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MINUTES

July 25, 2019
Historic Landmarks Committee
Regular Meeting

3:00 pm
McMinnville Civic Hall
McMinnville, Oregon

Members Present: Chair Joan Drabkin, Mary Beth Branch, Mark Cooley, John Mead, and Heather Sharfeddin

Members Absent: None

Staff Present: Chuck Darnell – Senior Planner

Others Present: Andrew Burton, Jonathan Rouse, and Ernie Munch

1. Call to Order

Chair Drabkin called the meeting to order at 3:00 p.m.

2. Citizen Comments

None

3. Approval of Minutes

February 27, 2019 Meeting Minutes

Committee Member Branch moved to approve the February 27, 2019 meeting minutes as written. The motion was seconded by Committee Member Mead and passed 5-0.

4. Action Items

A. DDR 1-19: 1025 NE 1st Street - Review of Built Example of Exterior Materials

Senior Planner Darnell stated the applicant had submitted a new built example of the proposed exterior material. The last built example that was submitted was a hardie cement panel that was not found to be similar in appearance to the stucco or other materials found on registered historic buildings in the downtown area. There was a condition that the fasteners and seams on the panels not be visible. The new built example used a sand additive in the paint to better mimic smooth stucco. Staff recommended approval. During the building permit process, staff would complete an inspection to make sure that the treatment was consistent with the built example that was approved.

Committee Member Mead asked the applicant to explain the preparation and process for this material.

Andrew Burton, representing the applicant and owner, said the seams on the panels would be caulked and the sand additive would be mixed into the paint to give it the right texture. They would start with a smooth panel and then the finish would be applied.

Committee Member Branch would prefer that the finish only be applied to the panels, not the trim components of the building.

Committee Member Branch moved to approve DDR 1-19 with the added condition that the belt course, cornice, and trim components of the building were painted but not treated with the sand additive. The sand additive should only be applied to the hardie panel siding. The motion was seconded by Committee Member Mead and passed 4-1 with Chair Drabkin opposed.

B. HL 1-19 / HL 2-19 / HL 3-19 / DDR 2-19

Historic Resources Inventory Amendment, Certificate of Approval for Demolition, Certificate of Approval for New Construction, and Downtown Design Review for New Construction - 618 NE 3rd Street

Senior Planner Darnell read the hearing statement.

Chair Drabkin opened the public hearing and asked if there was any objection to the jurisdiction of the Committee to hear this matter. There was none. She asked if any Committee Member wished to make a disclosure or abstain from participating or voting on this application. There was none. Chair Hall asked if any Committee Member needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing.

Chair Drabkin disclosed that she had known Mr. Munch for many years, but had not discussed this matter with him.

Chair Drabkin asked if any Committee Members had visited the site. If so, did they wish to discuss the visit to the site? Several members of the Committee had visited the site, but had no comments to make on the visits.

Senior Planner Darnell presented the staff report. This was a request for four separate land use applications for 618 NE 3rd Street. The building was listed on the local historic resources inventory as a contributory resource. It was also classified as a primary significant contributing property in the downtown historic district. The requests were for a historic resources inventory amendment to declassify the building and classify the site from a contributory resource to a significant resource, certificate of approval for demolition to demolish the existing building, certificate of approval for new construction, and downtown design review. The code required a public hearing for demolition requests for properties that were listed on the National Register, which applied in this case because the building was located within the McMinnville Downtown Historic District. He discussed the criteria for historic resources inventory amendments. The applicant had done research on the history of the site and found that the existing building was not the original building. He explained the history of the buildings on the site and the associated dates that were found on the Sanborn maps as well as how the original building was different from what was existing on the site today. The applicant had also stated that the existing building did not have any known connection to significant people in McMinnville's past. It might have been constructed outside of the period of contributing construction in the downtown historic district.

