

RESOLUTION NO. 2019-05

**RESOLUTION AUTHORIZING CITY MANAGER
TO SUBMIT A GRANT APPLICATION TO THE STATE HISTORIC
PRESERVATION OFFICE TO FUND THE PREPARATION OF A DOWNTOWN
NATIONAL REGISTER HISTORIC DISTRICT NOMINATION**

WHEREAS, the 1994 Original Town Context Statement included a recommendation to create a downtown historic district; and

WHEREAS, three residential districts (Clark, Walker-Naylor and Painter's Woods) have been successfully listed on the National Register; and

WHEREAS, the Original Town Context Statement was updated in 2018, and again included a recommendation to create a downtown historic district; and

WHEREAS, the Historic Landmarks Board adopted a Strategic Plan which was accepted by the City Council on January 23, 2017; and

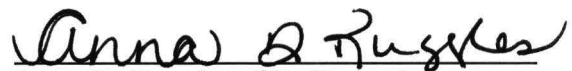
WHEREAS, the Strategic Plan identified a downtown district nomination as the next project to be initiated following completion of the Original Town plat re-survey and context statement update.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council hereby authorizes the City Manager to make a grant application to the State Historic Preservation Office, the funds of which would be used to hire a consultant to prepare a Downtown National Register Historic District nomination for the area shown on Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 14th day of January, 2019.


Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 14th day of January, 2019.


Peter B. Truax, Mayor

Exhibit A

Proposed Downtown Historic District



Council approved on 01/14/2019, to include:
2003, 2007, 2011, 2017 and 2019 21st Avenue



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 6

MEETING DATE: 1/14/19

FINAL ACTION: 2019-05

*Res
as amended
Ex A*

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: January 14, 2019

PROJECT TEAM: James Reitz, AICP, Senior Planner
Bryan Pohl, Community Development Director

SUBJECT TITLE: Downtown Historic District Grant Application

ACTION REQUESTED:

☐ Ordinance	☐ Order	☒ Resolution	☒ Motion	☐ Informational
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X all that apply

ISSUE STATEMENT: The Historic Landmarks Board (HLB) is pursuing the establishment of a fourth National Register Historic District. The three districts created to date (Clark, Walker-Naylor and Painter's Woods) are all residential in nature; the current proposal is to nominate a downtown district. The purpose of this memo is to provide a status report on the effort and request Council action on the next step of the process.

BACKGROUND: Consideration of a downtown district was anticipated by the HLB's Strategic Plan, which was accepted by the City Council on January 23, 2017.

The first step in developing a potential district is conducting background research. The downtown is part of the Original Town which was recorded in 1872. The City completed an updated historic survey of the Original Town, along with an updated context statement, in 2018. The consultant hired to prepare the update was also directed to recommend a boundary for a potential downtown district. The recommended area includes 33 structures. A district should have at least 50% + 1 "historic contributing" structures. Based on the consultant's research, about 85% of the structures in the proposed district would meet this threshold.

The HLB hosted an open house for property owners within the proposed district area on November 8, 2018. All property owners in the district area were invited, but only about 10 were in attendance. At the open house, the State Historic Preservation Office (SHPO) National Register coordinator gave a presentation on the benefits and responsibilities associated with being in a district.

Because the district would be in a commercial area, the benefits can include various tax credit, tax freeze and grant programs. These programs can aid property owners in upgrading and rehabilitating their buildings and could include such projects as seismic upgrades, façade improvements, or remodeling unused second floor space for apartments (see attachments).

Responsibilities may include maintaining compliance with façade design standards, such as those in effect in the residential districts. If the district is formed, the HLB would proceed with developing design standards

and guidelines specifically for downtown. Those would be incorporated into the Development Code, which would require City Council action.

If the Council adopts the attached resolution, staff will prepare a grant application to be submitted to SHPO in late February. SHPO and City staff anticipates that the nomination effort will cost about \$10,000 to \$12,000. A consultant will be hired to prepare the actual nomination and take it through the adoption process. If the resolution is adopted, it will be included with the grant application to demonstrate that the nomination has the City Council's support.

