

City of Portland, Oregon **Bureau of Development Services**

Land Use Services

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STAFF REPORT AND RECOMMENDATION TO THE PORTLAND CITY COUNCIL

CASE FILE:

LU 09-171259 DM – Demolition Review for the

Kiernan Building [Dirty Duck Tavern], a Contributing Building in the Chinatown

National Register Historic District

Pre App: EA #09-143543

REVIEW BY: Portland City Council

WHEN:

February 3, 2010 at 2:00 PM

WHERE:

1221 SW Fourth Ave., Council Chambers

Portland, OR 97204

BUREAU OF DEVELOPMENT SERVICES STAFF: TIM HERON / THERON@CI.PORTLAND.OR.US

GENERAL INFORMATION

Applicant:

Craig Lewis, Melvin Mark Companies

111 SW Columbia, Ste 1380

Portland, OR 97201

City Of Portland – The Portland Development Commission (Leased)

222 NW 5th Ave

Portland, OR 97209-3812

Dirty Duck Property 222 NW 5th Ave

Portland, OR 97209-3812

Representative:

John Smith, Joe Pinzone, SERA Architects, 503-445-7350

338 NW 5th Ave Portland OR 97209

Site Address:

421-439 NW 3rd Avenue

Legal Description:

BLOCK 25 LOT 5&8 LAND & IMPS SEE COUCHS ADD BLOCK 25; LOT

5&8; LAND & IMPS, COUCHS ADD

Tax Account No.:

R180201710

State ID No.:

1N1E34CA 00300

Quarter Section:

2929

Neighborhood:

Old Town-China Town, contact Carol McCreary at 503-984-4081.

Business District:

Old Town Chinatown Business Association, contact Dorian Yee at 503-224-

District Coalition:

Neighbors West/Northwest, contact Mark Sieber at 503-823-4212.

Plan District:

Central City - NW Triangle

Other Designations: Contributing Building in the Chinatown National Register Historic District

Zoning:

CXd Central Commercial with design overlay

Case Type:

DM - Demolition Review

Procedure:

Type IV, following a public meeting before the Landmarks Commission there will be a hearing before City Council. The Landmarks Commission may offer comments or suggestions, in the form of a letter or testimony, to City

Council. City Council makes the final decision on this matter.

Proposal:

The applicant request Demolition Review approval for the demolition of the Historic Kiernan Building, a contributing structure in the Chinatown National Register Historic District.

Demolition of the building is intended to allow for the construction of a new 3 to 4 story residential group living and soup kitchen building of the same 1/4 -block footprint, to serve the new Blanchet House of Hospitality. The existing Blanchet House of Hospitality, the only other remaining building on Block 25, is a primary contributing structure within the Historic District.

Because the proposal is to demolish a Contributing Building in the Chinatown National Register Historic District, a Type IV Historic Design Review is required.

If the Demolition Review is approved by Portland City Council, a Type 3 Historic Land Use Review approval is still required, as well as an issued building permit for the new development, before a demolition permit will be released.

Approval Criteria:

In order to be approved, this proposal must comply with the approval criteria of Title 33, Portland Zoning Code. The applicable approval criteria are:

Section 33.846 Historic Design Review

Section 33.846.070 Demolition Review

ANALYSIS

Site and Vicinity:

The subject site lies within the Portland New Chinatown/Japantown Historic District, which was listed in the National Register of Historic Places on November 21, 1989. For ease of reference the shortened name Chinatown Historic District will be used in the remainder of this report. The district documentation was prepared by John Southgate on behalf of the Portland Development Commission. The nomination was vetted by the State Historic Preservation Office, reviewed and forwarded by the governor-appointed State Advisory Committee on Historic Preservation, and accepted by the Keeper of the National Register

The National Register defines a Historic Districts as ""a geographically definable area, urban or rural, possessing a significant concentration, linkage, or continuity of sites, buildings, structures, or objects united by past events or aesthetically by plan or physical development. In addition, historic districts consist of contributing and non-contributing properties. Historic districts possess a concentration, linkage or continuity of the other four types of properties. Objects, structures, buildings and sites within a historic district are usually thematically linked by architectural style or designer, date of development, distinctive urban plan, and/or historic associations."

Located on the west side of the Willamette River, the district lies in an older commercial, industrial, and transportation center, between NW Glisan and W Burnside, streets that connect respectively to the Steel and Burnside Bridges. NW Fourth Avenue forms the spine of the district. The Portland Skidmore-Old Town Historic District (Old Town), listed on the National Register of Historic Places on Dec 6, 1975 and as a National Historic Landmark on May 5, 1977, overlaps the southeastern corner of the district. The shared area is the eastern half of the blocks bounded by Burnside, Third, Davis, and Fourth, plus the southeastern quarter of the block bounded by Davis, Third, Everett, and Fourth.

The Chinatown Historic District is a ten block area bounded by W Burnside Street to the south, NW Fifth Avenue to the west, NW Glisan to the north, and NW Third Avenue to the east. The majority of buildings within the district are used commercially or industrially, however, some buildings also contain residential units. At the time of the district's nomination to the National Register, there were 45 buildings, two features and five vacant properties within the district. There are buildings by notable Portland architects within the district which date from the historic period, 1880-1943. There are 14 buildings dating from the first period of significance (1880-1909), 15 buildings dating from the second period (1910-1943), 9 historic non-contributing buildings, 4 compatible noncontributing buildings, 3 non-compatible non-contributing buildings, and 5 vacant lots. There are also two features [not building structures] within the district, the Simon Building facade, dating from the primary period, and the Chinatown Gateway, constructed after the historic period. There are also two features within the district, the Simon Building facade, dating from the primary period, and the Chinatown Gateway, constructed after the historic period. The district is significant under criterion A for its historical associations and American History, and C for its design and construction. The district's areas of significance noted in the National Register nomination are Asian Ethnic Heritage, Industry, Commerce and Architecture.

According to the National Register nomination "The Chinatown Historic District is nationally significant under Criterion A for its history as the largest and most intact Chinatown in Oregon. It is locally significant as the largest remaining and most viable example of the Chinese ethnic community in Portland. As the City of Portland developed into a major seaport and railroad center, the use of this area changed from residential to commercial and industrial. Chinatown was the major Chinese immigration center in the state and represents the Chinese who lived and worked in the area. The Chinatown Historic District portrays the traditional nature of Chinese social, political, cultural, and economic organizations. The majority of the buildings in the district were designed and built by some of Portland's best architects and builders of the period 1880-1943. The last date marks the year that Chinese were allowed to become naturalized citizens, and granted the right to vote and legally own land in the United States."

The one story commercial Kiernan Building is rectangular in plan and has a flat roof. The corbelled brick cornice projects over a drip frieze. The building is constructed of buff brick in a common bond pattern. The main entrance, supported with a metal post, is recessed and cuts diagonally across the northeast comer of the building. The east elevation is divided into six bays. The northern bay consists of fixed pane storefront windows with diagonal board shutters, a brick bulkhead, and double entrance doors at the corner. The storefront windows on the adjacent bay to the south, have been boarded over and the transoms covered with diagonal boarding. A garage door has replaced the storefront and transom windows in one of the central bays. The storefront windows in the southern two bays have been covered with diagonal boarding and the brick bulkhead has been sandblasted. The transoms on this facade have been covered over. The north elevation is divided into three major sections. The windows in the eastern bay have been altered to large fixed pane mirrored glass windows flanked by shutters. A door with an arched label mold is located between the two storefront windows. The bulkhead is brick. Original multi-paned storefront windows and an entrance door with transom are located in the central bay and a large paneled garage door is in the west portion of the bay. The western bay is comprised of multi-paned storefront windows and transoms. A door is in the east end of this bay.

