coinciding with the failure of the Knickerbocker Trust Company in 1907, produced a paradoxical chain of circumstances that in turn changed the entire future of the firm. The Overland Motor Car Company found itself in virtual bankruptcy, while at the same time it had on hand a large unfilled order from an Elmira, New York, dealer named John N. Willys. Mr. Willys had contracted to buy the entire Overland output for that year.

A dynamic individual, he made a quick decision. If he let the firm close down he would be unable to get delivery of a large number of cars he had already sold. This being out of the question, Willys took a train for Indianapolis. He financed and reorganized the company so efficiently, that by the end of 1907 some 323 cars were produced and delivered.

In 1908, Willys became president, treasurer, sales manager and purchasing agent for the re-formed Overland Company, and was responsible for the production and sale of 465 cars, all of which were variations of one model known as the 24. It was priced at \$1,250.

This was just the beginning. The first six-cylinder Overland appeared the following year and retailed for \$2,000. It was known as the 34. So enthusiastic was public response that Willys-Overland sales for 1909 jumped to 4,000 cars--a production increase of nearly 900 per cent over the previous year! The appearance of the first Willys Six, costing \$2,250, added still further to the company's prestige, although the four-cylinder Overland continued to sell in a big way in the \$1,000-1,500 price range. It had attractive specifications, which included three-point engine suspension, shaft drive, a planetary transmission, double ignition and a "long wheelbase" (110 inches). The Company claimed that "... In the Overland you get actually \$3,000 worth of real car value for one half or less than one half the price..." This pleased the customers so much that in December, 1909, John Willys was able to purchase the Pope-Toledo automobile plant in Toledo, Ohio. He converted it into a new assembly plant for his cars. This was a building 600 feet long, 90 feet wide and three stories high located on Central Avenue. It soon was working at capacity, in addition to the Indianapolis factory.

For 1910, there were four models known as the 38, 40, 41 and 42, all of them four-cylinder cars, with the largest having a displacement of 255.3 cubic inches and a wheelbase of 122 inches. This last, with a fore door touring body, sold at the low price of \$1,250.

The following year Willys moved the Indianapolis plant to Toledo and launched another expansion program to cope with public demand. The 1911 Overland fore door touring car, with 118-inch wheelbase and a 40 hp engine, was an immediate favorite.

That year the Kinney Manufacturing Company was organized to supply sheet metal parts for Willys-Overland; and in 1912, John Willys brought the Warner Gear Company to Toledo to make gears and other machined parts for his products. In 1914, the Tillotson Carburetor Company was organized with Harry Tillotson at the head. Prior to that time, Tillotson was chief salesman for Stromberg carburetors. In that job he had acquired immensely valuable knowledge and experience. Tillotson carburetors now went into all Overland cars, improving performance and cutting down on gas expense.

Willys next acquired control of the Morrow Manufacturing Company at Elmira, New York. It was renamed Willys-Morrow and put on a full-time basis making Willys transmissions. This move was followed by the acquisition of the Electric Auto-Lite Company of Toledo, which devoted its facilities from then on to the construction of generators and starters for the parent concern.

At the start of World War I, Willys-Overland was one of the leaders in the production of factory-built, enclosed bodywork--the primary appeal of which was to the womenfolk. Most popular was the 1914 Overland Model 79 with a four-cylinder, 35 hp engine, 114-inch wheelbase and a coupe body that had almost the window area of a small greenhouse. Priced at \$1,550, it was described as "The Reigning Electrically Started and Lighted Coupe for Women." Over-all sales hit the 80,000 mark.

By 1915, the company had risen to the position of second largest automobile manufacturer in the U.S. and production reached a new high of 91,780 units, taking second place only to Ford.

In 1916, Willys-Overland was making 140,000 vehicles, and as later events proved, this was still to be nowhere near the peak of the company's achievement.

The foresight, shrewd business mind and courageous energy of John N. Willys undoubtedly has stamped him for all time as one of the giants of a giant industry in which the most intense competition left no room for any but the best brains.

Almost half the working population of a city was employed to make these autos.

The secure position of the Willys-Overland Company during the period 1915-16, due to the shrewd acquisition of various component manufacturers by founder John N. Willys, was to be greatly consolidated during the decade that followed. From 1915 to 1919, when the Willys Corporation was organized, some 22 different models succeeded each other, 14 of which were four-cylinder jobs; six with six-cylinder engines and two powered by eights; but of all these only one carried a price tag of over \$2,000. This was the 1915 Model K-19 Sedan with a 120-inch wheelbase and a big, four-cylinder engine of 276.5 cubic inches that developed 45 hp. Offered at \$2,475, it did nothing to set the world on fire.

