1	BEFORE THE LAND USE BOARD OF APPEALS
2	OF THE STATE OF OREGON
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4	LOUISE-ANNETTE BURGESS,
5	WENDY KINCADE, SUSAN MORRE,
6	ANDREW PEARSON, MARGOT PEARSON,
7	CAROLYN VER LINDEN and DAVID S. WILSON,
8	Petitioners,
9	
10	vs.
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12	CITY OF CORVALLIS,
13	Respondent.
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15	LUBA No. 2007-060
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17	FINAL OPINION
18	AND ORDER
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20	Appeal from City of Corvallis.
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22	Anne C. Davies, Eugene, filed the petition for review and argued on behalf of
23	petitioners.
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25	James K. Brewer, Corvallis, filed the response brief and argued on behalf of
26	respondent. With him on the brief was Fewel, Brewer & Coulombe.
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28	HOLSTUN, Board Chair; BASSHAM, Board Member; RYAN, Board Member,
29	participated in the decision.
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31	REMANDED 01/02/2008
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33	You are entitled to judicial review of this Order. Judicial review is governed by the
34	provisions of ORS 197.850.

#### NATURE OF THE DECISION

Petitioners appeal a city council decision that grants a permit for exterior alterations to a historic movie theater.

## **FACTS**

The Whiteside Theatre was constructed in downtown Corvallis in 1922 and is an example of Italian Renaissance architecture. When it was constructed, there was only one other theater in Oregon that was its equal. The building is significant both for its architecture and its history as one of the city's and Oregon's grandest theaters. The building was damaged by fire in 1927 and 1936, but was rebuilt and continued in operation as a theater. In 1989, the theater was listed as a historic resource on the city's historical register. The theater ceased to operate in 2002.

The south and west facades of the building face sidewalks. The south facade of the building along Madison Avenue has always served as the entrance to the building and is embellished with a number of architectural details. The existing neon marquee on the south facade was added in the 1950s and replaced the original canopy. The west facade that faces NW Fourth Street is largely an unbroken brick wall, but also includes "three ground level doors, five windows, and a metal fire escape ladder," as well as "[t]wo original lamps [that] hang above the paired exit doors." Record 11. The west facade was used in the past to display large posters to advertise upcoming theater attractions.

Whiteside Partners, LLC (Whiteside), the current owner, wishes to convert the theater into several individual commercial uses, including a restaurant that would occupy the second floor. The decision that is the subject of this appeal makes possible a series of exterior alterations to the south and west facades of the building to, among other things, add doors and windows. Those exterior alterations, along with other proposed interior alterations, will make the desired conversion possible.

On the south facade, the 1950s marquee would be replaced with a replica of the original 1920s marquee, and new storefront windows and doors would be added in place of the existing display windows and doors. In addition, ground level doors would be added on the south facade to provide access to the restaurant on the second floor. Canopies with attached signs would also be added to the south facade for the new businesses and the restaurant entrance.<sup>1</sup>

The proposed alterations to the west facade include new storefront windows along the sidewalk, along with new canopies with attached store signs. The existing original light

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<sup>&</sup>lt;sup>1</sup> A photograph showing the existing south facade appears at Record 987. A drawing of the proposed south facade appears at Record 984. The challenged decision includes the following more detailed description of the proposed south facade alterations:

<sup>&</sup>quot;The proposed alterations to the southern exterior facade of the building include:

<sup>&</sup>quot;1. Removing the existing 1950's neon marquee and replacing it with a replica of the original 1920's marquee;

<sup>&</sup>quot;2. Replacing the non-original theater doors with new storefront windows and doors;

<sup>&</sup>quot;3. Installing windows where the original display windows were on the western end;

<sup>&</sup>quot;4. Installing entry doors where the original display windows were on the eastern end to provide access to the new restaurant on the second floor;

<sup>&</sup>quot;5. Installing a six-foot deep steel channel canopy over the new second floor entry doors;

<sup>&</sup>quot;6. Installing a 2'-6" x 8' sign (for the new restaurant) attached to the face of the new steel channel canopy;

<sup>&</sup>quot;7. Adding two 2' x 6' sings (for the new businesses) below the new marquee;

<sup>&</sup>quot;8. Removing the existing non-original vertical wall mounted illuminated sign at the western corner and replacing it with a replica of the second 1920's illuminated sign; and

<sup>&</sup>quot;9. Replacing the two garden boxes with replicas of the original 1920's garden boxes." Record 11.

fixtures on the west facade would be relocated, and windows would be added for the second floor restaurant. A new rooftop cornice would also be added to the west facade.<sup>2</sup>

The city's Historic Resource Commission (HRC) was created in 2006. It is an appointed body with nine members. Whiteside submitted its application for approval of the proposed alterations in 2006. The HRC conducted a public hearing on November 14, 2006 and continued that hearing until December 4, 2006. The HRC deliberated on December 4, 2006 and voted to deny the application. In a December 5, 2006 "Notice of Disposition," the city advised parties that they had 12 days to appeal the HRC's decision. Record 354-55. It appears from the Notice of Disposition, that the HRC relied on the minutes of the December 4, 2006 continued hearing for its written decision findings. Record 355. There is no written HRC decision in this matter, beyond the December 4, 2006 minutes.