Once the nomination document is prepared, the City Council will be asked to adopt another resolution, this one in support of the nomination submittal. If the Council approves, the nomination will be submitted to SHPO for presentation to the State Advisory Committee on Historic Preservation (SACHP). The SACHP decides whether or not to move forward on the nomination. If it does so, notices of the prospective nomination are sent to property owners within the proposed district. To form a district, a kind of vote is conducted: If a property owner wishes to vote "no" then he/she must sign their vote in the presence of a notary, and mail that back to SHPO. If more than 50% of the owners vote no, then the district application fails. If less than a 50% remonstrance is received, then the district nomination can proceed. (Forest Grove has had a highly successful nomination process to date: only one remonstrance was received during the nomination processes for all three of the city's current districts.)

Assuming the property owner vote is in the affirmative, the SACHP will then submit the nomination to the National Park Service for a final decision. The entire process could take 1-2 years.

FISCAL IMPACT: Adoption of the resolution authorizing the SHPO grant request would have no fiscal impact on the City.

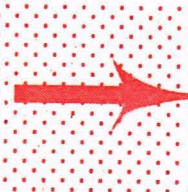
STAFF RECOMMENDATION: Staff recommends City Council adopt the attached resolution.

ATTACHMENTS:

Resolution & Exhibit A

HLB Implementation Plan 2018-2026 p. 24

Consultant Report and Recommendation

Large-Scale Projects	Smaller-Scale Projects	Ongoing Activities
2018		
☐ Perform historic resource survey. ☐ Review and complete historic resource survey. ☐ Investigate participation in Main Street program in conjunction with Chamber of Commerce, City Club, Planning Commission and City Council.	☐ Develop a questionnaire focused on a potential downtown historic district. ☐ Hold a focus group based on questionnaire results. ☐ Fill HLB Student Advisory Position from Pacific University or High School.	☐ Page-by-page review of website for updates (alternating years henceforth). ☐ Board cross-training to learn officer roles. ☐ Preservation Month (suggestion: A.T. Smith House/Preserving the Pioneer Era). ☐ Send an HLB member to a conference (suggestion: Oregon Main Street Conference).
2019		
 ☐ Apply for CLG Grant for a downtown historic district nomination. ☐ Set physical and temporal boundaries. ☐ Select consultants to write the nomination. ☐ Write the RFP. ☐ Interview and select consultants. ☐ Research downtown historic district design guidelines.	☐ Write downtown walking tour brochure. ☐ Presentation about downtown buildings based on historic resource survey results. ☐ Researching historic buildings workshop.	☐ Legal training with City Attorney. ☐ HLB training with mock design review. ☐ Board cross-training to learn officer roles. ☐ Preservation Month (suggestion: Main Street theme with Restore Oregon). ☐ Send an HLB member to a conference (suggestion: Oregon Heritage Conference).
2020		
☐ Prepare and submit the downtown historic district nomination. ☐ Develop and adopt downtown historic district design guidelines.	☐ Review and update older historic district brochures.	☐ Page-by-page review of website for updates. ☐ Board cross-training to learn officer roles. ☐ Preservation Month (suggestion: Donovan Rypkema presentation). ☐ Send an HLB member to a conference (suggestion: National Alliance of Preservation Commissions Conference).

Recommendations

Out of this reconnaissance survey comes two principal recommendations. The first and foremost is to create a commercial historic district along Pacific Avenue and Main Street. This recommendation is detailed below. The second recommendation is to possibly add and subtract several resources from the existing Clark Historic District. This recommendation is detailed after the commercial historic district recommendation below.

Commercial Historic District

In 1993, the City of Forest Grove Community Development Department commissioned Peter J. Edwards to write the first historic context statement for the City. The principal recommendation to come out of that context statement was to create a downtown historic district. The HLB's mission is to "preserve, promote, and advocate for Forest Grove's irreplaceable historic sites and assets for the cultural, economic, and educational benefits of everyone." Given that 25 years have passed since that recommendation was made, and three historic districts have been created since then in Forest Grove, the time is right to create a downtown historic district.



Figure 40. Potential Forest Grove Commercial Historic District. Buildings to be included within the boundaries are outlined in red.

After surveying the entire original plat of the Town of Forest Grove, HPNW has come to the conclusion that a commercial historic district along Pacific and Main is warranted. The district's boundaries would be T-shaped, taking in the 1900 and 2000 block of Pacific Avenue and the 2000 block of Main Street. The **period of significance** would be defined as **1890 to 1940**. The range is from the oldest commercial buildings in Forest Grove to World War II.