Of the other 21 types, nine cost under \$1,000; four were under \$1,200; three sold for less than \$1,500 and five were in the \$1,500 to \$2,000 bracket. Having become identified as one of the three most successful automobile manufacturers in the low-price field, Willys-Overland was smart enough to stay with the type of buying public for which its products held the greatest sales appeal.

In 1916, the company which had acquired the Knight sleeve-valve engine patents pioneered in 1912 by Charles Y. Knight, announced a new Willys-Knight Model 88, seven-passenger touring car, also manufactured at the Willys-Overland Toledo plant. Powered by a four-cylinder, sleeve-valve engine of

"square" dimensions giving a low piston speed, this car rode on cantilever rear springs and had attractive bodywork. Standard finish was "a rich French blue, relieved by black fenders and trimmings, with wheels of battleship gray." All bright fittings were either of nickel or aluminum and the upholstery was "deep, with seat cushions each containing a number of small spiral springs set close together and encased in a canvas covering designed to produce a pneumatic or floating effect." Retailing for \$1,285 at first, this one, too, was a winner. A year later, an interesting new Willys Six--a revival in name only of the 1909 model bearing that name--was announced. Although no lightweight, this car embodied several progressive ideas found only in the higher-priced field. The six-cylinder, L-head engine had a 303 cubic-inch piston displacement and developed 45 hp at 2,200 rpm. The carburetor, termed an "Improved Hot Air" type, was bolted on a modern hot-spot variety of intake manifold for preheating the mixture, while the rear axle was a full floating type carried on long leaf springs. Ignition was by magneto and bolt-on wire wheels were featured as standard. Priced at \$1,250 with a sporty Cloverleaf Roadster body manufactured by the Ohio Electric Car Co., the newcomer found plenty of buyers.

In 1919, the Willys-Overland became the Willys Corporation, following a deal in which the firm joined forces with Electric Auto-Lite, the New Process Gear Company and Duesenberg Motors. The new corporation's main financial asset consisted of 700,000 shares of Willys-Overland stock bought by John Willys, and for advertising purposes the firm's original name continued in use.

Plans were launched for building a new automobile of advanced design, engineered by none other than Fred Zeder, Carl Breer and O. R. Skelton--the famous trio who five years later were responsible for the hugely successful Chrysler car.

Meantime, experimental work was completed on a small four-cylinder engine which was introduced in the 1919 Overland Four. This compact, rugged, L-head power unit which developed 27 hp was, in fact, the direct ancestor of the notable Jeep engine, produced 21 years later. The new Overland, which featured a patented "Triplex" front suspension with quarter-elliptic springs arranged in V-shape, and all-steel body with removable upholstery, got off to a big start with the public. During the third twelve months of production, 126,000 of these cars were built and sold for a low \$495 apiece.

The engine of the 1921 Model 20 Willys-Knight was improved in detail to produce 40 hp at 2,600 rpm, and so great was the influx of orders for all cars of the Willys-Overland group, that the Corporation reached a production total of 196,038 units for 1923, with a daily output of 1,100 vehicles during the peak months.

Company slogans now came thick and fast, though not without justification. "The Most Automobile in the World for the Money"; "Drive an Overland and Realize the Difference" and "A Car of Proven Performance" were among the favorites.

Overlands for 1924 retained the 100-inch wheelbase, but had a slightly larger engine rated at 19.6 hp instead of 18.23 hp and developing three hp more than before. "This engine is built for Good Service in all weather!" piped the company. Improvements included cylinders and crankcase cast in one block for greater rigidity, with the removable cylinder head as a separate casting. "It's the Little Things that Count," said the Willys Corporation, enumerating six good reasons for buying an Overland. These were: "Buoyant Riding Ease; Faithful, Quiet Performance; The Strongest Rear Axle of any car at any price; Driving is a Joy, not a Job; Economy; and Beauty to match Quality." This pitch built sales.

That year also came the Overland "Red-bird" Model 92 with a similar engine to the standard Model 91, but with a six-inch longer wheelbase. This was a sport touring car described as "a creation in beautiful Mandalay Maroon."

In 1925, the Overland Four was finally paired with a Six after five years of booming sales. The newcomer had a more powerful and flexible L-head engine that put forth 38 hp at 2,400 rpm, larger crankshaft bearings and high-pressure lubrication. Oil-tight universal joints also were featured on the 112 3/4-inch wheelbase chassis which was offered only with a sedan body in standard or deluxe form. Both versions had a two-tone polished lacquer finish, the price difference being related to accessories.

As an added inducement to purchase this "richly finished, masterfully engineered motor car that easily leads its field," Willys-Overland advertised easy terms with "a small amount down and 52 weeks for the balance."