The building was designed in 1916 by the architectural firm of MacNaughton and Raymond for Frank Kiernan and built for \$7,000. Prior to purchase by Kiernan Investment Company, the

property was owned by the Morgan Land Company. Frank Kiernan retained ownership of the property until his death in 1943. The present owner, Mildred Schwab, purchased the building in 1967 from Kiernan's family. E.B. MacNaughton was born in Cambridge, Massachusetts on October 22, 1880. After graduating from MIT in 1902, MacNaughton came to Portland the following year and worked for Portland architect, Edgar Lazarus from 1903 to 1906. MacNaughton then formed a partnership with H.E. Raymond, his brother-in-law, and Ellis F. Lawrence. The partnership prospered with MacNaughton working as business manager, Raymond as engineer, and Lawrence as architect. They were responsible for many substantial architectural projects in Portland.

In 1911, MacNaughton and Raymond formed a corporation which lasted until 1919. MacNaughton was owner of the capital stock. It was during this association that the Kiernan Building, as well as Marshall Wells Warehouse #2, was constructed. MacNaughton gradually worked into managing and developing properties. In 1918, MacNaughton joined with Robert H. Strong, manager of the Corbett Estate, to establish the firm of Strong and MacNaughton. This firm was responsible for design and construction of three buildings in Chinatown Resources Nos. 8, 9 and 31. The firm existed until 1925 when MacNaughton began his banking career as vice-president of Ladd and Tilton Bank, later the First National Bank. MacNaughton died in Portland in August of 1960.

Although constructed as a light industrial building, there were two small storefronts in the northeast comer of the building that contained a variety of tenants. One of the original businesses was Roy Cherkezoff & Sons Confectionery (1917-1944). The Western Machine Works (1916-1944), which manufactured punches, dies, and stamped sheet metal, occupied another portion of the building. The 1926 Sanborn Insurance Map indicates that Western Tool and Die Works, operated by Andy Fritz, shared the space with Western Machines Works. The western portion of the building contained the Portland Welders Supply Company (1924-1944). Edwin Frank Platt was president of the family owned company. Other businesses known to have occupied the building were a branch office of Air Reduction Sales Company and Western Union Telegraph Company (1920-1943).

The building is considered to be contributing within the district during its secondary period of significance because of its association with architects MacNaughton and Raymond. From existing research, the building does not appear to be directly associated with the Chinese community through ownership or occupancy.

Zoning: The Central Commercial (CX) zone is intended to provide for commercial development within Portland's most urban and intense areas. A broad range of uses is allowed to reflect Portland's role as a commercial, cultural and governmental center. Development is intended to be very intense with high building coverage, large buildings, and buildings placed close together. Development is intended to be pedestrian-oriented with a strong emphasis on a safe and attractive streetscape.

Historic Resource Protection Overlay Zone [d-overlay] is intended to ensure the conservation and enhancement of the special characteristics of historic resources. This protects certain historic resources in the region and preserves significant parts of the region's heritage. The regulations implement Portland's Comprehensive Plan policies that address historic preservation. These policies recognize the role historic resources have in promoting the education and enjoyment of those living in and visiting the region. The regulations foster pride among the region's citizens in their city and its heritage. Historic preservation beautifies the city, promotes the city's economic health, and helps to preserve and enhance the value of historic properties

Land Use History: City records indicate no prior land use reviews, but two recent applications for the site:

• EA 09-143543 – Pre-Application Conference, Exhibit G.3

• EA 09-143556 – Design Advice Request for Demolition of the Kiernan Building/Dirty Duck Tavern, Exhibit G.4

Agency Review: A "Request for Response" was mailed **December 18, 2009**. The following Bureaus have responded with no issues or concerns:

- Bureau of Environmental Services
- Bureau of Transportation Engineering
- Water Bureau
- Site Development Section of BDS

Neighborhood Review: A Notice of Proposal in Your Neighborhood was mailed on December 22, 2009. Two written responses have been received. Exhibits H.3 and H.5.

ZONING CODE APPROVAL CRITERIA

Historic Design Review Chapter 33.445, Historic Resource Protection Overlay Zone, and Chapter 33.846, Historic Reviews

33.445.010 Purpose of Historic Design Review

Historic Design Review ensures the conservation and enhancement of the special characteristics of historic resources. This chapter protects certain historic resources in the region and preserves significant parts of the region's heritage. The regulations implement Portland's Comprehensive Plan policies that address historic preservation. These policies recognize the role historic resources have in promoting the education and enjoyment of those living in and visiting the region. The regulations foster pride among the region's citizens in their city and its heritage. Historic preservation beautifies the city, promotes the city's economic health, and helps to preserve and enhance the value of historic properties

33.445.030 Types of Historic Resource Designations and Map Symbols

C. Historic District. This type of resource is a collection of individual resources that is of historical or cultural significance at the local, state, or national level. Information supporting a specific district's designation is found in the City's Historic Resource Inventory, its National Register nomination, or the local evaluation done in support of the district's designation.

33.445.330 Demolition of Historic Resources in a Historic District

Demolition of other historic resources within a Historic District requires demolition review to ensure their historic value is considered. The review period also ensures that there is an opportunity for the community to fully consider alternatives to demolition.

Historic Design Review Approval Criteria

Requests for historic design review will be approved if the review body finds the applicant has shown that all of the approval criteria have been met.

33.846.010 Purpose

This chapter provides procedures and establishes the approval criteria for all historic reviews. The approval criteria protect the region's historic resources and preserve significant parts of the region's heritage. The reviews recognize and protect the region's historic and architectural resources, ensuring that changes to a designated historic resource preserve historic and architectural values and provide incentives for historic preservation.

33.846.080 Demolition Review

- A. Purpose. Demolition review protects resources that have been individually listed in the National Register of Historic Places and those that have been classified as contributing in the analysis done in support of a Historic District's creation. It also protects Historic Landmarks and Conservation Landmarks that have taken advantage of an incentive for historic preservation and historic resources that have a preservation agreement. Demolition review recognizes that historic resources are irreplaceable assets that preserve our heritage, beautify the city, enhance civic identity, and promote economic vitality.
- B. Review procedure. Demolition reviews are processed through a Type IV procedure.
- **C. Approval criteria.** Proposals to demolish a historic resource will be approved if the review body finds that one of the following approval criteria is met:

- 1. Denial of a demolition permit would effectively deprive the owner of all reasonable economic use of the site: *or*
- 2. Demolition of the resource has been evaluated against and, on balance, has been found supportive of the goals and policies of the Comprehensive Plan, and any relevant area plans. The evaluation may consider factors such as:
 - a. The merits of demolition;
 - b. The merits of development that could replace the demolished resource, either as specifically proposed for the site or as allowed under the existing zoning;
 - c. The effect demolition of the resources would have on the area's desired character;
 - d. The effect that redevelopment on the site would have on the area's desired character;
 - e. The merits of preserving the resource, taking into consideration the purposes described in Subsection A; and
 - f. Any proposed mitigation for the demolition

Findings: The site is designated a contributing resource with a National Register Historic District. Therefore, demolition of the existing building requires Demolition Review approval.

The applicant has chosen to address Approval Criterion 2, therefore, the proposal has been evaluated against the:

- 1. Comprehensive Plan Goals and Policies document [Oct 1980/July 2006];
- 2. Central City Plan document [March 1988];
- 3. The Old Town/Chinatown Vision and Development Plans [1997, 1999, 2003]; and
- 4. The Chinatown National Register Historic District [National Park Service, Sept 1989].