The Forest Grove's downtown area is potentially eligible for the National Register under **Criterion A** as a cohesive commercial district that represents the business history of Forest Grove. As such, the district represents a cross culture of individuals, both famous and ordinary, whose skills and talents contributed to the development and growth of the city. Standing with the potential commercial historic district are three existing residential historic districts (Walker-Naylor, Painter's Woods, and Clark), which housed the business leaders of the community.

The district would also be eligible under **Criterion C** as an area that embodies the distinctive characteristics of commercial development in Forest Grove. Most of the commercial buildings represent the work of an architect and/or master craftsmen, and a majority of the resources possess high artistic values representing significant characteristics of architectural styles popular during the late 19th and early 20th centuries.

The Forest Grove Commercial Historic District would be an intact commercial district concentrated around 1910. There are 651 tax lots in the Town of Forest Grove original town plat area. The proposed district boundaries would take in 29 tax lots supporting 30 resources. The period of significance is represented by 29 of the 30 resources (97%). Of the 30 resources, 27 (90%) would be **contributing**, 2 (7%) would be **historic non-contributing**, and 1 (3%) would be **non-historic non-contributing**. In addition to commercial structures, the proposed district has two houses and one building originally used as a church. Two resources within the boundaries are already individually listed on the National Register (Caples and Thomas Building at 2020 Main Street and First Church of Christ Scientist at 1904 Pacific Avenue).

Buildings in Forest Grove Commercial Historic District				
Address	Name	Built	Contrib	Tax Lot
2018 College Way	Western Oregon Telephone & Telegraph	1928	C	1S306BB00200
2001-2003 Main St	Anderson Building	1917	C	1S306BB00600
2004 Main St	First National Bank of Oregon Building	1914	C	1S306BB02600
2007-2011 Main St	Anderson/Chowning Building	1926	C	1S306BB00500
2008 Main St	Anderson Building	c.1890	C	1S306BB02500
2012-2016 Main St	Nixon Building	1912	C	1S306BB02400
2013-2017 Main St	Paterson Building	1923	C	1S306BB00400
2019 Main St	Masonic Holbrook Lodge #30	1923	C	1S306BB00300
2020 Main St	Caples and Thomas Building	c.1893	C	1S306BB02300
2022 Main St	Valley Art	c.1920	N	1S306BB02200
2026 Main St	Adelante Mujeres	c.1990	N	1S306BB02100
2030 Main St	Buxton and Roe Building	1892	C	1S306BB02100
2036 Main St	Ingles and Porter Building	1892	C	1S306BB01100
2038-2040 Main St	Wagner Building	c.1890	C	1S306BB01000
2042 Main St	Keep Building	c.1890	C	1S306BB00900
1904 Pacific Ave	First Church of Christ Scientist	1916	C	1S306BB07000
1910 Pacific Ave	Prickett House	c.1920	C	1S306BB06900

1911-1923 Pacific Ave	Forest Theater	1940	C	1S306BB02900
1914 Pacific Ave	Forest Grove Memorial Chapel	c.1925	C	1S306BB07100
1920 Pacific Ave	Prickett House	1921	C	1S306BB06800
1924-1926 Pacific Ave	Knights of Pythias Building	1909	C	1S306BB06600
1927 Pacific Ave	Heaton and Company CPA	c.1940	N	1S306BB02800
1930-1936 Pacific Ave	Timmerick and McNichol Building	1909	C	1S306BB06400
1933-1937 Pacific Ave	Holroyd Building	c.1905	C	1S306BB02700
1940 Pacific Ave	Forest Grove National Bank	1907	C	1S306BB06300
2000-2002 Pacific Ave	Johnson & Son Livery Building	1898	C	1S306BB09500
2011-2019 Pacific Ave	Good Building	c.1919	C	1S306BB00700
2016 Pacific Ave	Hoffman Building	c.1912	C	1S306BB09100
2026 Pacific Ave	J.N. Hoffman Building	c.1912	C	1S306BB09000
2028 Pacific Ave	Star Theater	1914	C	1S306BB08901
2032 Pacific Ave	FoGo	c.1920	N	1S306BB08800
2036 Pacific Ave	Katz Billiards	c.1920	N	1S306BB08700
2038 Pacific Ave	News-Times Building	c.1920	C	1S306BB08600

Those resources marked with a "C" in the Contributing column would "contribute" to the historic district. These resources would be subject to review for any exterior alterations (outside of routine maintenance) by the City and the Historic Landmarks Board. However, there are some incentives available for being subject to review. Right now, there are five programs available to contributing properties within a historic district to help with costs in restoring and maintaining historic properties. These are Oregon Special Assessment, the Diamonds in the Rough program, the Preserving Oregon grant, Federal Tax Credit program, and Historic Preservation Grants. These programs are detailed in the paragraphs below.