All this added up to big profits, and by the close of 1925 Willys-Overland was employing over 20,000 workpeople whose payroll topped \$27,000,000 annually--or 41 per cent of the payroll of the entire city of Toledo.

At this time, the design of a new low-priced car to be known as the Whippet Four and introduced the following year, already was nearing completion, while plans to build an assembly plant at May-wood, California, a Los Angeles suburb, also were under consideration.

The close of the period 1915 to 1925 saw the Willys Corporation rapidly approaching peak production and the zenith of its interesting career, begun nearly a quarter of a century earlier.

Willys Corporation produced about 360,000 of the 650,000 jeeps used in World War 2.

Wortman Family

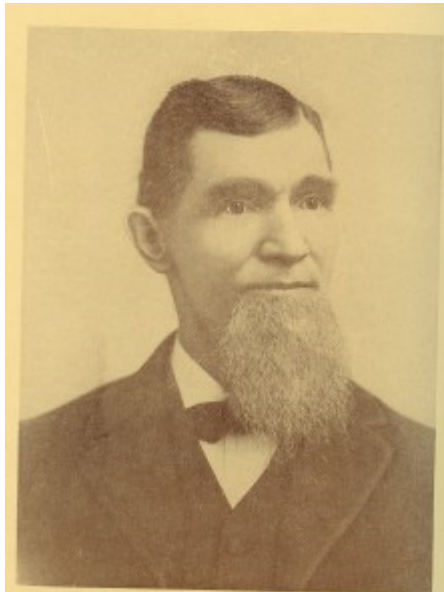
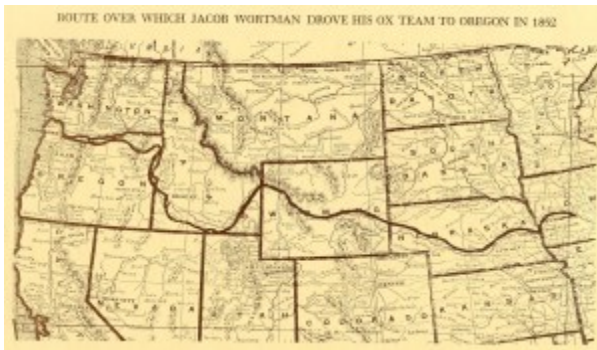
The Wortman family has impacted the McMinnville community economically, politically and socially throughout the years.

By: Samantha Johnson, Dan Hellinger and Jordan Mixsell

Linfield College 2012

Wortman Family Facts

- The Wortman family established the First National Bank of McMinnville, 1883.
- Jacob was elected mayor on March 1, 1887, and was reelected in 1901. In office he authorized the use of alcohol, cigars and cigarettes in McMinnville.
- In 1902 they purchased the first vehicle on the West Coast.
- The family established the first bank in McMinnville.
- First family to own a motorcycle, car and airplane in McMinnville.



First National Bank of McMinnville

Today Key Bank occupies 3rd and Davis, where the First National Bank of McMinnville once stood, in 1883. The bank was taken over by Key Bank in 1986 and no longer wanted any of the Wortman family linked to it. Frank Wortman was the last Wortman to work at the bank.



Transportation in McMinnville

- Jake and Eliza purchased the first horseless carriage in the county for their grandchildren.
- It was the first car to cross the coast range mountains to the ocean and get back under its own power.
- It was the cause of the first legislation enacted regulating the use of automobiles in Oregon after it ran over and killed a dog belonging to a city councilman in 1903.
- First family to sign the charter of society.
- Their locomobile was the first vehicle to deliver mail.

Ralph Wortman, banker and author of "A Horseless Carriage Comes To Town" and accepts the first copy of the book from Phil Bladine, a newspaperman who edited the book on June 26, 1966. The book tells the story of the county's oldest auto, a 1901 steam-powered Locomobile.



Wortman Park

Ralph and Frank Wortman thought the city of McMinnville could use a new park so they purchased and donated land to the city. The park was known for its large child play areas. The park became a place for community activities and Wortman family outings.

Wortman Family Impact

Today in McMinnville people can still find lasting impressions that the Wortman family has left in the community. To begin with, there is Wortman Park, which spans around 20 acres. The Wortman's car

can still be found, located at Key Bank, which was once known as the First National Bank in McMinnville, established by Jacob Wortman. Lastly, there are still Wortman relatives living in the area.

My Little Sermon.
As we travel down Life's pathway, there are four facts very essential to a worthy conclusion -- hard work, sacrifice, honesty and kindness to those about us.
We are truly thankful for this wonderful life that is given us and we realize that when our time on this earth is ended, it is not what we have that commands respect, but what we have done. This brings back fond memories to those who appreciate, greatly, any kindness that has been bestowed upon any and all of us down through the years.
Frank Wortman.