Staff response to the Approval Criteria is organized in the following way:

Pg. 7-13: Portions of the Proposal found to be approvable

Pg. 14-18: Portions of the Proposal not found to be approvable

Pg. 14 Area of concern #1 - Future use to justify demolition

Pg. 17 Area of concern #2 - Condition of historic resource to Justify Demolition

The following Approval Criteria and Findings are for those aspects of the proposal found to be, on balance, supportive of the approval criteria at this time:

PORTLAND COMPREHENSIVE PLAN

GOAL 1: METROPOLITAN COODINATION

The Comprehensive Plan shall be coordinated with federal and state law and support regional goals, objectives and plans adopted by the Columbia Region Association of Governments and its successor, the Metropolitan Service District, to promote a regional planning framework.

Findings: This criterion is not applicable.

GOAL 4: HOUSING

Enhance Portland's vitality as a community at the center of the region's housing market by providing housing of different types, tenures, density, sizes, costs, and locations that accommodate the needs, preferences, and financial capabilities of current and future households.

Findings: The proposed project is supportive of this goal and contributes towards the following associated policies and objectives; Housing Availability, Sustainable Housing, Housing Safety, Housing Quality, Balanced Communities, Fair Housing, Housing Diversity, Housing Affordability, Housing Continuum and Neighborhood Stability.

The City of Portland's housing policies for downtown call for the preservation of units supporting very low income and special needs populations. Recent and on-going development in the city has caused the loss of such housing through the conversion, demolition and redevelopment of properties, which have traditionally served this population. This project is the result of the efforts of Blanchet House, with the support of the Portland Development Commission, to develop housing and services to replace those units lost in Portland's neighborhoods and to qualitatively improve the living standard for low income and special need individuals.

The Blanchet House will provide housing for very low-income people. The housing program's primary goal will be to provide an enriched living environment for independent tenants that require services, while providing a safe and stable environment. The Blanchet House's goal is to assist residents through improved socialization space and amenities within the residential space of the building and to create a safe and stable housing asset. These services are critical to creating a balanced community and effective transitional housing. A safe and healthy built environment is dependent upon housing that serves all of Portland's citizens; at all income levels. This housing option provides the homeless population access to a transitional program that could eventually lead to permanent housing.

The development of a new and larger Blanchet House will certainly enhance and upgrade the city's affordable housing stock, bring new life and activity to the streetscape and enhance the Old Town/Chinatown neighborhood by returning vibrancy and life to this area. The vitality of the neighborhood is contingent on quality housing. The housing component will be designed to suit the needs of a specific population through the use of resource efficient design. This provides all residents with housing that has access to sunlight, fresh air and at the same time is accessible, safe and inviting.

This criterion is therefore met.

GOAL 6: TRANSPORTATION

Develop a balanced, equitable, and efficient transportation system that provides a range of transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise, and water pollution; and lessens reliance on the automobile while maintaining accessibility.

Findings: This criterion is not applicable.

GOAL 7: ENERGY

Promote a sustainable energy future by increasing energy efficiency in all sectors of the city by ten percent by the year 2000.

Findings: The proposed project is supportive of this goal and contributes towards the following associated policies and objectives; Energy Efficiency in Residential Buildings and Waste Reduction and Recycling.

Utilities are the single largest expense for the mission and can be upwards of \$50,000 per year. To address this significant cost, which equals half of their entire budget, the Blanchet House Board has identified energy and water conservation as a very important component for new development. Reduced operational costs over the lifecycle of the building will allow the organization to direct more of its resources towards its program and social mission. The Blanchet House has targeted the United States Green Building Council's Leadership in Energy and Environmental Design Gold award as the baseline with a goal of Platinum. The project will use a combination of efficiency strategies to achieve significant energy savings. Currently, the proposed project is estimated to use 66% less energy than a comparable building.

Sustainable energy features of the proposed Blanchet House include high-performance walls and glazing, ground source closed loop heat pump, high-efficiency condensing gas water heaters, solar thermal water system, third-party photovoltaic's, and kitchen hood heat recovery.

This criterion is therefore met.

GOAL 8: ENVIRONMENT

Maintain and improve the quality of Portland's air, water and land resources and protect neighborhoods and business centers from detrimental noise pollution.

Findings: The proposed project is supportive of this goal and contributes towards the following associated policies and objectives; Air Quality and Water Quality.

Blanchet House has identified water conservation as a very important component for the development of their new facility. Reduced operational costs over the lifecycle of the building will allow the organization to direct more of its resources towards its program and social mission. Through an integrated design process, the project aims to develop a highly integrated water use strategy that achieves Net-zero municipal water use for the residential portion of the building. The project also plans to include the implementation of one of the City of Portland's first grey water reuse systems.

Sustainable environmental features of the proposed Blanchet House include managing storm water on site, minimizing potable water use, minimizing irrigation, reuse of storm water and limiting the use of materials that negatively impact air quality.

This criterion is therefore met.

GOAL 9: CITIZEN INVOLVEMENT

Improve the method for citizen involvement in the on-going land use decision-making process and provide opportunities for citizen participation in the implementation, review and amendment of the adopted Comprehensive Plan.

Findings: The applicant has complied with Title 33, Portland Zoning Code, which requires public notice, site posting, public meetings and a subsequent City Council Hearing.

This criterion is therefore met.

GOAL 10: PLAN REVIEW AND ADMINISTRATION

Portland's Comprehensive Plan will undergo periodic review to assure that it remains an up-to-date and workable framework for land use development. The Plan will be implemented in accordance with State law and the Goals, Policies and Comprehensive Plan Map contained in the adopted Comprehensive Plan.

Findings: This criterion is not applicable.

GOAL 11: PUBLIC FACILITIES

Provide a timely, orderly and efficient arrangement of public facilities and services that support existing and planned land use patterns and densities.

Findings: This criterion is not applicable.

CENTRAL CITY PLAN

POLICY 2: THE WILLAMETTE RIVERFRONT

Enhance the Willamette River as the focal point for views, public activities, and development which knits the city together.

Findings: This criterion is not applicable.

POLICY 3: HOUSING

Maintain the Central City's status as Oregon's principal high density housing area by keeping housing production in pace with new job creation.

Findings: The City of Portland's housing policies for downtown call for the preservation of units supporting very low income and special needs populations. Recent and on-going development in the city has caused the loss of such housing through the conversion, demolition and re-development of properties, which have traditionally served this population. This project is the result of the efforts of Blanchet House, with the support of the Portland Development Commission, to develop housing and services to replace those units lost in Portland's neighborhoods and to qualitatively improve the living standard for low income and special need individuals.

Blanchet House provides no cost daily meals to the homeless /poor and provides no-cost housing to those recovering from alcohol and drug dependencies. The proposed Blanchet House facility will almost double the current housing capacity and will provide new kitchen and dining facilities allowing the facility to meet its programmatic needs.

The housing program's primary goal will be to provide an enriched living environment for independent tenants that require services, while providing a safe and stable environment. Very low income people are often isolated and sometimes homeless. The Blanchet House's goal is to assist residents through improved socialization space and amenities within the residential

space of the building and to create a safe and stable housing asset. These services are critical to creating a balanced community and effective transitional housing. A safe and healthy built environment is dependent upon housing that serves all of Portland's citizens; at all income levels. This housing option provides the homeless population access to a transitional program that could eventually lead to permanent housing.

The development of a new and larger Blanchet House will enhance and upgrade the city's affordable housing stock, bring new life and activity to the streetscape and enhance the Old Town/Chinatown neighborhood by returning vibrancy and life to this tired area. The vitality of the neighborhood is contingent on quality housing. The housing component will be designed to suit the needs of a specific population through the use of resource efficient design. This provides all residents with housing that has access to sunlight, fresh air and at the same time is accessible, safe and inviting.