With the State Historic Preservation Office's (SHPO) **Special Assessment** of Historic Property Program, the real market value (RMV) of a property is specially assessed at the time it is admitted into the program, and will not increase over the ten-year term of the assessment for a maximum of two, ten-year terms. The program is designed to prevent a punitive impact from an increased tax value due to work designed to preserve a structure. It is most helpful to apply for the program at the beginning of restoration when a property's value is presumably at its lowest. Requirements for the program include National Register listing (either individually or as part of a district), the preparation of a preservation plan that details the work to be done over the ten-year period, and an application fee equal to 0.001% of the subject building's assessed value. More information on Special Assessment is available at https://www.oregon.gov/oprd/HCD/SHPO/Pages/tax_assessment.aspx.

The **Diamonds in the Rough** Grant Program offered by the Oregon SHPO is designed to restore or reconstruct facades that have been heavily altered. Applications for buildings that would not be eligible for the National Register due to alterations are particularly encouraged if the proposed work makes them eligible for designation. Grants up to \$20,000 per project may be awarded. Buildings located in Certified Local Government communities, designated Main Street areas, and National Register historic districts are given priority. More information at <https://www.oregon.gov/oprd/HCD/FINASST/Pages/grants.aspx>.

SHPO's **Preserving Oregon** Grant is a matching grant for rehabilitation work that supports the preservation of resources that are listed on the National Register. Grant funds may be awarded

for amounts up to \$20,000 per project. Higher priority is given to publicly owned and non-profit entities. More info at <https://www.oregon.gov/oprd/HCD/FINASST/Pages/grants.aspx>.

The **Federal Tax Credit** Program is for income-producing buildings (commercial as well as residential rental). It saves the property owner 20% of the cost of rehabilitation through a federal income tax credit. The program is administered through the Oregon SHPO in conjunction with the National Park Service (NPS) and the Internal Revenue Service (IRS). More information at https://www.oregon.gov/oprd/HCD/SHPO/Pages/FED_TAXCREDIT_NEW.aspx.

Locally, contributing resources would also be eligible for the **Historic Preservation Renovation Grants** offered by the HLB. The grant program has awarded over \$180,000 to property owners between 1997 and 2017. Because the matching grant is funded through the City of Forest Grove, rather than through the SHPO, the HLB has unique flexibility in determining what types of projects are eligible. Forest Grove's grant support for painting, roofing, and gutters is unusual as these types of projects are typically seen as "routine maintenance" (and are therefore rarely funded by SHPO backed grants) rather than as key factors in a building's survival. More information at <http://www.forestgrove-or.gov/bc-hlb/page/historic-preservation-grants>

Those marked with an "N" in the Contributing column would be "non-contributing" resources within the historic district. Those buildings are either too altered or not built within the period of significance (1890-1940) of the historic district. Non-contributing properties would be not subject to review by the HLB, but neither would they be eligible for any benefits. If a historic building is flagged as "non-contributing" because of alterations, there is the possibility the building could be restored to "contributing" and the HLB would be open to helping that restoration through the Historic Preservation Renovation Grant program and SHPO could help with the Federal Tax Credit Program.

Next Steps for Districting

HPNW recommends proceeding with the creation of a commercial historic district with the boundaries suggested above as soon as possible. Timing is not dire, as development in Forest Grove moves at a modest pace; however, the National Register process for a district will take at least a year to completion and the multi-family housing project currently being built in the 1800 block of Pacific Avenue shows that large-scale new development is coming to Forest Grove. Therefore, funding for the commercial historic district should be pursued in the next CLG grant cycle.

After acceptance of the district proposal by the Historic Landmarks Board and City Council, the board should pursue the National Register listing of the historic district. The first step to listing is to get "buy-in" by the property owners within the district boundaries. This is a crucial step because without at least a 50% approval by the owners, a historic district is doomed to failure. The city wide survey performed in December 2015 showed there was support by the community for a downtown commercial historic district (60% positive with 26% unsure); however, the property owners within the boundary are key to the success of the district. The steps to districting are detailed in the *Forest Grove Preservation Plan, 2017-2026* (Niederer, 6-7).