Senior Planner Darnell reviewed the criteria for demolition of the existing building. The applicant had provided detailed cost estimates and estimates of rates of return on the economic use of the building. They also submitted estimates for seismic retrofitting vs. the cost of new construction. By constructing a new building, the applicant would be able to tie into the seismic building system that was put into the building next door. They were proposing a two story addition which would have a higher rate of return. The investment to seismically retrofit the existing building was not reasonable given the rate of return and those improvements might not occur if the building remained. The historic

research showed that the existing building was not of high value or significance. The existing building had been heavily altered and had no east or west wall or lateral support system. A letter from a structural engineer had been submitted stating what would be required to seismically retrofit the building, which would be to build new walls that were separated from the adjacent building to allow for shifting of the walls during an earthquake. To construct the new walls, the roof would have to be trimmed away from the neighboring building. Cracking and rotting were found as well as potential separation of the 3rd Street façade and stucco finish. Some rot was found in the windows as well. The storefront would need to be reconstructed to have a recessed entry. McMinnville's Building Official reviewed the application and concurred that it was accurate and that what was being proposed was reasonable given the level of investment required on the existing building.

Senior Planner Darnell said if the first two requests were approved, the applicant would like to construct a new building on the site. If the amendment was approved, the site would still be classified as a significant resource and required a certificate of approval for new construction. He then reviewed the approval criteria. The design of the new building would incorporate some of the architectural features of the original building such as the storefront window system, recessed entry, transom windows, decorative cornice, and finials. Regarding the Downtown Design Standards, the applicant was not requesting a waiver but included evidence that the application met all of the standards. The application was subject to the Secretary of the Interior standards, and this would be considered reconstruction, a complete new construction of a non-surviving building structure for the purpose of replicating its appearance. It needed to appear as a contemporary recreation of the original building. The applicant was proposing the ground floor to have many of the same features as the original, but it would be a two story building and the upper story façade would be different. The new building would be constructed up to the property line with zero setbacks on both the north and south sides. The massing and configuration would be consistent with the building to the west and would include a stepped parapet wall. They had followed the standards for the storefront features and building materials. Public comments had been received from the McMinnville Downtown Association. The Association was in support of the project. Staff recommended approval with conditions.

Committee Member Branch asked if the demolition request was approved and the existing building was removed but something prevented the new construction from occurring, what were the options for conditions?

Senior Planner Darnell said that an option could be to require that the demolition permit not be issued until the building permit was issued.

Committee Member Mead asked if there were other examples of buildings being declassified and sites becoming historic.

Senior Planner Darnell gave some examples of properties that were classified as historic.

Chair Drabkin was also concerned about other projects that would want to make the site historic and demolish the historic buildings because it would be more economical to tear them down and build something new. She was concerned about setting that precedent.

Senior Planner Darnell said the Historic Resources Inventory amendment was its own action and there were criteria for demolition approval. It was not just the economic factors that the decision was based on. Each case would be unique and would be evaluated based on its specific characteristics and proposed findings.

Committee Member Mead asked what impact designating the site as historic would have on the new building.

Senior Planner Darnell said the site would be designated as a significant resource which would make it a historic landmark. In the future any alterations to the building would be subject to the historic preservation standards as well as the downtown design standards. The design of the original building that was being included on the new building would also be protected.

Chair Drabkin questioned the design proposed, as the culture of downtown was rural, plainer, and more modest. The design was more elegant and beautiful and she did not know if it would help preserve downtown as it was.

Committee Member Cooley asked if there were examples of other resources that had been significantly altered to such an extent that the underlying resource was lost.

Senior Planner Darnell gave an example of one recent application for the Douglas Hotel, where the building's storefront had been replaced at some time with a CMU block wall. In that application, the applicant had requested to re-establish the storefront window pattern that existed prior to the previous alterations, based on the best available evidence. He said that the Committee had to look at these on a case by case basis and the information and evidence that was available.

Chair Drabkin would like to know how the embossed metal siding would be preserved.

Ernie Munch, representing the applicant, gave a history of the purchase of the property and the research that was done for 608 NE 3rd Street and for this property. Both of these properties told the story of Sarah A. and James L. Fletcher, L.A. Jamison, Milton McGuire, and the Taylor-Dale families. They wanted the construction to be good for many years. The City was not frozen in time and was evolving. They had to decide what to keep and what to get rid of to grow and save downtown. This was not a good building architecturally. He reviewed Appendix F, the historic report for the property, including when the construction of the building began, who occupied the property and when, and the historic designations. He thought the national record should be updated with this information as well.

There was discussion regarding the conflicting dates for the construction, whether it was 1912 or 1917.