The project provides a diversity of housing and social service opportunities to meet the varied needs of individuals in this neighborhood.

This criterion is therefore met.

POLICY 4: TRANSPORTATION

Improve the Central City's accessibility to the rest of the region and its ability to accommodate growth, by extending the light rail system and by maintaining and improving other forms of transit and the street and highway system, while preserving and enhancing the City's livability.

Findings: This criterion is not applicable.

POLICY 5: HUMAN SERVICES

Provide social and health services for special needs populations, and assist dependent individuals to become more independent.

Findings: The Blanchet House will provide needed neighborhood social services including providing no-cost daily meals to the homeless/ low-income and providing no-cost housing to those recovering from alcohol and drug dependencies. The proposed Blanchet House facility will almost double the current housing capacity and will provide new kitchen and dining facilities allowing the facility to meet its programmatic needs. The new facility will also allow the opportunity to provide for a chapel, library, health and other social services.

The proposed project is designed to meet the unique and special needs of a targeted homeless or at-risk population, while providing a safe and stable environment which encourages workforce training and personal growth. The occupants of this building both live and work in the same structure. This creates a mixed use development that fosters individual opportunities and independence by promoting a range of social services including opportunities for job training and employment, daily meals and aid, and transitional housing.

This criterion is therefore met.

POLICY 6: PUBLIC SAFETY

Protect all citizens and their property, and create an environment in which people feel safe.

Findings: The Blanchet House redevelopment project promotes the objective of public safety by improving the public perception of pedestrian 'safety', decreasing the likelihood of actual crime and improving the safety of the building occupants and guests.

The current Blanchet House has clearly outgrown its facility, demonstrated daily by the long queuing of persons on adjacent sidewalks which can create discomfort and/or conflict for other pedestrians. With the Blanchet House redevelopment, meal lines will be located within the building, therefore improving the pedestrian experience and strengthening the overall environment within the larger community. The redevelopment will provide increased transparency at the pedestrian level which will allow pedestrians to view in, and share in the building's vibrant ground floor activities. The ground floor activities will provide continuous "eyes on the street" and will function to decrease the likelihood of crime.

This criterion is therefore met.

POLICY 7: NATURAL ENVIRONMENT

Improve the Central City's environment by reducing pollution, keeping the Central City clean and green, and providing opportunities to enjoy nature.

Findings: Blanchet House will promote conservation and sustainable development patterns through the use of energy-efficient design and practices. These practices will educate the buildings occupants and stimulate environmental stewardship. Utilities are the single largest expense for the mission and can be upwards of \$50,000 per year. To address this significant cost, which equals half of their entire budget, the Blanchet House Board has identified energy and water conservation as a very important component for new development. Reduced operational costs over the lifecycle of the building will allow the organization to direct more of its resources towards its program and social mission. The Blanchet House has targeted LEED Gold as the baseline with a goal of Platinum.

The project will use a combination of efficiency strategies to achieve significant energy savings. Currently, the proposed project is estimated to use 66% less energy than a comparable building. Through an integrated design process, the project aims to develop a highly integrated water use strategy that achieves Net-zero municipal water use for the residential portion of the building. The project also plans to include the implementation of the City of Portland's first grey water reuse system, incorporating the new Statewide Alternate Means and Methods OPSC 08-02

This criterion is therefore met.

POLICY 8: PARKS AND OPEN SPACES

Build a park and open space system of linked facilities that tie the Central City districts together and to the surrounding community.

Findings: This criterion is not applicable.

POLICY 10: EDUCATION

Expand educational opportunities to meet the needs of Portland's growing population and businesses, and establish the Central City as a center of academic and cultural learning.

Findings: This criterion is not applicable.

Policy 13: PLAN REVIEW

Periodically review the progress of the Central City Plan

Findings: This criterion is not applicable.

Policy 14: DOWNTOWN

Strengthen the Downtown as the heart of the region, maintain its role as the preeminent business location in the region, expand its role in retailing, housing, and tourism, and reinforce its cultural, educational, entertainment, governmental and ceremonial activities.

Findings: This criterion is not applicable.

Policy 15: GOOSE HOLLOW

Protect and enhance the character of Goose Hollow by encouraging new housing and commercial development which is compatible with a growing community.

Findings: This criterion is not applicable.

Policy 17: NORTHWEST TRIANGLE

Preserve the district's character and architectural heritage while encouraging both industrial activity and mixed use development.

Findings: This criterion is not applicable.

Policy 18: LOWER ALBINA

Strengthen the economic development of the district as an industrial employment area while preserving its historic buildings and providing a connection for pedestrians to the Willamette River.

Findings: This criterion is not applicable.

Policy 19: LLOYD CENTER-COLISEUM

Reinforce the Lloyd Center as the eastern anchor of Central City retailing and locate the highest density new development in areas served by light rail.

Findings: This criterion is not applicable.

Policy 20: CENTRAL EASTSIDE

Preserve the Central Eastside as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade.

Findings: This criterion is not applicable.

Policy 21: NORTH MACADAM

Develop the district as a mixed use neighborhood with significant residential development along the river bank and commercial development along Macadam and the Jefferson Street light rail line.

Findings: This criterion is not applicable.

The following Approval Criteria and Findings are for two critical aspects of the proposal that have been evaluated and found <u>not</u> to be, on balance, supportive of the approval criteria:

Pg. 14 Area of concern #1 - Future use to justify demolition

Pg. 17 Area of concern #2 - Condition of historic resource to justify demolition

Area of concern #1 - Future use to justify demolition

COMPREHENSIVE PLAN Goal 2: URBAN DEVELOPMENT

Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policy 2.20 Utilization of Vacant Land

Provide for full utilization of existing vacant land except in those areas designated as open space.

COMPREHENSIVE PLAN Goal 5: ECONOMIC DEVELOPMENT

Foster a strong and diverse economy which provides a full range of employment and economic choices for individuals and families in all parts of the city.

5.1 Urban Development and Revitalization

Encourage investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

CENTRAL CITY PLAN Policy 1: ECONOMIC DEVELOPMENT

Build upon the Central City as the economic heart of the Columbia Basin, and guide its growth to further the City's prosperity and livability.

Findings: The stated goals and policies of the Comprehensive Plan and Central City Plan for Urban and Economic Development encourage retaining neighborhood character, utilization of vacant lands and adaptive reuse of urban land and building.

When reviewing for demolition of a contributing building in a historic district, the applicant must take into consideration that the subject site is also a part of a greater historic district, and the impact to the whole district must be taken into consideration. The number of eligible and contributing historic buildings in the District decreases from south to north; the number of vacant lots decreases as well. The northern portion of the District already has gaps in its historic street frontage with vacant lots and non-contributing buildings, and therefore already a challenged end of the district with the existing historic buildings in place.

Particularly critical are block corners, as the Kiernan Building/Dirty Duck Tavern. Even more critical, are edges of districts, for they are considered "gateways" that anchor the district's corner edge, and therefore perform an even more enhanced role as a district front door. The Kiernan Building was included within the boundaries of the Chinatown Historic District, which is not only important for its Asian heritage, but for its significance in Industry, Commerce, and Architecture as well.

The applicant has addressed the majority of the review specifically on the redevelopment of the specific ¼-block site of the Kiernan Building/Dirty Duck Tavern, a contributing resource in a larger historic district ensemble. Additionally, in response to these approval criteria above, the

applicant has noted the Blanchet House of Hospitality's public service, an admittedly incredible contribution to the City of Portland, as the primary reason in justifying the demolition of this site. The applicant has not however, provided little more evidence to support the demolition other than then use proposed.