Once there is informal support expressed by the property owners within the proposed boundaries, SHPO would be very inclined to provide CLG funding for the writing of a National Register

nomination for the district. This almost always involves hiring a consultant to write the nomination and the effort takes about six months to write the history of the downtown and thoroughly describe the buildings. All stakeholders would then be offered a chance to review the nomination.

At this point, a more formal opportunity would be given to the property owners to object to the nomination. The SHPO "voting" process is a rejection process: If more than 50% of the property owners object to the nomination, then the nomination cannot move forward. It is a vote against the nomination rather than a vote for the nomination.

While the voting process is taking place, the nomination would be polished by the consultant and stakeholders. If the nomination is "accepted" by the property owners, then the nomination would be ready to be submitted to SHPO and the State Advisory Commission. The commission meets three times a year to hear nominations, and for historic districts, the commission needs to hear it twice, so the review process can easily take eight months. Once all the edits and concerns from SHPO are addressed by the consultant, then the nomination is forwarded to the Keeper of the National Register and the Advisory Council for Historic Preservation in Washington DC. By this point, they usually approve the nomination but sometimes they have edits and concerns that the consultant will need to address. Once all final edits have been made to the nomination, the SHPO will send it back to the Keeper for listing on the National Register.

Clark Historic District

The survey area was defined as the original town plat. However, the original plat took in a large portion of the Clark Historic District listed in 2002. By resurveying the historic district, the "pulse" of the district was taken and the resources evaluated 15 years later. We found one resource that has been demolished within the district, several resources that have lost integrity and probably should be flagged as non-contributing, and several resources that have undergone restoration efforts which should now probably be flagged as contributing to the district. The following table lists 33 resources where our 2017 survey found the resource to not be congruous with its 2002 evaluation.

Resources Needing Re-evaluation within Clark Historic District		
Address	Evaluation Based on 2017 Survey	Photo
1833 17TH AVE	No longer contributing. The house at this address that was considered contributing to the National Register District was demolished and replaced by the current structure in 2003.	
1916 17TH AVE	Possibly now contributing. House has been resided and window replacement since districting but form intact.	



City Council Meeting January 14, 2019

Proposed Downtown Historic District Grant Request Resolution

James Reitz, AICP

Senior Planner

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Background

- The *Forest Grove Preservation Plan 2017-2026* was accepted by the City Council on January 23, 2017.
- The Implementation Plan included the task of preparing a downtown National Register District nomination in 2019-2020.
- Before a district nomination can be prepared, buildings must be documented and the area determined to be eligible for National Register listing.
- In 2017-2018, the buildings within the downtown area were surveyed and documented by consultants Historic Preservation Northwest (HPNW).
- HPNW concluded that the area is National Register-eligible and recommended a boundary for the proposed district.

Proposed District



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Designation Criteria

Criterion	Description
A	Event District is associated with events that have made a significant contribution to the broad patterns of our history.
B	Person District is associated with the lives of persons significant in our past.
C	Design/Construction District 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 lack individual distinction.
D	Information Potential District has yielded, or is likely to yield, information important in prehistory or history.

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HPNW Findings

- The downtown is eligible for the National Register under Criterion A as a cohesive commercial district that represents the business history of Forest Grove.
- The downtown is also eligible for the National Register under Criterion C as an area that embodies the distinctive characteristics of commercial development in Forest Grove.

HLB Open House

- The HLB hosted an open house on the proposed district on November 8, 2018
- The open house was lightly attended (about 10 property owners out of the 33 within the district boundary)
- Presentations were made by the HLB Chair and the State Historic Preservation Office (SHPO) National Register coordinator
- Q & A period
- All attendees expressed support

Resolution and Timeline

- The attached resolution would authorize staff to submit a grant application to SHPO. This grant would be used to hire a consultant to prepare the historic district nomination.
- The consultant would be hired by mid-2019.
- The Council would be asked to endorse the nomination prior to submitting it for consideration by SHPO and the National Park Service (NPS).
- The process will extend into at least 2020.

Recommendation

- Adopt the attached resolution to authorize a grant request to SHPO