"Seldom is the life of any man so thoroughly woven into entire fabric of a community over such an extended period of time as has been that of Frank Wortman. His death last Friday morning marked the end of an era of two brothers..."

Resources Consulted

Linfield College Library <http://www.linfield.edu/linfield-libraries.html>

McMinnville Parks and Recreation <http://www.ci.mcminnville.or.us/city/departments/parks-a-recreation/>

The News-Register <http://www.newsregister.com/>

Yamhill County Historical Society <http://yamhillcountyhistory.org/>

Wortman Descendant-Tami Spear

JACOB WORTMAN

Jacob Wortman was born on 19 March 1827 in New Brunswick, Canada. He married Elizabeth Ann "Eliza" Stumbo, daughter of Jacob and Lucretia Wilson Stumbo, on 11 Jul 1850 in Mahaska Co., IA. The family immigrated with Eliza's sister, Caroline Niday and family, and her brother David Stumbo and family on the Oregon Trail in 1852. They arrived in Portland on September 19, 1852.

Jacob died on 27 July, 1904 while in his second term as McMinnville's mayor.

FRANK WORTMAN

Son of John and Ruth Washburn Wortman. He married Carrie Turner on 22 Feb 1908 in McMinnville, Yamhill Co., OR.

Statesman, Jan 31, 1976

Obituary

McMinnville--Services will be 10 a.m. Monday at Macy & Son mortuary for Frank Wortman, 92, president of the First National Bank of McMinnville and civic leader, who died Friday at a hospital here. Rev. Jack Hodges will officiate. Private burial will be at the Masonic Cemetery. The family suggests contributions to Cancer Society.

Wortman, a native of Junction City, lived in this area most of his life. He had been with the bank 74 years, much of the time as president. He underwent surgery about one month ago, but until then he had been an active president.

Wortman was one of five generations to serve the bank, one of the few remaining family-controlled banks in the nation. No successor was immediately announced by the board of directors. The bank was started Dec 3, 1883 by Wortman's grandfather.

Wortman was involved in governmental and civic affairs for many years, serving on the McMinnville School Board and as a director of the Federal Reserve Bank of San Francisco. He was the last surviving charter member of Elks Lodge here, a past exalted ruler of the lodge, treasurer of the Masonic Lodge, charter member of McMinnville Fire Department, and member of Yamhill County Historical society, First Presbyterian Church and other organizations.

Survivors include widow Mabel; daughters Ruth Compton and Dorothy Gunness, Stepson Milton Surface and stepdaughter Arnel Surface, all McMinnville: 10 grandchildren and 10 great-grandchildren.

Journal, Feb 2, 1976

Obituary

Funeral Services Held for Oldest State Banker

Funeral services were held Monday for Frank Wortman, 92, president of the First National Bank of McMinnville and Oregon's oldest banker, who died Friday in a McMinnville hospital.

Mr. Wortman was the grandson of the bank's founder and had been with the bank since 1902. He was elected president of the bank in 1924. The McMinnville bank, founded in 1883 is the oldest such institution in Oregon, and is one of the few remaining family controlled banks in the nation.

Mr. Wortman was a member of the McMinnville school board, a former director of the Federal Reserve Bank of San Francisco (Portland branch), a charter member of the Elks Club in McMinnville, and past exalted ruler, a longtime treasurer of the Union Lodge 43 AF & AM, Masonic Lodge, a charter member of the McMinnville Fire Department, and a member of the Yamhill County Historical Society.

Under Mr. Wortman's leadership, the bank has made substantial contributions to the city of McMinnville, including financial support for Wortman Field, the high school football field, Wortman Pool, an indoor-outdoor swimming pool complex, and the 21 acre Wortman park donated to the city.

Mr. Wortman was also active in amateur theater for more than 30 years. Mr Wortman is survived by his second wife, Mabel; two daughters, Mrs. Ruth Compton and Mrs. Dorothy Gunness, both of McMinnville; a stepson, Milton Surface, of Laguna Beach, Calif.; a stepdaughter, Miss Arnell Surface, of McMinnville; 10 grandchildren and 10 great-grandchildren. A brother, Ralph died in 1974. Interment is at the Masonic Cemetery in McMinnville.

Jacob Wortman



Eliza Wortman



Frank W. Fenton, Prominent McMinnville Attorney for whom 609 NE 3rd Street was built

The Oregonian, February 20, 1940

Frank W. Fenton, 81, and member of a pioneer family, died here Monday, following an extended illness.

A resident of Yamhill County since 1866, Mr. Fenton had practiced law in McMinnville for more than a half-century, having transferred his office here from Lafayette when McMinnville succeeded Lafayette as the county seat in 1888.