Whiteside appealed the HRC decision to the city council on December 15, 2006. In that appeal, Whiteside specified three grounds for appeal.<sup>3</sup> The city council held a public

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<sup>&</sup>lt;sup>2</sup> Pictures of the existing west facade appear at Record 988. A drawing of the proposed west facade appears at Record 985. The challenged decision includes the following more detailed description of the proposed west facade alterations:

<sup>&</sup>quot;The proposed alterations to the western exterior facade of the building include:

<sup>&</sup>quot;1. Installing storefront windows and doors along the sidewalk;

<sup>&</sup>quot;2. Installing 5 six-foot deep steel channel canopies over the new storefront windows and entries;

<sup>&</sup>quot;3. Installing three 2'-6" x 8' signs (for the new businesses) attached to the face of the new canopies;

<sup>&</sup>quot;4. Installing a historical informational sign at eye level at the south corner;

<sup>&</sup>quot;5. Relocating two original exterior light fixtures;

<sup>&</sup>quot;6. Installing windows on the second floor; and

<sup>&</sup>quot;7. Installing a new optional rooftop cornice." Record 11-12.

<sup>&</sup>lt;sup>3</sup> Those three grounds for appeal were that the HRC (1) improperly relied on U.S. Secretary of Interior Standards for Preservation, (2) erroneously treated the west facade as a primary facade and erroneously applied

- 1 hearing on January 16, 2007 and closed the hearing and record on that date. The city council
- deferred its deliberations until February 5, 2007. At its noon meeting on February 5, 2007,
- 3 the city council voted to overturn the HRC decision and approve the application. The city
- 4 council's "Notice of Disposition," "Conditions of Approval," and "Findings" were signed on
- 5 February 20, 2007. Record 6-7 (notice of disposition); 8-9 (conditions of approval) 10-32
- 6 (findings). This appeal followed.

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## FIRST AND SECOND ASSIGNMENTS OF ERROR

In their first assignment of error, petitioners argue the city erred by rendering its own decision in this matter on the merits of Whiteside's application, instead of reviewing the HRC decision for errors. In their second assignment of error, petitioners allege the city council erred by not limiting its review to the three grounds for appeal that were specified in Whiteside's December 15, 2006 notice of local appeal. *See* n 3. For the reasons explained below, we reject both assignments of error.

# A. The City Council Was Not Limited to Reviewing the HRC Decision (First Assignment of Error)

Land use regulations may limit the role of a local appellate body. Where the role of a local appellate body is expressly limited under local land use law to reviewing appealed decisions for errors of law or substantial evidence, a local appellate body decision that exceeds that limited role will be reversed or remanded. *Wal-Mart Stores, Inc. v. City of Medford*, 49 Or LUBA 52, 58 (2005). However, we agree with the city that the Corvallis Land Development Code (LDC) does not limit the city council's role in an appeal of an HRC decision to reviewing the HRC decision for errors of law or substantial evidence.

The key LDC section in determining the appropriate role of the city council in reviewing an HRC decision on appeal is LDC 2.19.30.01(c). LDC 2.19.30.01(c) directs that

special restrictions that apply only to primary facades, and (3) improperly based its decision on the proposed exterior alterations, in part, on proposed interior alterations, which are not the subject of the present application.

<sup>&</sup>lt;sup>4</sup> LDC 2.19.30.01(c) provides:

- 1 the city council must conduct a *de novo* public hearing as part of the appeal. In responding
- 2 to the issue raised in the first assignment of error, the city council adopted the following
- 3 findings:

"The City Council notes that [parties] urged the City Council to defer to the decision by the [HRC]. The City Council notes that the City of Corvallis relies upon volunteer advisory committees, boards and commissions to perform essential government functions. The City Council notes that the [HRC] is a relatively new commission, and the City Council appreciates the work of the [HRC]. Nonetheless, the City Council notes that under the terms of LDC 2.19.30.01(c), the Council's decision is a de novo review of the application, and is not limited to the grounds for the appeal. The City Council stresses that under the terms of LDC 2.19.30.01(c), the Council is charged with reviewing the application for a Historic Preservation Permit for consistency with the relevant criteria, and the Council is not charged with reviewing the decision of the [HRC] for errors." Record 13.

Petitioners rely in large part on a number of contextual LDC sections that admittedly say that the city council is to *review decisions* in the event of an appeal.<sup>5</sup> Petitioners read these LDC directives to review decisions as directives to the city council to review HRC decisions for errors of law or for lack of evidentiary support. We understand petitioners to read those HRC sections to preclude the city council from determining itself whether the applications that led to those decisions comply with applicable approval standards, as a way of determining whether the appealed lower body decision should be affirmed or reversed.

<sup>&</sup>quot;All hearings on Appeals shall be held de novo (as a new public hearing). For any Appeal, the record of the decision made before the lower level of City hearing authority shall be part of the staff report on Appeal."

<sup>&</sup>lt;sup>5</sup> Those sections include the following:

LDC 1.1.10.02(c) provides that the city council "[s]hall review decisions of the Planning Commission, Land Development Hearings Board, and Historic Resources Commission upon appeal[.]" LDC 2.19.30.02(d) similarly provides that "[a]ppeals of *decisions* of the Planning Commission, the Land Development Hearings Board, or the Historic Resources Commission *shall be reviewed by the City Council.*" (Emphases added.) LDC 2.19.20 sets out the "Purposes" of LDC Chapter 2.19, which is the "Appeals" chapter of the LDC. LDC 2.19.20(a) provides that one of the purposes of LDC Chapter 2.19 is to "[p]rovide an Appeal process wherein parties affected by land use decisions *may request review of such decisions.*" (Emphasis added.) LDC 2.19.30.01(a) provides "[e]very *decision* relating to \* \* \* this Code \* \* \* is subject to *review* by Appeal in accordance with the provisions of this Chapter." (Emphases added).