In consideration of the criteria for utilizing vacant land, rehabilitation and adaptive reuse, the proposal does not, on balance justify the demolition of a historic resource in this district.

Therefore, these criterion are not met.

COMPREHENSIVE PLAN Goal 12: URBAN DESIGN

Enhance Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations.

CENTRAL CITY PLAN Policy 9: CULTURE AND ENTERTAINMENT

Provide and promote facilities, programs and public events and festivals that reinforce the Central City's role as a cultural and entertainment center for the metropolitan and northwest regions.

CENTRAL CITY PLAN Policy 12: URBAN DESIGN

Enhance the Central City as a livable, walkable area which focuses on the river and captures the glitter and excitement of city living.

Additional Density and Bonus Provision Findings

130. These limits respect and protect the historic district buy limiting the scale of new development both to be consistent with that of historic buildings in the district and to avoid density allawances that encourage removal of landmark and potential landmarks structures.

Findings: The stated goals and policies for Urban Design, Culture and Entertainment promote the preservation of Portland's history, culture and its urban character. Central City Plan Urban Design policy addresses limits to density and bonus provisions in order to "respect and protect the historic district by limiting the scale of new development both to be consistent with that of historic buildings in the district and to avoid density allowances that encourage removal of landmark and potential landmark structures." This policy can best be implemented through the rehabilitation of the existing resource.

The Blanchet House of House of Hospitality seeks to expand the ability of their services from their existing facility which literally spills out into the street because of the need, and presumably, their successful mission and service to the community and City as a whole. The site is zoned CX, Central Commercial, which allows a broad range of uses to reflect Portland's role as a commercial, cultural and governmental center. The Blanchet House of Hospitality, an allowed use in this zone, cannot be required to remain on the site in perpetuity.

While an incredible service to people in need, the public service benefit provided by the Blanchet House alone should not be considered in this case because the building's "use" cannot be guaranteed in perpetuity. Unlike a conditional use review where a particular use is allowed but additional review is required if the use changes, nothing in Demolition Review or the replacement building review that would follow will be able to ensure the use in this application will remain.

For this reason, Staff remains concerned that application for the demolition of the Kiernan Building/Dirty Duck Tavern is based primarily upon the social benefit provided by the Blanchet House, and not urban design and cultural preservation criteria, particularly when there is no guarantee that the Blanchet House will remain on the property.

Therefore, these criterion are not met.

OLD TOWN/CHINATOWN DEVELOPMENT PLAN

The goal of the Old Town/Chinatown Development Plan is: To develop Old Town/Chinatown into a vibrant, 24 hour, mixed-use, urban neighborhood, rooted in a rich historic past.

2.1 BLOCK 25 DEVELOPMENT

Acquire most of the block bounded by Glisan, Flanders, 3rd and 4th, undertake predevelopment work and prepare a development offering for the block that would include parking, housing, first floor retail and accommodation of the Blanchet House functions.

4.1 PROPERTY ACQUISITION AND RENOVATION

Support public investments in prperties either by acquisition or grants to owners to renovate, provide seismic upgrades, or redevelop.

4.3 BUILDING PRESERVATION

Support financing to existing building owners for required seismic upgrades. Increase financial support for building façade improvements and storefront restoration and rehabilitation.

Findings: In order to meet the stated goal of creating a vibrant urban neighborhood, the Old Town/ Chinatown Development Plan recognizes that existing underutilized buildings which are not in themselves historic "should be replaced with new structures." The Kiernan Building/Dirty Duck Tavern is a Historic Contributing Building in the Chinatown Historic District. Further, its significance to the district in Architecture and Commerce, is supported by seven other buildings in the district, comprising 25% of the district's historic building ensemble.

The Old Town/ Chinatown Development Plan, as adopted by City Council in 1999, recommends the development of most of Block 25 as the highest priority and worthy of immediate action. The only two structures on the site are contributing historic resources, the Kiernan Building/Dirty Duck Tavern, and the Yamaguchi Hotel/Blanchet House of Hospitality. The remainder of the site is surface parking, an otherwise non-historic and non-contributing feature in the district.

While the Applicant has referenced the Old Town/Chinatown Development Plan as calling for the demolition of the Kiernan Building/Dirty Duck Tavern, the plan does not specifically call for, nor imply preapproval for the demolition of the Kiernan Building. It states: "Property Development, 2.1 - Block 25 Development: Acquire most of the block bounded by Glisan, Flanders, 3rd and 4th, undertake the predevelopment work and prepare a development offering for the block that would include parking, housing, first floor retail and accommodation of the Blanchet House functions [emphasis added]." Staff would argue that most of the block, nearly 3/4, is surface parking. The remainder is occupied by two contributing historic buildings.

As such, the majority nexus of the application is grounded on the Blanchet House being a permanent resident of this site, something the Portland Zoning Code or criteria reviewed in this application cannot enforce. The Kiernan Building however, is an irreplaceable piece of a larger district. Once it is removed, it cannot be replaced should the Blanchet House of Hospitality outgrow this potential new facility and/or move from the site, as they are current in need of doing from their existing location.

Therefore, in consideration of the above goals and policies in the Comprehensive Plan, the City Plan, and the Chinatown Development Plan, the proposal to demolish an existing resource is not, on balance, supported by the approval criteria.

Area of concern #2 - Condition of historic resource to justify demolition

COMPREHENSIVE PLAN Goal 3: NEIGHBORHOODS

Preserve and reinforce the stability and diversity of the City's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses and insure the City's residential quality and economic vitality.

Policy 3.4 Historic Preservation

Preserve and retain historic structures and areas throughout the city.

CENTRAL CITY PLAN Policy 11: HISTORIC PRESERVATION

Preserve and enhance the historically and architecturally important buildings and places and promote the creation of our own legacy for the future.

CENTRAL CITY PLAN Policy 16: NORTH OF BURNSIDE

Extend downtown development toward Union Station and the Broadway Bridge while protecting existing housing and social services for the district's special needs populations.

Findings: In order to meet the stated goals and policies of the Comprehensive Plan and the Central City Plan for preserving and enhancing historic structures, and protecting existing housing and social services, the applicant should demonstrate that if a historic structure is proposed for demolition, it could not otherwise be restored. Additionally, should demolition of the resource be approved, the resulting development should demonstrate, at a minimum, that the new structure can contribute and enhance the district in the absence of the demolished resource.

To promote the opportunity for both housing and jobs, the Blanchet House and the Portland Development Commission have teamed to develop an enriched living environment coupled with a community services program on the site of the Kiernan Building/Dirty Duck Tavern, a historic resource in the National Register Historic District. The redevelopment for the Blanchet House mission is necessary to help mitigate the shortage of crucial social services and alleviate the scarcity of quality affordable housing in this neighborhood. The proposed project is designed to meet the unique and special needs of a targeted homeless or at-risk population, while providing a safe and stable environment which encourages workforce training and personal growth. The occupants of this building both live and work in the same structure which creates a mixed use development that fosters urban diversity by promoting the active use of the ground floor via the social services the program provides.

Critical to these criteria is the applicant's assertion that the current state of disrepair and non-compatible additions to the Kiernan Building/Dirty Duck Tavern justify demolition. Based on the information provided, Staff is not able evaluate the existing conditions as being cost-prohibitive, structural infeasible, or otherwise unreasonable to justify not preserving and restoring the historic resource.

Based on testimony and evidence provided by the applicant, and the subsequent response by the Historic Landmark Commission, the Kiernan Building/Dirty Duck Tavern appears to be no worse a state of disrepair that other historic buildings in the City that have be successfully renovated. Recently restored buildings from the residential to industrial scale include the Simon Benson House and the White Stag Building.