Mr. Fenton was born January 27, 1859, in Missouri, and crossed the plains as a boy of 6. The family settled first on French prairie, near present-day Woodburn, then moved the following spring to a farm near here.

A graduate of old Christian College at Monmouth, he was one of two members of his graduating class. The other was Dilla Butler, whom he married soon after graduation. Mrs. Fenton died in 1934.

During his years in McMinnville, Mr. Fenton served for 12 years as a director of the Oregon Mutual Fire Insurance Company, and was a director of the former McMinnville National Bank, now a branch of the United States National, Portland.

Surviving relatives

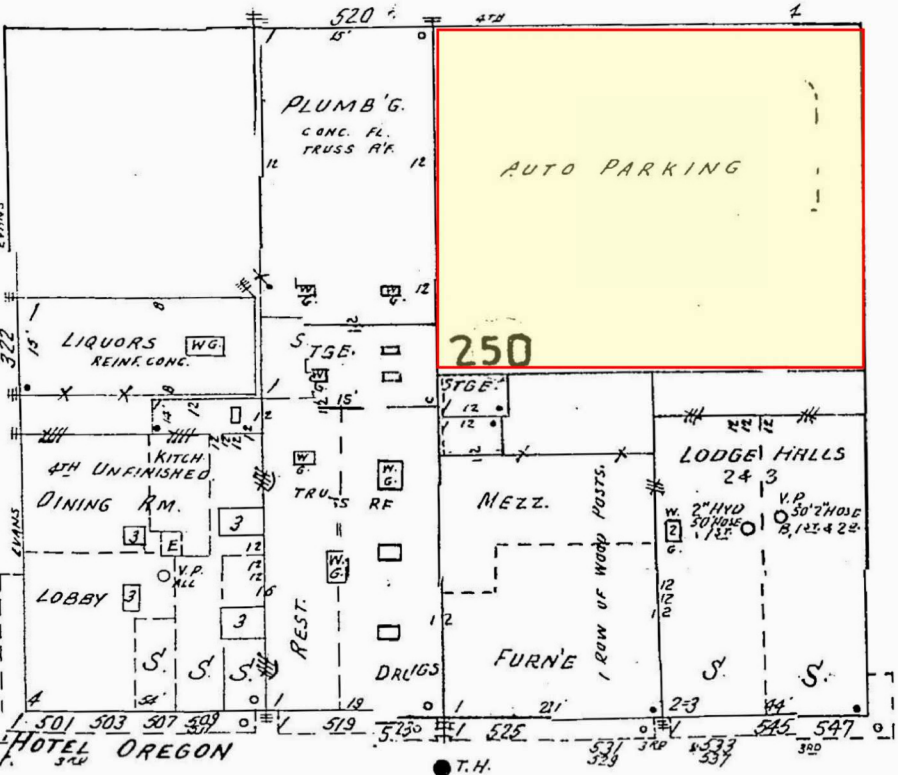
Funeral services will be held Wednesday at 2 PM in Macy's Chapel here, with graveside services at Evergreen memorial Cemetery, in charge of McMinnville Lodge No. 12, BPOE, of which he was a member.

Mr. Fenton also was a 32-degree Mason and a member of Al Kader Shrine Temple.

