



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

EXHIBIT 3 - STAFF REPORT

DATE: July 25, 2019
TO: Historic Landmark Committee Members
FROM: Chuck Darnell, Senior Planner
SUBJECT: PUBLIC HEARING: HL 1-19 (Historic Resources Inventory Amendment), HL 2-19 (Certificate of Approval for Demolition), HL 3-19 (Certificate of Approval for New Construction), and DDR 2-19 (Downtown Design Review for New Construction)

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

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

Report in Brief:

This is a combined quasi-judicial hearing to consider four separate and distinct land-use applications for the existing building and property at 618 NE 3rd Street. The Historic Landmarks Committee will take all public testimony on these four applications during the combined public hearing. The applicant, Ernie Munch on behalf of property owner Historic 3rd and Ford, LLC, is requesting the following land use actions:

- 1) Historic Resources Inventory Amendment – Amendment of the Historic Resources Inventory classification of the site from the structure on the site being classified as a Contributory historic resource to the site itself being classified as a Significant historic resource
- 2) Certificate of Approval for Demolition – Approval to demolish the existing building on the subject site
- 3) Certificate of Approval for New Construction – Approval to construct a new two story building in place of the building being demolished on the historic site that would then be classified as a Significant historic resource
- 4) Downtown Design Review for New Construction – Approval of the exterior design of the proposed new two story building to be constructed on the historic site

Attachments:

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Although all four land-use applications support one development project, they each need to be treated as individual land-use decisions and are governed by different regulations and criteria. The order of consideration and approval should be the order described above.

The land use applications were submitted for review concurrently, as allowed by Section 17.72.070 of the McMinnville Municipal Code (MMC). When applications are submitted to be reviewed concurrently, Section 17.72.070 of the MMC requires that each application be subject to the hearing procedure that affords the most opportunity for public hearing and notice. One of the land use applications (HL 2-19 – Certificate of Approval for Demolition) is subject to the quasi-judicial public hearing procedure specified in Section 17.65.050(D) and Section 17.72.120 of the MMC, because the subject site is located on a site that is listed as contributing within the McMinnville Downtown Historic District that is listed on the National Register of Historic Places. The Historic Landmarks Committee will make a final decision on the four applications, subject to appeal as described in Section 17.65.080 of the MMC.

Background:

The subject property is located at 618 NE 3rd Street. The property identified as Tax Lot 10402, Section 21BC, T. 4 S., R. 4 W., W.M. See Vicinity Map (Figure 1) below for the approximate location of the site.

Figure 1. Vicinity Map



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The applicant has provided an overview of the history of the subject site and a description of their current land use requests. Staff has found the information provided to accurately reflect the relevant background, and excerpted portions are provided below to give context to the request. The information on the history of the subject site is provided in the history report attached to the application materials. That report, which is titled "The History of Buildings at 608 and 618 Third Street, McMinnville, OR" is included as an attachment to this staff report, and is provided in a separate binder provided by the applicant.

Excerpts from the applicant's narrative that provide an overview of their proposal are provided below:

"While preparing design review narratives for the Taylor-Dale building at 608 NE Third Street, it became apparent that the historic resource surveys for 608 and 618 NE Third Street were inaccurate. That, and the owner's purchase of 618 NE Third Street led to the study and requests that are contained in this document. [...]

The two-story brick building at 608 NE Third Street should be recognized as a primary contributor to McMinnville's Downtown Historic District. As such, it is being remodeled, and its exterior envelope and facades restored to last for another 100 years. It will be seismically retrofitted, fire sprinklered, made accessible and compliant with current building codes, and will be given new plumbing, electrical, and mechanical systems

The building at 618 NE Third Street has seen better days and is listed locally as a third rate contributor to the Downtown Historic District. The stucco façade is unattractive, ill proportioned, and is showing signs of structural failure. The rest of the structure is unremarkable except as a hodge-podge of piecemeal, underfunded improvements which do not comply with current codes.