Lastly, somewhat conflicting information has also been presented by the applicant. Since the the Portland Development Commission acquired the Kiernan Building/Dirty Duck Tavern property in 1999, the description that the building is in such disrepair that it contributes to urban blight, should not be an inditement on the building's condition or historic integrity, but rather on the presumed maintenance schedule for the building's upkeep.

The proposal to demolish does not support criterion that advocate the preservation and enhancement of the district's architectural heritage and international character. Contributing historic buildings add value to the district and its ethnic subculture, which is specifically addresses the desired designation of Chinatown as a historic district.

Therefore, in consideration of the above goals and policies in the Comprehensive Plan and the City Plan, the proposal to demolish an existing resource is not, on balance, supported by the approval criteria.

Development Standards

Unless specifically required in the approval criteria listed above, this proposal does not have to meet the development standards in order to be approved during this review process. The plans submitted for a building or zoning permit must demonstrate that all development standards of Title 33 can be met, or have received an Adjustment or Modification via a land use review prior to the approval of a building or zoning permit.

CONCLUSIONS OF THE PROPERTY OF

The Blanchet House mission is highly revered and provides an extremely valuable service to the community. It has been made clear the current facility does indeed need improvements, expansion and that development of internal queuing would be desirable for the neighborhood.

The applicant has stated that proposed redevelopment of the Kiernan Building/Dirty Duck Tavern site is necessary to help mitigate the shortage of crucial social services and alleviate the scarcity of quality affordable housing in this neighborhood. The proposed project is designed to meet the unique and special needs of a targeted homeless or at-risk population, while providing a safe and stable environment which encourages workforce training and personal growth. A future, larger development for the Blanchet House will certainly improve the scope of their mission, and as such, benefit the City.

Bureau of Development Services staff, in coordination with the Historic Landmarks Commission, reviewed the proposal against the goals and policies of the Comprehensive Plan, the Central City Plan, the Oldtown/Chinatown Vision and Development Plans, and the Chinatown National Register Historic District, and on balance found the requested demolition review to <u>not</u> be equally or more supportive of these combined approval criteria.

It is critical that the applicant show why demolition of this specific 1/4 block site, which is occupied by a contributing resource, and therefore a valuable portion of a National Register Historic District, is supportive of the Comprehensive Plans and Area Plans compared with other sites in the district.

Most of the approval criteria, as addressed in the application, could also be met on another site, even within the same block, where the demolition of an existing historic resources does not occur. All of the approval criteria would be met, were an existing vacant lot or other non-contributing resource in the district were demolished to allow for this development proposal.

Staff concerns raised in this report are focused on the applicant's broad based arguments basing the approval on the 1) proposed new use, and 2) the existing building condition. As submitted in the application, approval for demolition of this historic resource could establish precedent for demolition of any historic resource, provided the proposal is for new construction deemed beneficial to a neighborhood and community. This would not only conflict with numerous historic preservation goals and policies adopted by City Council, but would fail to protect the already decreasing number of historic resources in the City, irreplaceable assets of our culture and history.

Therefore, at this time Staff would not Recommend Approval of the Demolition Review to Portland City Council.

TENTATIVE STAFF RECOMMENDATION

(May be revised upon receipt of new information at any time prior to the Landmarks Commission decision)

Staff does not recommend approval of the proposal due to two primary areas of concern:

#1 - Future use to justify demolition

#2 - Condition of historic resource to justify demolition

The following approval criteria are not met:

Comprehensive Plan Goals and Policies

Goal 2: URBAN DEVELOPMENT

Goal 3: NEIGHBORHOODS

Goal 5: ECONOMIC DEVELOPMENT

Goal 12: URBAN DESIGN

Central City Plan

Policy 1: ECONOMIC DEVELOPMENT

Policy 9: CULTURE AND ENTERTAINMENT

Policy 11: HISTORIC PRESERVATION

Policy 12: URBAN DESIGN

Policy 16: NORTH OF BURNSIDE

Oldtown/Chinatown Development Plan

2.1 Block 25 Development

4.1 Property Acquisition and Renovation

4.3 Building Preservation

Procedural Information. The application for this land use review was submitted on November 13, 2009, and was determined to be complete on **Dec 4, 2009**.

Zoning Code Section 33.700.080 states that Land Use Review applications are reviewed under the regulations in effect at the time the application was submitted, provided that the application is complete at the time of submittal, or complete within 180 days. Therefore this application was reviewed against the Zoning Code in effect on November 13, 2009.

Some of the information contained in this report was provided by the applicant.

As required by Section 33.800.060 of the Portland Zoning Code, the burden of proof is on the applicant to show that the approval criteria are met. The Bureau of Development Services has independently reviewed the information submitted by the applicant and has included this information only where the Bureau of Development Services has determined the information satisfactorily demonstrates compliance with the applicable approval criteria. This report is the recommendation of the Bureau of Development Services with input from other City and public agencies.

Conditions of Approval. If approved, this project may be subject to a number of specific conditions, listed above. Compliance with the applicable conditions of approval must be documented in all related permit applications. Plans and drawings submitted during the permitting process must illustrate how applicable conditions of approval are met. Any project elements that are specifically required by conditions of approval must be shown on the plans, and labeled as such.

These conditions of approval run with the land, unless modified by future land use reviews. As used in the conditions, the term "applicant" includes the applicant for this land use review, any person undertaking development pursuant to this land use review, the proprietor of the use or development approved by this land use review, and the current owner and future owners of the property subject to this land use review.

This report is not a decision. This report is a recommendation by the Bureau of Development Services to the Portland City Council. You may review the file on this case at our office at 1900 SW Fourth Ave., Suite 5000, Portland, OR 97201. Your comments to the Portland City Council should be mailed c/o Portland City Council, 1221 SW Fourth Ave., Portland, OR 97204.

City Council Hearing. The City Code requires the City Council to hold a public hearing on this case and you will have the opportunity to testify. The hearing will be scheduled by the City Auditor upon receipt of the Hearings Officer's Recommendation. You will be notified of the time and date of the hearing before City Council. If you wish to speak at the Council hearing, you are encouraged to submit written materials upon which your testimony will be based, to the City Auditor.

If you have any questions contact the Bureau of Development Services representative listed in this Recommendation (823-7700).

Recording the final decision. If this Land Use Review is approved, the final decision must be recorded by the Multnomah County Recorder before the approved use is permitted, any building or zoning permits are issued, or any changes to the Comprehensive Plan Map or Zoning Map are made.

The applicant, builder, or a representative may record the final decision as follows:

- By Mail: Send the two recording sheets (sent in separate mailing) and the final Land Use Review decision with a check made payable to the Multnomah County Recorder to: Multnomah County Recorder, P.O. Box 5007, Portland, OR 97208. The recording fee is identified on the recording sheet. Please include a self-addressed, stamped envelope.
- In Person: Bring the two recording sheets (sent in separate mailing) and final Land Use Review decision with a check made payable to the Multnomah County Recorder to the County Recorder's office located at 501 SE Hawthorne Boulevard, #158, Portland, OR 97214. The recording fee is identified on the recording sheet.

For further information on recording, please call the County Recorder at (503) 988-3034.

Expiration of this approval. This decision expires three years from the date it is recorded unless:

- A building permit has been issued, or
- The approved activity has begun, or
- In situations involving only the creation of lots, the land division has been recorded.

Applying for your permits. A building permit, occupancy permit, or development permit must be obtained before carrying out this project. At the time they apply for a permit, permittees must demonstrate compliance with:

- All conditions imposed here.
- All applicable development standards, unless specifically exempted as part of this land use review.
- All requirements of the Building Code.
- All provisions of the Municipal Code of the City of Portland, and all other applicable ordinances, provisions and regulations of the City.