The city, on the other hand, contends that those references to review of the decision on appeal need not be interpreted as narrowly as petitioners interpret them. We understand the city to argue that those LDC sections do not prevent the city from interpreting LDC 2.19.30.01(c) to allow the city council to apply the relevant approval criteria itself, to determine whether appealed permits were properly approved or denied by the HRC.

Petitioners are correct that the requirement in LDC 2.19.30.01(c) that the city council provide a *de novo* public hearing does not directly answer the question presented in the first assignment of error. The parenthetical clarification in LDC 2.19.30.01(c) that a *de novo* public hearing is "a new public hearing" does not really help very much either. Black's Law Dictionary defines "hearing de novo" as follows:

"1. A reviewing court's decision of a matter anew, giving no deference to a lower court's findings. \* \* \* 2. A new hearing of a matter, conducted as if the original hearing had not taken place." Black's Law Dictionary 738 (8th ed. 2004) (emphases added).

Under that definition, giving no deference to the HRC's findings and conducting the hearing on appeal as if the HRC hearing had not taken place would seem to permit the city council to make its own decision regarding whether the application complies with the relevant criteria, as the city argues.

The question we must decide in this appeal is whether the city council's interpretation of LDC 2.19.30.01(c) to allow it to consider the application anew is reversible under ORS 197.829(1).<sup>6</sup> In reviewing the city council's interpretation of LDC 2.19.30.01(c) under ORS

<sup>&</sup>lt;sup>6</sup> The standard of review that LUBA applies in reviewing interpretations of local land use legislation is set out at ORS 197.829(1), which provides

<sup>&</sup>quot;The Land Use Board of Appeals shall affirm a local government's interpretation of its comprehensive plan and land use regulations, unless the board determines that the local government's interpretation:

<sup>&</sup>quot;(a) Is inconsistent with the express language of the comprehensive plan or land use regulation;

<sup>&</sup>quot;(b) Is inconsistent with the purpose for the comprehensive plan or land use regulation;

1 197.829(1), it does not matter if petitioners' interpretation is also possible. *See Wal-Mart*2 *Stores, Inc. v. City of Hillsboro*, 46 Or LUBA 680, 699, *aff'd* 194 Or App 211, 95 P3d 269
3 (2004) ("city's choice \* \* \* between two admittedly less than compelling interpretations
4 does not violate the standard of review that [LUBA is] required to apply under ORS
5 197.829(1)"). Under ORS 197.829(1) we must affirm the city council's interpretation unless

it is inconsistent with the text of LDC 2.19.30.01(c) or its underlying policy or purpose.

The text of LDC 2.19.30.01(c), and the dictionary definition of *de novo* hearing is more consistent with the city council's interpretation of LDC 2.19.30.01(c) than petitioners' interpretation. Under petitioners' interpretation, the city council would be required to conduct a *de novo* hearing, and accept new evidence, and then be limited to reviewing an HRC decision that was decided based on a more limited evidentiary record. That limited scope of review seems somewhat inconsistent with the LDC 2.19.30.01(c) requirement for a *de novo* hearing.

The text of the contextual LDC provisions that petitioners cite and rely on is not necessarily inconsistent with the city council's interpretation of LDC 2.19.30.01(c). Although those LDC sections talk about reviewing appealed decisions, those LDC sections do not expressly specify *how* the city council is to go about reviewing decisions on appeal. The city council's interpretation and application of LDC 2.19.30.01(c) is therefore not inconsistent with the text of these contextual sections, even if petitioners' view of the contextual sections is possible. Neither is the city council's interpretation of LDC 2.19.30.01(c) inconsistent with any identified underlying policy. The LDC 2.19.30.01(c) requirement for a *de novo* hearing on appeal suggests an underlying policy of seeking a fresh

<sup>&</sup>quot;(c) Is inconsistent with the underlying policy that provides the basis for the comprehensive plan or land use regulation; or

<sup>&</sup>quot;(d) Is contrary to a state statute, land use goal or rule that the comprehensive plan provision or land use regulation implements."

look on appeal, rather than the more limited look that petitioners advocate. We conclude that, even if the more narrow interpretation of LDC 2.19.30.01(c) that petitioners advocate is possible based on the language of the cited contextual LDC sections, the city council's interpretation must be affirmed under ORS 197.829(1).

Before turning to petitioners' related second assignment of error, we briefly note and discuss two other issues that petitioners raise under the first assignment of error. Petitioners first contend the city council's interpretation of LDC 2.19.30.01(c) erroneously makes the HRC an advisory body when it comes to Historic Preservation Permits, whereas the LDC confers quasi-judicial decision making authority on the HRC. Petitioners' argument in this regard mischaracterizes the city council's decision. The city council's interpretation of LDC 2.19.30.01(c) simply reserves to the city council the authority, in the event of an appeal of a HRC Historic Preservation Permit decision, to apply the relevant approval criteria itself and reach a different conclusion than the HRC. The city council's assumption of that role on appeal does not make the HRC an advisory body. When HRC decisions on Historic Preservation Permits are not appealed to the city council they are the final decisions of the city. Reversing HRC decisions on appeal is clearly an expression of disagreement with the HRC, but that action does not make the HRC an advisory body. We reject petitioners' characterization to the contrary.