It is proposed that the 618 building be removed in its entirety and replaced with a two-story structure which replicates the key elements of the well-proportioned and more engaging shopfront and facade as pictured in the 1918-1920 photograph. [...]

The new structure will take advantage of the improvements currently being made to the adjacent Taylor-Dale building which include a full seismic upgrade, a fire protection system, new electrical and mechanical systems, building services, and improvements for accessibility and egress.

The second floor will have two additional Vacation Rental by Owner (VRBO) units. The ground floor will be a commercial use, currently planned as a small restaurant.

While the new construction will technically be an addition to the Taylor-Dale Building to the west, it will appear to be a separate building. The facade of the new construction will match the ground floor and cornice of the structure that was built there in 1911, documented in a 1919-1920 photo and remained on site until at least 1928. The new construction will have a second story inserted between the ground floor facade and the cornice allowing it to match the height of the existing Taylor-Dale building to the west. The new construction will be differentiated from the Taylor-Dale building by the coloring and pattern of the face brick, fenestration on the first and second stories, and parapet decoration. It will be in the Victorian-Italianate style of the original building on this site.

The new storefront facade will reflect the original tripartite configuration, with a central recessed entry, two lightly-constructed shop window bays with a lower base course and upper transom

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windows. In its new/original form, the facade will comply with the current Downtown Design Guidelines, where the existing structure falls short.”

Discussion:

Ultimately, the applicant intends to develop the subject property with a new two story building that is partially designed to replicate the original building that existed on the subject site. The applicant has provided elevations and renderings identifying the improvements that would occur, should all four land use applications be approved. See Elevation and Renderings (Figure 2 and Figure 3) below.

Figure 2. Proposed Building Elevation



Figure 3. Proposed Building Rendering



Decisions and/or recommendations for approval of all four land use applications are dependent upon whether or not the application meets state regulations, the McMinnville Comprehensive Plan and the McMinnville Municipal Code. The application can either meet these criteria as proposed, or a condition

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of approval can be provided that either outlines what needs to occur to meet the criteria or when something needs to occur to meet the criteria. Attached are four different decision documents that provide the Findings of Fact and Conclusionary Findings for each land-use application. These documents outline the legal findings on whether or not each application meets the applicable criteria and whether or not there are conditions of approval that if achieved put the application in compliance with the criteria.

The specific review criteria for the Historic Resources Inventory Amendment in Section 17.65.030(C) of the MMC require the Historic Landmarks Committee to base each decision regarding additions or changes to the Historic Resources Inventory on the following:

1. History. The resource is associated with significant past events, persons, organizations, trends, or values which were important at the city, county, state, or national level. The age of the resource relative to other local development contributes to its historic significance;
2. Style/Design. The resource is representative of a particular style or a type of construction. The uniqueness of the resource or its quality of composition, detailing, or craftsmanship contribute to its design significance. The resource was designated or constructed by a craftsman, contractor, designer, or architect of local, state, or national importance;
3. Integrity. The resource retains original design elements, materials, and character with relatively minor alterations, if any; and
4. Environment. The resource contributes to the character or continuity of the street or neighborhood.
5. Consistency with the National Register Criteria for Evaluation as follows:
 - a. The resource is associated with events that have made a significant contribution to the broad patterns of our history; or
 - b. The resource is associated with lives of significant persons in our past; or
 - c. The resource embodies the 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; or
 - d. The resource has yielded or may be likely to yield, information important in history or prehistory; and
6. The designation of the resource is consistent with the priorities described in the historic preservation plan.

The specific review criteria for both the Certificate of Approval for Demolition and the Certificate of Approval for New Construction in Section 17.65.050(B) of the MMC require the Historic Landmarks Committee to base each 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

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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.

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

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

The applicant has provided a written narrative and findings to support their requests. The narrative and findings are provided in the application materials, and are also reiterated and expanded upon in the Decision Documents for each land use application. The Decision Documents include the specific findings of fact for each of the applicable review criteria, but an overview of the findings in those Decision Documents is provided below.