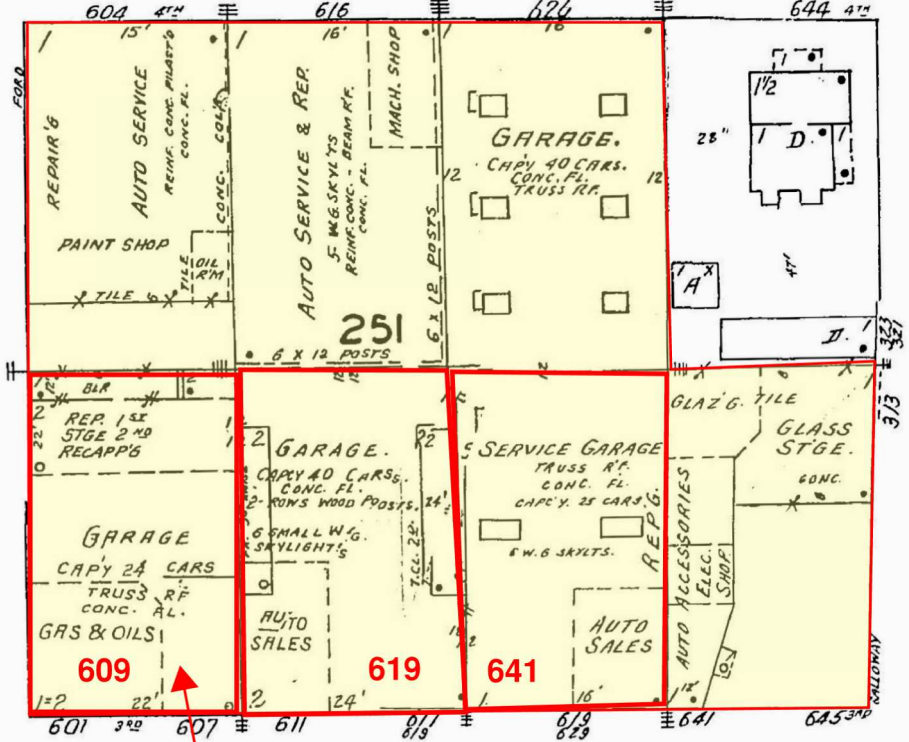




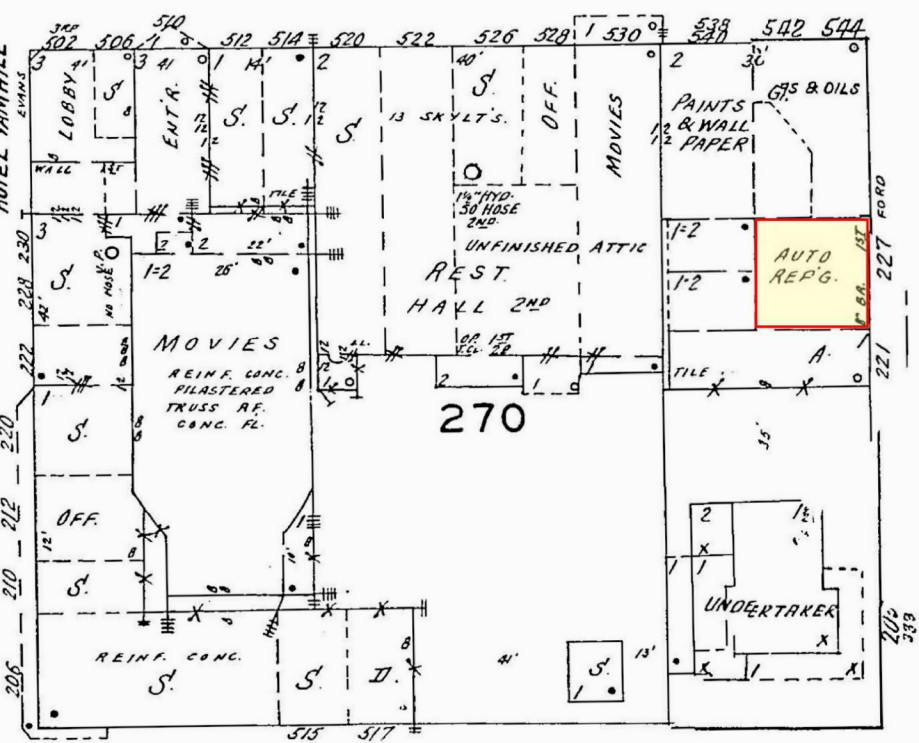
*Attachment 7
609, 611, and 619 NE 3rd Street McMinnville, 1927*



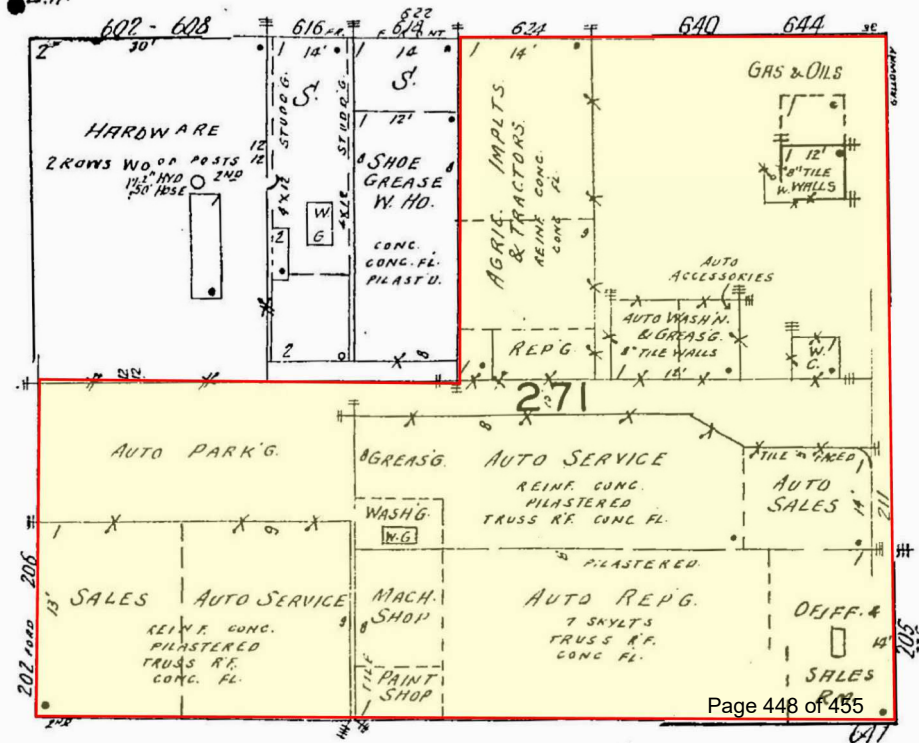
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FORD