Petitioners also argue that the city council's interpretation of LDC 2.19.30.01(c) is such a "new (and implausible) interpretation" that they were "entitled to notice of the applicable scope of review before the city council decision was rendered in this matter." Petition for Review 10. Petitioners do not cite any authority for or develop this argument further.

<sup>&</sup>lt;sup>7</sup> Corvallis Municipal Code (CMC) 1.16.325(4) provides that for certain matters, including Historic Preservation Permits, the HRC is the city's initial quasi-judicial decision maker. CMC 1.16.325(5) sets out other matters in which the HRC acts in an "advice and assist" capacity.

In Arlington Heights Homeowners v. City of Portland, 41 Or LUBA 185, 200 (2001) (citing Gutoski v. Lane County, 155 Or App 369, 963 P2d 145 (1998)), we observed that where "new or changed interpretations of relevant criteria, \* \* \* appear for the first time in the final written decision, [and] could not reasonably have been anticipated and addressed by the parties before the opportunities for evidentiary presentations and legal argument concluded," it may be necessary for the final decision maker to provide such an opportunity. If petitioners are relying on the principle discussed in Arlington Heights Homeowners, that reliance is misplaced. The interpretation the city council adopted in this case was both foreseeable and foreseen, since petitioners argued the city council should interpret LDC 2.19.30.01(c) to impose a limited scope of review. The city council simply rejected petitioners' argument.

We agree with the city that the LDC sections that petitioners cite, *see* n 5, need not be interpreted in the way petitioners suggest and do not provide sufficient textual support to require that LDC 2.19.30.01(c) be interpreted in the way petitioners argue. The city council's interpretation and application of LDC 2.19.30.01(c) must be affirmed under ORS 197.829(1).

Petitioners' first assignment of error is denied.

## B. The City Council Was Not Limited to the Issues Identified in the December 15, 2006 Notice of Appeal

Petitioners' second assignment of error raises a related issue that the city council also rejected in the above-quoted findings. Where a local government's land use regulations expressly require that the issues that a local appellate body may consider in a local appeal are limited to the issues that are identified in a notice of local appeal, the issues that a local appellate body considers in a local appeal must be so limited. *Smith v. Douglas County*, 93 Or App 503, 506-07, 763 P2d 169 (1988), *aff'd* 308 Or 191, 777 P2d 1377 (1989).

As relevant here, LDC 2.19.30.05 provides that appeals must be filed in writing and must include a "[s]tatement of the specific grounds for the Appeal, stated in terms of specific Page 10

review criteria applicable to the case." LDC 2.19.30.05(c). LDC 2.19.30.06(b) provides that improperly filed local appeals *may* be dismissed. (Emphasis added.) There is no LDC provision that specifically limits the city council's scope of review in an appeal of an HRC decision to the issues that are specified in the local notice of appeal. However, petitioners argue that by requiring that persons who wish to appeal HRC decisions must identify the "specific grounds for appeal," the issues that the city council was permitted to consider on appeal were limited to the three issues identified in Whiteside's December 15, 2006 notice of appeal. *See* n 3. In support of that argument, petitioners cite *Miles v. City of Florence*, 190 Or App 500, 510, 79 P3d 382 (2003) and *Ray v. Josephine County*, 51 Or LUBA 443, 449 (2006).

Ray v. Josephine County lends no support to petitioners' argument. In Ray, we concluded that to preserve issues for review by the board of county commissioners in that case, the petitioners were required to raise those issues in their local notice of appeal. In Ray, however, Josephine County's land use regulations specifically provided that review by the county commissioners was "strictly limited to the items specified in the statement of appeal." 51 Or LUBA at 447. There is no such express limit on the city council's scope of review in the LDC, and Ray therefore lends no support to petitioners' argument under the second assignment of error.

<sup>&</sup>lt;sup>8</sup> LDC 2.19.30.06 provides:

<sup>&</sup>quot;a. The Director shall schedule a public hearing for complete and properly filed Appeals. Such hearing is to be held not later than 60 days after the receipt of the notice of Appeal. Incomplete or improperly filed Appeals shall be referred to the hearing authority for dismissal as noted in 'b,' below.

**<sup>&#</sup>x27;**\*\*\*\*\*

<sup>&</sup>quot;b. Appeals that are incomplete, filed late, or improperly filed *may be denied* by the hearing authority without further review." (Emphasis added.)

The holding in *Miles* technically concerns the scope of review at LUBA, rather than the scope of review of a local government appellate body considering a local appeal. *Miles* concerned an appeal of a planning commission decision to the city council. In *Miles*, city legislation required the local appellant to identify issues for appeal in the local notice of appeal. In *Miles*, the city legislation did not specifically limit the city council's review to the issues that were specified in the notice of local appeal. The local appellant failed to specify an issue, and the issue was not considered by the local appellate body. In that circumstance, even though the issue petitioner sought to raise on appeal to LUBA was raised at an earlier point in the city's proceedings before the planning commission, the Court of Appeals held that issue could not be raised at LUBA. 190 Or App at 508-09. The holding in *Miles* is based on the ORS 197.825(2)(a) requirement that petitioners at LUBA must exhaust available local remedies before appealing to LUBA. The holding in *Miles* therefore does not assist petitioners in this appeal.