Mr. Munch thought it was 1917. He then reviewed the Sanborn maps of what was on the site and surrounding area through the years, the ownerships of the site and companies, and how the building was changed. He also discussed the significance of the people tied to the building. He explained how they would preserve the embossed brick siding and integrate it into the interior of the new building as an exhibit. They would also be preserving the large wooden beam. They were requesting to take the classification off of the building and classify the site as a significant resource. This was not the original building on the site.

Committee Member Sharfeddin suggested calling it the Sarah Fletcher building instead of the McGuire building.

Mr. Munch liked that idea, however it was not up to him what the building would be called. Mr. Munch continued by stating that in the code it stated the inventory that was done in 1983/84 shall be maintained and updated as required. The HLC was authorized to make changes to and reevaluate the resources in the inventory. The decision had to be based on the criteria and he reviewed that criteria. He did not think this was a craftsman style building as it was done piecemeal and not built correctly and lacked the features needed for the downtown design standards such as lack of decorative features, no recessed entry, not enough glazing, and no bulkhead or wood base. It did not contribute to the character and continuity of the street and was not consistent with the national register criteria. The building did not embody the characteristics of the period and the method of construction did not represent the work of a master builder. They planned to tear down and reconstruct the building. The applicant planned to recreate as much as possible the original building on the lower level. There was rot and the plumbing was outdated and clearing the site would serve the community efforts for the district and would comply with the design regulations. The purpose of the building would accommodate more tourists and visitors which would boost the economy of the district. The estimated return on investment did not support the estimated cost of restoration and retention of the existing building would be a burden. He then reviewed the economic analysis that was done for a single story and a two story options. The single story would cost \$1.8 million to build at \$818 per square foot and the two story was 16% less. The applicant thought he could get \$1.50 per square foot per month out of the existing building because it was not efficient. With the new building, a higher class restaurant could be put in and he could get \$2.50 per square foot per month.

The units in the second story could be rented for \$350 per night each which could be a possible \$18,000-\$21,000 per month. He explained how the seismic upgrades could be tied together with the building at 608 and new proposed building at 618 NE 3rd Street. There would be an elevator from the basement to the second floor and the sprinkler system and utilities would be connected from 608. He showed how they would connect the buildings and what the project would look like when done. He discussed how the building would meet the design criteria including the decorative cornice, massing, and windows.

Committee Member Mead talked about setting a precedent to downgrade classifications.

Mr. Munch said they should require the in depth research that he had done because before tearing something down, they needed to know the value of a building to the history of the community. The criteria were good to determine if a building was worth saving. A cost analysis should also be required to show the economic value of the decision.

Committee Member Branch asked about the economic analysis for the one story and two story options. There were some items in the one story option that were not included in the two story option that made the first number higher in comparison and that might be inaccurate. The site work budget for the one story was over \$200,000 and the site work budget for the two story was only \$38,000.

Mr. Munch said that was because of the need to duplicate the utilities. He explained how the two story option was able to share the utilities while the one story could not. The one story would be a completely separate building, and the two story would be considered an addition to the building at 608 NE 3rd Street. All the systems would be integrated and they would not be able to be separated later and sold individually.

Chair Drabkin asked whether, if the current owners were to sell, could they partition off the new building and sell that individually or would they need to be sold together as one?

Mr. Munch said that they would not, because they are structurally tied together and you would have to also separate electrical service and utility services to each.

Senior Planner Darnell said that if they move forward as proposed, there would likely need to be some legal process to combine the properties or a legal agreement binding the properties together. That would be reviewed in more detail during the building permit review process.

Mr. Munch stated the plan was to eliminate the property line between the two properties and it would become one property.

Committee Member Mead asked about the timing of the demolition and building permit.

Mr. Munch said they would like to get the demolition permit right away and start working on the new building.

Committee Member Cooley pointed out that if the building was demolished and the lot was sold instead of built, it would be a hard sell due to the cost for a one story building.

Committee Member Sharfeddin thought that would make it more likely that the lot would remain vacant.

Committee Member Cooley did not think it would be economically viable for 618 as a stand-alone single or two story building. This proposal would assist the economic viability of 608. It would not to be a good choice for the applicant to vacate the lot and sell it.

Chair Drabkin was in favor of tying the demolition permit to the building permit so there would not be an issue.