GALLOWAY



Frank Wortman's 1918 Willys-Overland Model 90 B Touring Car



Jim Doran Auto Center, 2023 Jeep Grand Cherokee Overland



Christian Auto Sales Directly Across 99W from Jim Doran Auto Center



Frank Wortman's 1918 Overland parked outside 618 NE 3rd Street, ca. 1918-1920.



REPORT ON THE HISTORY OF 608 & 618 NE THIRD ST. MCMINNVILLE, OR.
AND REQUESTED REVIEWS BY THE HISTORICAL LANDMARK COMMITTEE

Memo: Public Testimony

Gwendolyn Hotel – Appeal of HLC decision, applications HL- 6-22, HL-7-22, HL 8-22, and DDR 2-22

Date: Tuesday, February 21st, 2023

By: Nathan Cooprider

Dear McMinnville Planning Commission:

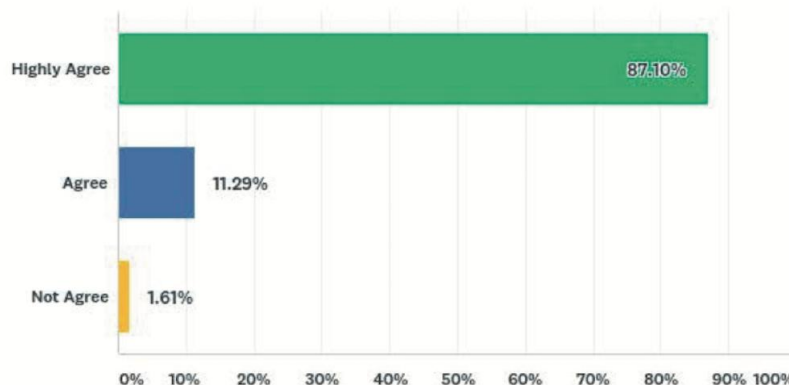
The outstanding work of the Historic Landmark Committee represents McMinnville following through on its long-standing commitment to historic preservation. One place that this commitment is found is in McMinnville’s participation in the Oregon Historic Preservation Office’s Certified Local Government Program. A requirement of this program is that a participating local government “*must enforce appropriate state and local legislation for the designation and protection of historic properties.*” I hope all will have the chance to review the Certified Local Government procedures, and the long track record of this committee, and recognize what a superb job the committee has performed ensuring that McMinnville meets the preservation commitments it has made as a community. According to historic preservation experts in Oregon, McMinnville is considered one of the state’s top 3 well-preserved historic districts, and is frequently held up as a model for others to emulate. There is a very real economic benefit contained within preserving this charming, beautiful and cozy historic downtown.

Historic Building Demolition:

It is my opinion that preserving, protecting and enhancing these three historic buildings is in the best interest of a majority of McMinnville’s citizens. However, this is not for me, a member of the public to determine. Nor is it for the applicant to determine. This is for the Historic Landmark Committee to determine, according to MZO 17.65.050(B)(8).

In case there is any doubt about the community’s interest in historic preservation, the following survey is included in McMinnville’s Ordinance 5068, April 23, 2019:

Q7 Do you believe historic preservation is a worthwhile goal for the City of McMinnville?



Another excerpt from Ordinance 5068:

“Preservation activities have been shown to create jobs, particularly local jobs. In rehabilitation projects, unlike new construction, labor typically accounts for 60-70% of the total cost.”

(See the full text of Ordinance 5068 for other significant benefits of historic preservation and adaptive re-use compared to the benefits of demolition and new construction).

There is much information in the record indicating the value of these 3 buildings and their worthiness for preservation and adaptive re-use. The suggestion that these buildings have no historic integrity, no value to the community and no ability to be restored or maintained is not supported by fact.

To understand the potential for adaptive re-use requires looking no further than the adjacent Bindery building. This one-story historic building recently underwent code and seismic upgrades to be converted to an assembly use, extending the life, function and economic benefit of this historic resource, which is quite similar to the 3 buildings the applicant has asked to demolish.