While *Miles* is technically not on point, in reaching and explaining the basis for its holding in *Miles*, the Court of Appeals did observe that a local land use regulation requirement that "issues for the local appeal be specified in advance" might operate by itself to impose an "inherent" limitation on the issues that could be considered in the local appeal, even without a specific requirement under local law that the local appellate body limit its review to the issues specified in the local notice of appeal. 190 Or App at 509. However, the Court of Appeals immediately qualified the scope of any such suggested *inherent* limitation by noting that "[t]he circumstances in which the local appeal body may *sua sponte* reach an issue that was not specified as required by an ordinance are unsettled." *Id.* at 510 (citing and relying on *Johns v. City of Lincoln City*, 146 Or App 594, 602 n 1, 933 P2d 978 (1997)). In *Johns*, the Court of Appeals held that a *party* was precluded from raising issues in a local appeal that were not specified in the notice of local appeal, but the Court of Appeals specifically left open the question of whether such a local requirement that the notice of local

appeal specify the issues to be considered in the local appeal would operate to preclude the *local appellate body itself* from raising issues *sua sponte*. 146 Or App at 602 n 1.

For the reasons explained in the two preceding paragraphs, *Miles* does not hold that a requirement under local law that the issues to be considered in a local land use appeal must be specified in the notice of local appeal has the legal effect of limiting the local appellate body's authority to raise and consider issues *sua sponte* that are not specified in the notice of local appeal. To the contrary, the question of the legal effect of such a provision on the local appellate body's authority to raise and consider issues that go beyond the issues specified in the notice of local appeal was specifically left open in *Johns* and was not addressed further in *Miles*.

We decline to interpret the LDC 2.19.30.05(c) requirement that the local appeal of the HRC decision must include the "specific grounds for the appeal" to limit the city council's authority to consider issues that are not specified in the notice of local appeal. As the city correctly points out, LDC 2.19.30.06(b) specifies an optional consequence for filing a notice of local appeal that is incomplete because it fails to include specific grounds for appeal. See n 8. In that circumstance, the city council "may" deny the appeal. If the city wished a local appellant's failure to specify the specific grounds for appeal to have the consequence of precluding the city council from raising issues on its own, it could have said so in LDC 2.19.30.06(b). Perhaps more importantly, the notice of local appeal requirement must be read in context with the LDC 2.19.30.01(c) requirement for a de novo hearing on appeal. The unqualified requirement for a *de novo* appeal hearing seems somewhat inconsistent with a legislative intent that the city council could not consider issues beyond those specified in the notice of local appeal. The city easily could have stated in LDC 2.19.30.01(c) that the required de novo hearing must be limited to the grounds for appeal specified in the notice of local appeal that is required by LDC 2.19.30.05(c). LDC 2.19.30.01(c) does not impose that limit. Given the context in which LDC 2.19.30.05(c) appears, we believe it is unlikely the

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1 Court of Appeals would find that LDC 2.19.30.05(c) inherently limits the city council's

authority to raise and consider issues in an appeal of HRC decision that are not specified in

the local notice of appeal.

The second assignment of error is denied.

## THIRD ASSIGNMENT OF ERROR

Under their third assignment of error, petitioners contend the city council committed legal error by failing to advise the parties that the city council would deliberate toward a final decision in this matter at its noon meeting on February 5, 2007, rather than at its evening meeting. According to petitioners, the hearings in this matter have been held in the evening and petitioners reasonably assumed that deliberations would take place at the February 5, 2007 evening meeting.

Before the city council closed its January 16, 2007 public hearing in this matter, it began to discuss how it would go about deliberating to a final decision in the appeal of the HRC's decision in this matter. There was no request that the record be held open or that the January 16, 2007 public hearing be continued. Under ORS 197.763(6)(e), the applicant is entitled to submit "final written arguments in support of the application" within "seven days after the record is closed to all parties." Before the city closed the evidentiary hearing on January 16, 2007, the city council asked Whiteside if it waived its right to submit final legal argument under ORS 197.763(6)(e). Whiteside waived its right to submit final legal

<sup>&</sup>lt;sup>9</sup>Our resolution of the third assignment of error is based in part on our review of the digital recording of the last few minutes of the January 16, 2007 city council public hearing. Given the potential significance of what the parties were told at the conclusion of that public hearing, it seems strange that no party provided a transcript of that part of the public hearing.

<sup>&</sup>lt;sup>10</sup> ORS 197.763(6)(e) provides:

<sup>&</sup>quot;Unless waived by the applicant, the local government shall allow the applicant at least seven days after the record is closed to all other parties to submit final written arguments in support of the application. The applicant's final submittal shall be considered part of the record, but shall not include any new evidence."

1	arguments. The city council then closed the January 16, 2007 public hearing, and the
2	evidentiary phase of the city council's consideration of the appeal of the HRC decision in
3	this matter came to an end. The city offers the following description of the events that
4	ensued after the January 16, 2007 public hearing was closed:
5 6 7 8 9 10 11 12 13 14	"According to the digital audio record of the January 16, 2007 [hearing], the Mayor closed the public hearing at 4:59:12. The Mayor announced that deliberations would take place on February 5, 2007. At 4:59:39, the City Manager noted that people were beginning to leave and informed the Council and the Public that the deliberations were likely to take place at the noon meeting on February 5, 2007, rather than the night meeting. The City Manager stated that there was a good chance the deliberations would be at noon and said 'I didn't want the audience to be surprised in case that happened.' Digital Audio record 4:59:39 – 5:00:19. * * * " Respondent's Brief 14-15 (footnote omitted).
15	Based on our review of the last few minutes of the digital recording of the January 16, 2007
16	public hearing, the above description of what was said at the January 16, 2007 hearing is
17	accurate.
18	Petitioners point out that the city council was encouraged to ask questions of staff.
19	Staff prepared a memorandum that responded to those questions. While petitioners point out
20	that this exchange between the city council and staff occurred, they do not assign error to that
21	exchange. Even if they had, communications between the city land use decision makers and
22	planning staff are not considered ex parte contacts. Crook v. Curry County, 38 Or LUBA
23	677, 688 (2000), aff'd 172 Or App 71, 19 P3d 388 (2001); Dickas v. City of Beaverton, 16 Or