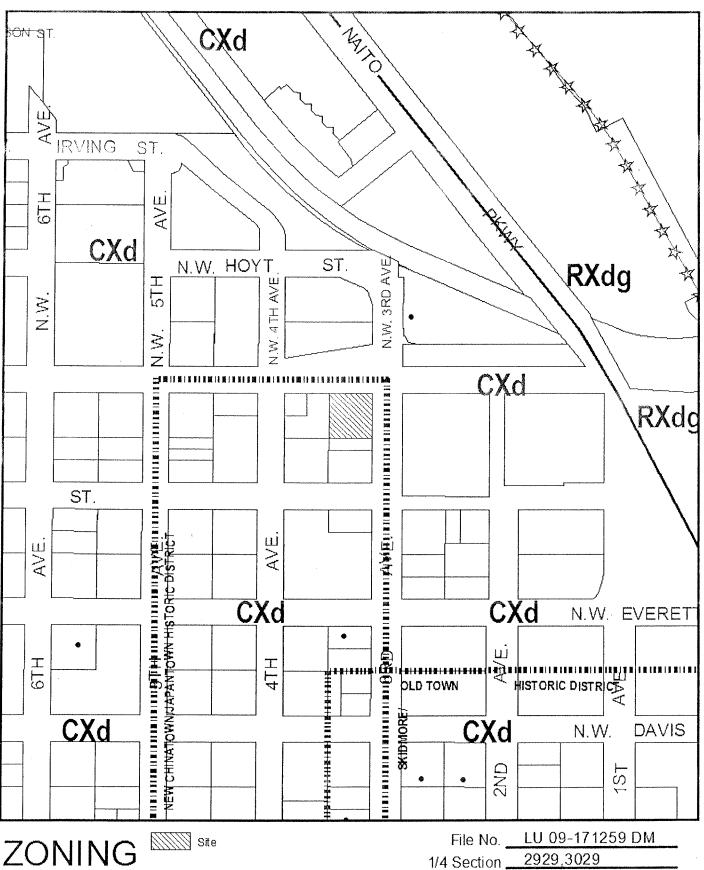
Planner's Name: Tim Heron Date: January 21, 2010

EXHIBITS

NOT ATTACHED UNLESS INDICATED

- A. Applicant's Statement:
 - 1. November 12, 2009 narrative
 - 2. January 4, 2010 revised narrative
- B. Zoning Map (attached):
- C. Plans & Drawings:
 - 1. Site Plan (attached)
 - 2. Site Photo (attached)
 - 3. Site detail photos (attached)
 - 4. Site vicinity photos (attached)
 - 5. Site vicinity photos (attached)
 - 6. Site vicinity photos (attached)
 - 7. Potential future development rendering (attached)
 - 8. Potential future development elevations (attached)
 - 9. Potential future development elevations (attached)
 - 10. Potential future development floor plan (attached)
- D. Notification information:
 - 1. Request for response
 - 2. Posting letter sent to applicant
 - 3. Notice to be posted
 - 4. Applicant's statement certifying posting
 - 5. Mailing list
 - 6. Mailed notice
- E. Agency Responses:
 - 1. Bureau of Environmental Services
 - 2. Bureau of Transportation Engineering and Development Review
 - 3. Water Bureau
 - 4. Site Development Review Section of Bureau of Development Services
- F. Letters: [None during comment period]
- G. Other:
 - 1. Original LUR Application
 - 2. Site History Research
 - 3. September 3, 2009 Preapplication Conference Summary Notes [August 18, 2009 meeting]
 - 4. September 21, 2009 Design Advice Request Summary Notes [August 24, 2009 meeting]
 - 5. September 22, 2010 Landmarks Commission letter to the Portland Development Commission
 - 6. October 23, 2010 Portland Development Commission letter to the Landmarks Commission
- H. January 11, 2010 Historic Landmarks Commission meeting
 - 1. January 5, 2010 Staff Memo to Landmarks Commission
 - 2. Staff PowerPoint
 - 3. January 8, 2010 email correspondence from Dustin Posner, support of demolition review
 - 4. January 11, 2010 letter from Rich Ulrich, President, Blanchet House Board of Directors, support of demolition review
 - 5. January 17, 2010 email correspondence from Laurie Washburn, against demolition

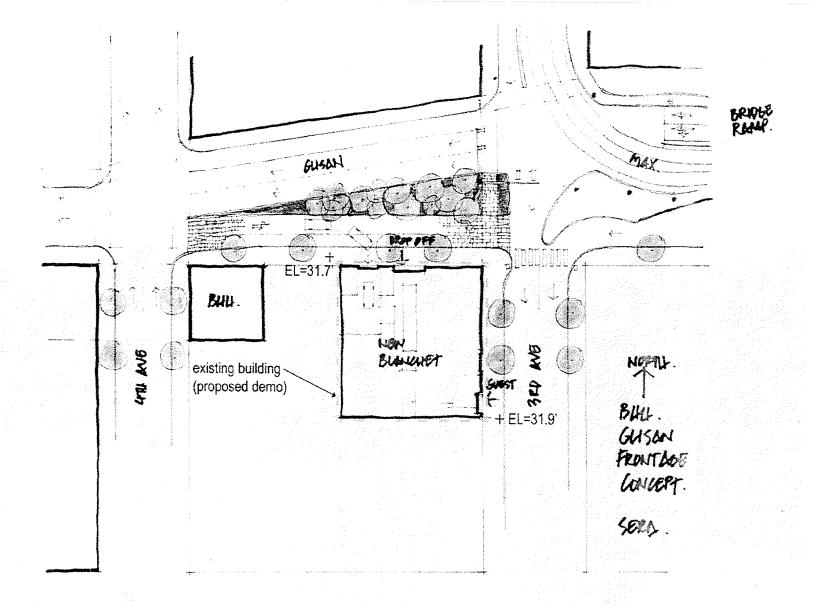
The Bureau of Development Services is committed to providing equal access to information and hearings. Please notify us no less than five business days prior to the event if you need special accommodations. Call 503-823-7300 (TTY 503-823-6868).



This site lies within the: **NEW CHINATOWN / JAPANTOWN HISTORIC DISTRICT** CENTRAL CITY PLAN DISTRICT

Historic Landmark

1/4 Section 1 inch = 200 feetScale 1N1E34CA 300 State_Id В (Nov 17,2009) Exhibit.