Mr. Munch said they would need the demolition permit immediately to stay on schedule. There were systems that would be built in the new building that were needed to make 608 functional. That was their incentive to get the new building constructed.

Committee Member Branch suggested a condition be added that the embossed metal siding be preserved.

Committee Member Mead wanted to make sure pictures were taken of the Jamison Hardware mural sign and included in the photo documentation.

Committee Member Branch asked if the renderings accurately depicted the colors that would be used on the new building.

Mr. Munch explained the proposed colors.

There was no public testimony.

Chair Drabkin closed the public hearing.

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

Committee Member Branch agreed with the findings in the decision document and what criteria staff thought had been satisfied and what had not, which only one had not. She agreed with staff that the applicant's claim that this building did not contribute to the character or continuity of the district was not true as it did help with the continuity.

Committee Member Mead asked if there were other examples of the stepped facades.

Senior Planner Darnell said he had looked on 3rd Street for similar architecture, and there were not many other examples. Most had flat rooflines and parapet walls.

Committee Member Mead said while he was not normally in favor of designating a site, it would give them a means for the history to be put in an official record. He thought since all of the applications for demolition and new construction were coming together, and the Committee could consider these as a group, he did not think that it would be an avenue for other people to take advantage of the decision.

Chair Drabkin was uncomfortable with designating the site. She understood the reasons for the demolition, but she did not think with the new construction on the site would be historic.

Committee Member Branch questioned how they would highlight the history of the site. She was sad that the original structure was not available to preserve. She thought the application made sense due to the attention of the design detail in the new design to pay homage to the original structure.

Based on the findings of fact, conclusionary findings for approval, materials submitted by the applicant, Committee Member Cooley moved to approve HL 1-19 subject to the conditions of approval provided in the decision document. The motion was seconded by Committee Member Sharfeddin and passed 5-0.

Committee Member Cooley said tying the demolition permit to the building permit was not viable for the applicant.

There was discussion about another way to tie them together without holding up the applicant.

Committee Member Mead thought the applicant would follow through with the new construction.

Committee Member Cooley was reassured by the economic analysis that it was not in the applicant's interest to vacate the property and leave it that way without developing it.

Chair Drabkin was still uncomfortable with it.

Committee Member Branch suggested the demolition permit could be contingent on the building permits being filed, not approved.

Committee Member Cooley thought that would still delay the applicant.

Committee Member Branch appreciated the information that they had been given, however she did not think the cost estimates were as telling as they could be in terms of the comparison between the two options.

Committee Member Mead suggested adding a condition that photographs be taken of the Jamison Hardware mural sign and the embossed metal siding be preserved.

Based on the findings of fact, conclusionary findings for approval, materials submitted by the applicant, Committee Member Mead moved to approve HL 2-19 subject to the conditions of approval provided in the decision document and adding a condition that photographs be taken of the existing building and Jamison Hardware mural and that the embossed metal siding be preserved. The motion was seconded by Committee Member Branch and passed 5-0.

Chair Drabkin asked about the new façade being a reflection of the original façade.

Committee Member Branch thought that meant the design of the first story was based off of the design of the original structure.

Chair Drabkin questioned the construction of a two story building as opposed to a one story building when a two story building never existing on the property.

Committee Member Branch thought this design looked more cohesive in tying the buildings together and added to the historic qualities of the block. She thought the massing of a smaller building would not fit.

Committee Member Sharfeddin agreed that it tied into the property next door.

Based on the findings of fact, conclusionary findings for approval, materials submitted by the applicant, Committee Member Mead moved to approve HL 3-19. The motion was seconded by Committee Member Cooley and passed 5-0.

Committee Member Branch suggested adding a condition that the exterior materials would be as shown in the examples today and the paint color for the window trim would be the same as the 608 building.

Based on the findings of fact, conclusionary findings for approval, materials submitted by the applicant, Committee Member Branch moved to approve DDR 2-19 subject to the conditions of approval in the decision document and an added condition that the exterior materials be the ones the Committee was shown as true examples today and the paint color for the window trim to be the same as the approved paint color for the adjacent building at 608 NE 3rd Street. The motion was seconded by Committee Member Mead and passed 5-0.

5. Discussion Items

None

6. Committee/Commissioner Comments

None

7. Staff Comments

None

8. Adjournment

Chair Drabkin adjourned the meeting at 6:31 p.m.