"\* \* \* While the minutes of the January 16, 2007 meeting indicate that deliberations would occur on February 5<sup>th</sup>, the time of those deliberations was not provided. *See e.g.*, ORS 197.763 (where hearing is continued, notice of time, date, and place certain must be provided).

under the third assignment of error is set out below:

LUBA 574, 581, aff'd 92 Or App 168, 757 P2d 451 (1988). Petitioners' entire argument

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<sup>&</sup>lt;sup>11</sup> The time references in the quoted material are to the elapsed time from the beginning of the city council's January 16, 2007 meeting in hours, minutes and seconds.

"The failure to give notification of the time of the deliberations was important because the challenged decision incorporated those deliberations as findings supporting the challenged decision. Accordingly, petitioners were entitled to adequate notice of when those deliberations were to occur." Petition for Review 13.

ORS 197.763(6)(b) requires that if a quasi-judicial land use hearing is continued, "the hearing shall be continued to a date, time and place certain \* \* \*." That presumably is the subsection that petitioners are relying on in arguing that the city council erred by failing to advise petitioners of the time of the February 5, 2007 deliberations. However, ORS 197.763(6)(b) would only apply if the city council had continued the January 16, 2007 evidentiary hearing. As we have already explained, the city council closed the public hearing on January 16, 2007. While the deliberations that took place on February 5, 2007 occurred during a public meeting, the February 5, 2007 meeting was not a continued public hearing that was subject to ORS 197.763(6)(b). Petitioners may have a legal right to be informed of the date, time and place certain that the city council would deliberate and adopt its final written decision, but that legal right is not provided by ORS 197.763(6)(b).

For purposes of this appeal, we will assume that the city had a legal obligation to tell the parties the date and time at which it would deliberate and reach a final decision in this matter. While the minutes do not show that this was done, as we explain above, the digital recording does. That some petitioners may not have heard the city manager tell the city council and those in attendance that those deliberations might occur at the noon city council meeting on February 5, 2007 is not legally significant. The city manager's discussion in this regard is clear on the digital recording. If some petitioners chose to leave the January 16, 2007 meeting before the city manager advised that the final deliberations might occur at the noon city council meeting on February 5, 2007, that also is not legally significant. All persons who remained in attendance at the January 16, 2007 public hearing were told the time and date that the deliberations would occur less than two minutes after the public hearing was closed. Adequate notice was given of the time, date and place for final

deliberations to allow any interested petitioner to attend those deliberations on February 5, 2007 at the noon meeting if they wished.

Petitioners' third assignment of error is one page long, the city's response to that assignment of error is two pages long. After the city's brief was filed, petitioners filed a motion to consider extra-record evidence and filed affidavits in support of that motion. The city objected to petitioners' motion to consider extra-record evidence and the proffered extra-record evidence. The city also submitted its own extra-record rebuttal evidence and requested that LUBA consider the city's rebuttal evidence if we allowed petitioners' motion. Petitioners submitted an additional response, with additional extra-record evidence, to which the city objected. The city followed with a request that LUBA take official notice of certain facts, and petitioners objected to that motion.

The exchanges described in the above paragraph have generated a substantial pile of paper. In those exchanges, the parties argue about whether petitioners adequately objected to any error the city council may have committed in giving notice of the February 5, 2007 meeting and whether petitioners were prejudiced by any such error. The parties also disagree about whether other city notices were adequate to cure any failure to provide adequate notice at the conclusion of the January 16, 2007 public hearing. The parties also disagree about the substance of communications between certain petitioners and a city councilor. The parties offer a great deal of extra-record evidence in support of their arguments.

We conclude that it is unnecessary to consider the extra-record evidence that the parties have provided, and we therefore deny petitioners' motion to consider extra-record evidence and the city's request that LUBA take official notice. None of the extra-record evidence alters the fact that the city manager provided adequate notice that the city council would deliberate and reach a decision in this matter on February 5, 2007 at the noon city council session. Therefore, there was no procedural error for petitioners to object to, and there was no procedural error to prejudice petitioners' substantial rights. No matter which

- 1 accounting of the communications between the city council and one of the petitioners is
- 2 factual, it does not provide a basis for reversal or remand.
- 3 The third assignment of error is denied.

### FOURTH ASSIGNMENT OF ERROR

Under their fourth assignment of error, petitioners assert three subassignments of error. We address those subassignments of error separately below. Before addressing the fourth through twelfth assignments of error, the city offers a general response to the fourth

through twelfth assignments of error. We address that general response first.