BLANCHET HOUSE OF HOSPITALITY

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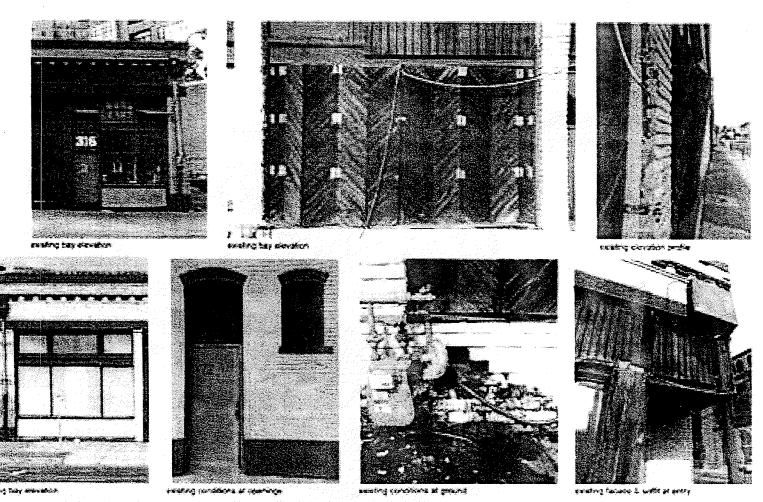




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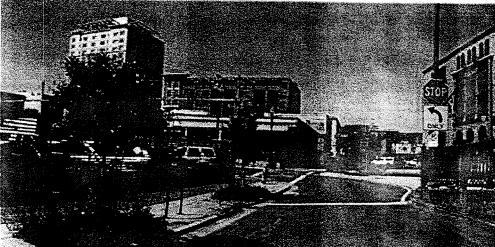
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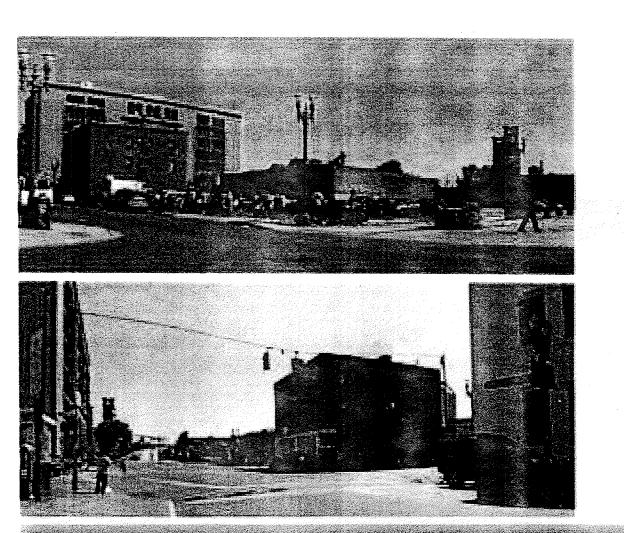




Blanchet House of Hospitality

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Type IV Land Use Review Application Blanchet House of Hospitality



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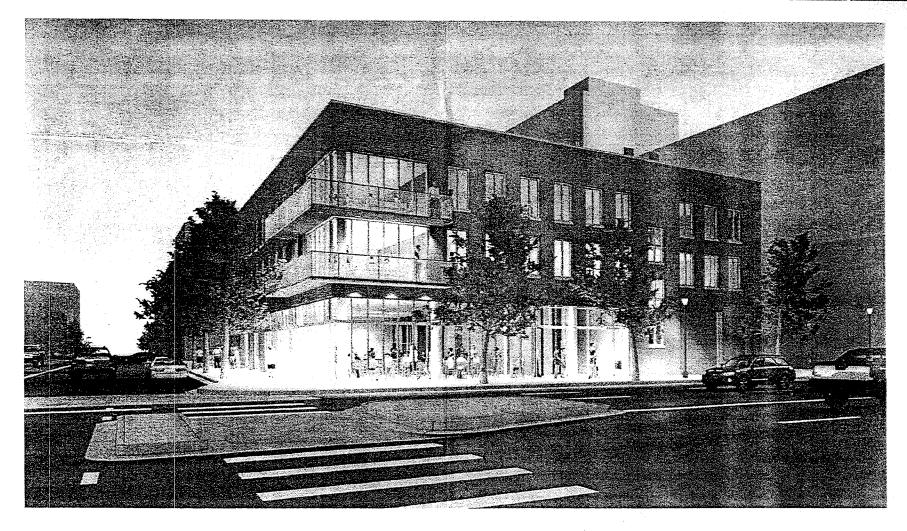
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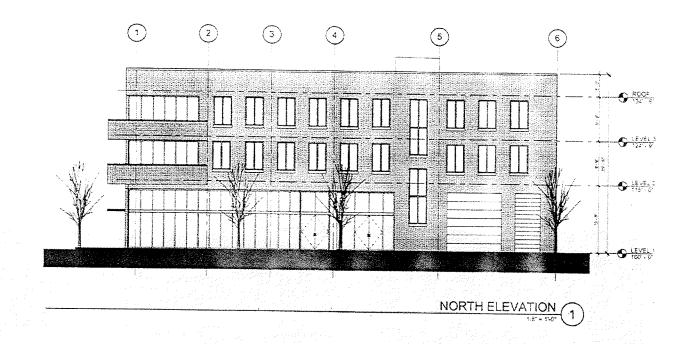
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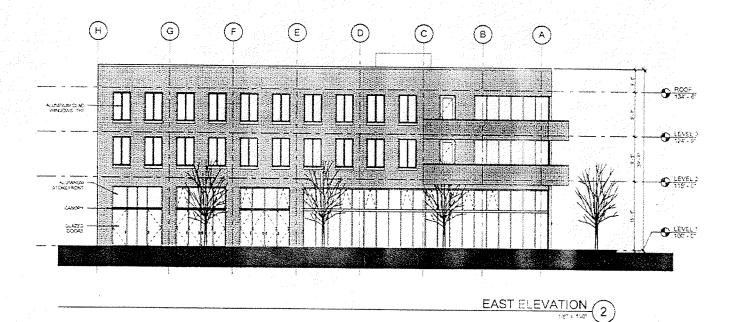
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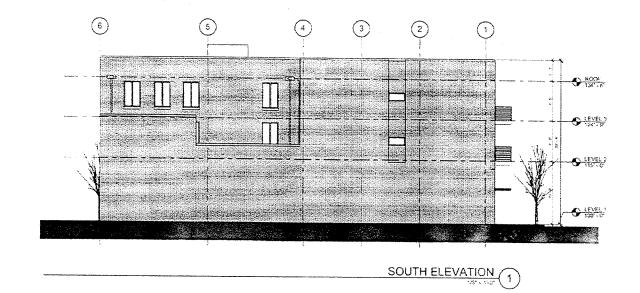
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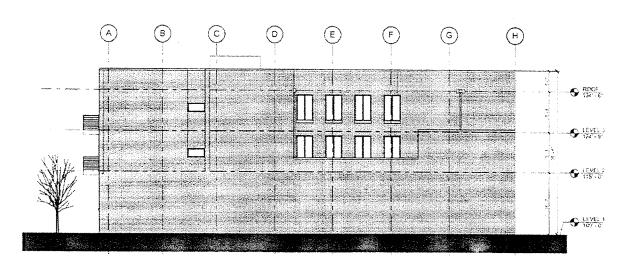






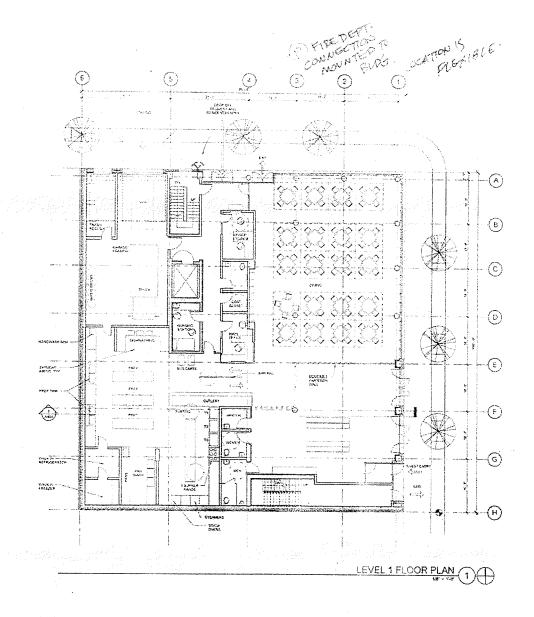
BLANCHET HOUSE OF HOSPITALITY





WEST ELEVATION 2

BLANCHET HOUSE OF HOSPITALITY





BLANCHET HOUSE OF HOSPITALITY