The challenge is not that these 3 buildings can't be maintained and renovated. The challenge seems to be that the applicant would prefer to construct something approximately 6 times larger than what currently exists in this location. It is my professional opinion that the HLC was correct in denying these three demolition requests, the approval of which would have greatly reduced the integrity and continuity of the historic district.

New Construction:

If these three historic buildings did not exist, the design code for new construction contains roughly 10 design requirements. Of these 10, two require that the building mass and scale relate to adjacent or nearby historic buildings on the same block. These are the two requirements which the HLC determined – based on the design, narrative, and other information provided – were not met. A design is not allowed to only emulate the materials and details of the district and not emulate the massing, scale and configuration of the adjacent historic buildings.

MZO 17.59.050(B)(1): Building Design, Massing and Configuration:

In previous testimony provided, I had found one instance (the KAOS Building) where the HLC has previously allowed a mass increase of one-story where existing historic buildings exist on the same block. What is currently proposed is a mass increase of 5-stories compared to the existing historic buildings on the same block. My professional opinion is that the HLC is correct in determining that this section of the design code has not been met. My professional opinion is that building height and number of stories is a significant component of building massing.

MZO 17.59.050(B)(2) Building Design, Bays similar in scale to adjacent historic buildings:

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.

Most every building design will have vertical divisions, differing materials, and detailing on the facades. The question is if the proportional bays created are similar in scale to adjacent historic buildings.

It is useful to refer to architectural definitions (here are just some examples) of the following terms:

Bay: *“in architecture, any division of a building between vertical lines or planes, especially the entire space included between two adjacent supports; thus, the space between two columns, or pilasters, or from pier to pier in a church, including that part of the vaulting or ceiling between them, is known as a bay.” (Encyclopedia Britannica)*

Scale: *“Architectural scale means the size of a building relative to the buildings or elements around it. When the buildings in a neighborhood are about the same size and proportion, we say they are “in scale.” It is important that buildings have generally the same architectural scale so that a few buildings do not overpower the others.” (Law Insider)*

Adjacent: Per the MZO definitions, remaining existing historic buildings adjacent to this property include The Bindery, The back half of the Bennette Building (facing 4th Sreet), the Odd Fellows Building, the Jameson Hardware Building, the Troon Vineyard Building.

The design proposed includes bays 6-stories in scale where the tallest adjacent building has bays 3-story in scale (Odd Fellows Building). For comparison, the HLC previously approved bays at the Atticus Hotel that were 4-story in scale where an adjacent historic building had bays 3-story in scale (Odd Fellows Building). In another comparison, the HLC previously approved bays at the KAOS Building that were 3-story in scale where an adjacent historic building had bays 2-story in scale (The Douglas Hotel).

These past examples show approval of bays that are one-story taller than adjacent historic buildings. The proposed design requests bays that are 3-stories taller than adjacent historic buildings. 6-story bays are proposed where 3-stories bays exist on an adjacent historic building (Odd Fellows Building). My professional opinion is that the HLC is correct in determining that this section of the design code is not met based on these facts.

Regarding Setbacks in the proposed design in relationship to the building mass and scale:

The setbacks proposed do not bring the design into compliance with these two sections of the code. The setbacks do impact the massing and configuration, but do not bring the design closer to being *“similar to nearby historic buildings on the same block”*. It could be argued that the setbacks bring the building massing and configuration further from similarity to nearby historic buildings on the same block. To understand the intent of the design code, it is helpful to refer to the MZO 17.59.010 “Purpose”: *“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.”*

The setbacks on the proposed design are not reflective of the historic buildings which exist in the district. In fact, building setbacks are prohibited in the district (MZO 17.59.050(A): Building Setback), although setbacks may be granted for the purposes specified.

The setbacks do not alter the scale of the building’s ‘bays’ because bays are subdivided vertically by vertical components not horizontally by horizontal components.

Waiver:

The code states that, *“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.”* (MZO 17.59.030(D)).

The initial staff report suggested some waiver requests, and these waiver requests could have assisted the applicant to find a more likely, although not guaranteed, path for approval. As I understand it, it was the applicant themselves who chose not to pursue the waiver requests. A waiver request seems appropriate when the applicant wants to argue that the proposed design meets the purpose of the code even if it does not meet the explicit requirement of a guideline or standard.

These are the professional opinions of an architect who has designed two new construction projects within the downtown historic district (the KAOS Building and the Atticus Hotel). I commend the Historic Landmark Committee and the Planning Commission for all of your thoughtful and diligent effort in creating and enforcing codes within the community. These codes provide the crucial framework and process for *“an organized, coordinated, and cohesive historic district that reflects the “sense of place,” economic base, and history unique to McMinnville and the downtown core.”* (MZO 17.59.010, Purpose)

Sincerely,
Nathan Coopridner, Architect