# A. The City's General Response to the Fourth Through Twelfth Assignments of Error

#### 1. Introduction

Petitioners' fourth through twelfth assignments of error generally concern subsections of LDC Chapter 2.9. LDC Chapter 2.9 is entitled "Historic Preservation Provisions." LDC Chapter 2.9 is divided into 13 major sections, LDC 2.9.10 through LDC 2.9.130. Section LDC 2.9.100 is entitled "Alteration or New Construction Activities Involving a Designated Historic Resource." LDC 2.9.100.04 is the subsection of LDC 2.9.100 that governs Historic Preservation Permits for which the HRC is the decision maker. A different subsection of LDC 2.9.100 applies to Historic Preservation Permits for which the Planning Director is the decision maker. LDC 2.9.100.03. The HRC was the decision maker in this case, and there is no dispute that LDC 2.9.100.04 applies in this case.

LDC 2.9.100.04 is divided into two subsections, LDC 2.9.100.04(a) and (b). LDC 2.9.100.04(a) sets out "Parameters" that the city applies to determine if alterations or new construction require that the HRC issue a Historic Preservation Permit. LDC 2.9.100.04(b) is entitled "Review Criteria." <sup>12</sup>

<sup>&</sup>lt;sup>12</sup> We quote and discuss parts of the LDC 2.9.100.04(b) review criteria later in this opinion in resolving the remaining assignments of error, most of which concern subsections of LDC 2.9.100.04(b). Because LDC

## 2 LDC 2.9.100.04(b)(2) and (3)

The city offers the following general response to petitioners' fourth through twelfth assignments of error.

"Many of the arguments set forth in [petitioners'] assignments of error and sub-assignments of error seem based on a careless reading of the City Council's Findings. In particular, Petitioners seem to assert that the items listed in [LDC] 2.9.100.04(b)(2) and (3)(a) through (n) are objective standards and that the [LDC] imposes a duty upon the City Council to find that the proposed alterations have somehow met those standards. Petitioners' interpretation of the text is not consistent with the plain language, which requires 'consideration' of those listed items in determining whether alterations are compatible with the resource proposed for alteration, consistent with [LDC] 2.9.100.04(b)(2) and (3). The Council's findings and the minutes clearly show that the Council considered these items. Occasionally that consideration included a finding that a proposed alteration 'complies' [with] or 'satisfies' a particular item of consideration or a number of these considerations. Sometimes the findings address a particular item of consideration in isolation. In either case, the findings support the conclusion that the Council considered the applicable items in determining that the proposal met the required compatibility criterion, and not that the items listed for consideration are somehow standards for approval that require compliance. \* \* \*" Respondent's Brief 16-17 (Appendix citations omitted).

The city's argument appears to be that it is only obligated to determine whether the proposed alterations are "compatible" with the existing theater and that LDC 2.9.100.04(b)(2) and (3) only set out considerations. If we understand the city correctly, it argues that so long as the city council actually considered relevant parts of LDC 2.9.100.04(b)(2) and (3), that is all LDC 2.9.100.04 requires, because, in the city's view, LDC 2.9.100.04(b)(2) and (3) do not set out mandatory approval standards.

There are a number of problems with the city's argument. First, the argument does not appear in the challenged city council decision, and the city may not advance that interpretation of LDC 2.9.100.04(b)(2) and (3) for the first time in its brief. *Bauer v. City of Portland*, 47 Or LUBA 459, 463 (2004); *Friends of Neabeack Hill v. City of Philomath*, 30

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<sup>2.9.100.04(</sup>b) is the focus of petitioners' remaining assignments of error, we set out all the relevant parts of LDC 2.9.100.04(b) in the appendix of this opinion to provide a single point of reference.

1 Or LUBA 46, 60-61 (1995), aff'd 139 Or App 39, 911 P2d 350 (1996). Second, the city 2 council did not treat LDC 2.9.100.04(b)(2) and (3) as though they were mere considerations. 3 To the contrary, the decision repeatedly refers to subsections of LDC 2.9.100.04(b)(3) as 4 criteria. Third, the interpretation is inconsistent with the structure and language of LDC 5 2.9.100.04(b). LDC 2.9.100.04(b) is entitled "Review Criteria." See Appendix. The first 6 paragraph of LDC 2.9.100.04(b)(1) expressly provides that "Historic Preservation Permit 7 request[s] shall be evaluated against the review criteria listed below." LDC 2.9.100.04(b)(3) 8 is entitled "Compatibility Criteria for Structures and Site Elements." The city is correct that 9 LDC 2.9.100.04(b)(3) directs that "[c]ompatibility considerations shall include the items listed in 'a - n,' below[.]" However, that single reference to considerations is not sufficient 10 11 to render the LDC 2.9.100.04(b)(3)(a) through (n) compatibility criteria into nonmandatory 12 considerations, particularly where the compatibility criteria themselves are generally written as mandatory standards.<sup>13</sup> Although LDC 2.9.100.04(b)(2) is not labeled as a review 13 14 criterion, it directs that the city make one of two alternative findings. Neither LDC 15 2.9.100.04(b)(2) nor 2.9.100.04(b)(3) are mere considerations. We reject the city's argument to the contrary. 14 16

## **B.** First Subassignment of Error

Petitioners' first subassignment of error is based on the introductory paragraph of LDC 2.9.100.04, which precedes LDC 2.9.100.04(b) and is not quoted in the Appendix. As relevant, that paragraph provides:

21 "Some exterior Alterations or New Construction involving a Designated 22 Historic Resource may be needed to ensure its continued use. Rehabilitation

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<sup>&</sup>lt;sup>13</sup> For example, LDC 2.9.100.04(b)(3)(a) directs in part that "Architectural features, such as balconies, porches, bay windows, dormers, or trim details on main facades shall be retained, restored, or designed to complement the primary structure and any existing surrounding comparable Designated Historic Resources."