Overall, the proposal to amend the Historic Resources Inventory for the subject site is reasonable, given the historic research provided by the applicant and the evidence provided of the existing building on the site not being the original building. The original building was constructed in circa 1911, and as shown on the Sanborn fire insurance maps from 1902 through 1948, the original building was deconstructed between 1928 and 1948. The existing building (in 2019) on the site is representative of the building shown on the 1948 Sanborn map, which was the result of the removal of the original building's walls and the construction of a new roof that relies on the neighboring building's exterior walls for support. The Sanborn map also shows that the front façade was reconstructed and lowered from its original height. Photographic evidence shows that the existing storefront is not consistent with the original storefront on the original building, further evidence that the front façade was reconstructed between 1928 and 1948.

The applicant has argued that for these reasons, the existing building on the site does not warrant the Contributory classification on the Historic Resources Inventory. Rather, the site itself warrants classification on the Historic Resources Inventory as a Significant historic resource, based on the history of the site. The original building on the site, as described briefly above and in more detail in the application materials, was of a style that is more consistent with the development of buildings in McMinnville during the primary time period of development in the downtown area. The site was also associated with past people of significance to the growth of McMinnville, particularly Milton McGuire who owned a business that operated from the site before Mr. McGuire went on to work for McMinnville Water and Light and help to guide that agency through its planning and expansion that continues to provide excellent and reliable water and power services for the residents and businesses of McMinnville. The applicant is proposing the classification of the site as Significant to preserve this history of the site.

The classification of the site as a Significant historic resource also allows for the proposed new construction on the site to include architectural features that mimic the original building that existed on the site. The applicant has designed the new two story building's storefront, recessed entry, scale, and decorative cornice features based on historic photographs of the original building that existed on the site. This results in reconstruction that carries forward some of the past history and significance of the subject

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site. The proposed new construction also meets all of the applicable Downtown Design Standards and Guidelines, and the applicant is not requesting any waivers to any of the standards or guidelines.

Commission Options for Historic Resources Inventory Amendment, HL 1-19:

- 1) Close the public hearing and **APPROVE** the application, 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 in the motion to deny.

Commission Options for Certificate of Approval for Demolition, HL 2-19:

- 1) Close the public hearing and **APPROVE** the application, 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 in the motion to deny.

Commission Options for Certificate of Approval for New Construction, HL 3-19:

- 1) Close the public hearing and **APPROVE** the application, 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 in the motion to deny.

Commission Options for Downtown Design Review for New Construction, DDR 2-19:

- 1) Close the public hearing and **APPROVE** the application, per the decision document provided which includes the findings of fact.
- 2) **CONTINUE** the public hearing to a specific date and time.

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- 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 in the motion to deny.

Recommendation:

Staff recommends approval of all four land-use applications with the conditions specified in the decision documents. Suggested conditions of approval include:

- 1) One condition on the Historic Resources Inventory Amendment that assigns a new resource number based on the classification of the site as a Significant historic resource,
- 2) One condition on the Certificate of Approval for Demolition that requires documentation of the existing building to be submitted to the Planning Department prior to any demolition activity.
- 3) Three conditions of approval on the Downtown Design Review related to the provision of details for the recessed windows at the time of building permit submittal, the submission of color examples for review by the Planning Director prior to application on the building, and specifying the amount of signage allowed on the building.

Recommended motions for each land-use application is provided below.

MOTION FOR HL 1-19:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE HL 1-19, SUBJECT TO THE CONDITIONS OF APPROVAL PROVIDED IN THE DECISION DOCUMENT.

MOTION FOR HL 2-19:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE HL 2-19, SUBJECT TO THE CONDITIONS OF APPROVAL PROVIDED IN THE DECISION DOCUMENT.

MOTION FOR HL 3-19:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE HL 3-19.

MOTION FOR DDR 2-19:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVE DDR 2-19, SUBJECT TO THE CONDITIONS OF APPROVAL PROVIDED IN THE DECISION DOCUMENT.

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