<sup>&</sup>lt;sup>14</sup> A much stronger case could be made that the considerations listed in LDC 2.9.100.04(b)(1) are merely considerations rather than approval criteria. See Appendix. However, petitioners do not challenge the city's application of LDC 2.9.100.04(b)(1).

of a Designated Historic Resource includes an opportunity to make possible an efficient contemporary use through such alterations and additions. A Historic Preservation Permit request for any of the following Alteration or New Construction activities shall be approved if the Alteration or New Construction is in compliance with the associated definitions and review criteria listed below. \* \* \* " (Italics and underlining added.)

Petitioners' first subassignment of error is that "[t]he challenged findings are inadequate because they fail to determine that the proposed alterations to the Whiteside Theater are 'needed to assure its continued use." Petition for Review 13. Although petitioners make no attempt to explain why, they apparently view the italicized sentence quoted above to require that all exterior alterations or new construction involving a designated historic resource must be "needed to ensure [the designated historic resource's] continued use."

An initial problem with this subassignment of error is that the italicized sentence does not say that *all* exterior alterations or new construction involving a designated historic resource must be needed to ensure the designated historic resource's continued use. It only says that "Some exterior Alterations or New Construction involving a Designated Historic resource" may be needed for that purpose. The italicized sentence does not preclude the possibility that some other exterior alterations or new construction may be needed for other purposes.

A second problem with this subassignment of error is that the final underlined sentence makes it clear that the review criteria appear below the quoted paragraph. The first sentence is clearly not among the city's review criteria for Historic Preservation Permits. It is an observation about Historic Preservation Permits, and it is not something the city council was required to address in its findings.

The first subassignment of error is denied.

## C. Second Subassignment of Error

In one of its preliminary findings that appears in the HRC's decision—before the findings that address the LDC 2.9.100.04(b)(3) compatibility criteria—the city council found that "[t]o the extent that the criteria are ambiguous," it is appropriate to consider the purpose of LDC Chapter 2.9. LDC 2.9.20(a) provides that one of the purposes of LDC Chapter 2.9 is to "[i]mplement [the] historic and cultural resource policies of Comprehensive Plan Article 5, Section 5.4. – Historical and Cultural Resources." Comprehensive Plan Article 5, Section 5.4 includes the following policy:

"5.4.2 The City shall encourage property owners to preserve historic structures in a state as close to their original construction as possible while allowing the structure to be used in an economically viable manner."

After noting plan policy 5.4.2, the city council adopted the following finding:

"[T]he proposed exterior alteration preserves and restores the building's south facade which is the most historically significant, while allowing the structure to be used in an economically viable manner, and finds that this is consistent with Comprehensive Plan policy 5.4.2, and therefore with LDC 2.9.20(a)." Record 16.

Petitioners contend the city's first error in the above-quoted finding was in failing to identify any ambiguity that might trigger a need to consider LDC 2.9.20(a) and policy 5.4.2. Petitioners contend the city council's consideration of plan policy 5.4.2 led it to inappropriately rely on economic viability as a reason for granting the disputed Historic Preservation Permit.

Even if we accept petitioners' position that plan policy 5.4.2 is not a directly applicable approval standard, it is difficult to see how city council's consideration of that policy in *approving* the disputed permit could constitute reversible error, so long as the city council in fact also considered the applicable approval criteria and found that they are all satisfied. Petitioners suggest that the city council may have inappropriately relied on plan policy 5.4.2 to consider economic viability in a way that is inconsistent with one or more

- 1 approval criteria. But petitioners do not identify any criteria that they believe the city
- 2 erroneously found were satisfied based on plan policy 5.4.2 and a need to ensure
- 3 economically viable use of the property. Absent such a demonstration, we conclude the city
- 4 council's finding regarding plan policy 5.4.2 was harmless error, if it was error at all.
- 5 The second subassignment of error is denied.

## D. Third Subassignment of Error

LDC 2.9.100.04(b)(2) is set out in the Appendix, and provides as follows:

## "In general, the proposed Alteration or New Construction shall either:

- "a) Cause the Designated Historic Resource to more closely approximate the original historic design or style, appearance, or material composition of the resource relative to the applicable Period of Significance; or
- "b) Be compatible with the historic characteristics of the Designated Historic Resource and/or District, as applicable, based on a consideration of the historic design or style, appearance, or material composition of the resource."

## 1. The City's Findings

The city council adopted findings concerning LDC 2.9.100.04(b)(2), which are set

#### 19 out below:

"The City Council finds that the General Review Criteria in LDC Section 2.9.100.04(b)(1) were considered in reaching the decision that the proposed alterations are compatible with the existing and surrounding comparable Designated Historic Resources. The City Council finds that in general, the proposed alterations to the south facade will cause the Whiteside Theater Building to more closely approximate its original historical design, style and appearance than it currently does, consistent with LDC 2.9.100.04(b)(2)(b). The City Council finds that the applicant's suggested condition of approval to require the installation of garden boxes to closely resemble the original garden boxes would comply with LDC Section 2.9.100.04(b)(2). The City Council finds that, given the utilitarian nature of the west facade, and the survey's focus on the value of the south facade, the proposed changes to the west facade are compatible with the historic characteristics of the Whiteside Theater building, as applicable, based on the historic design, style and appearance of the building and proposed alterations." Record 22.

We agree with petitioners that the above findings are inadequate and that this subassignment of error therefore must be sustained. But we will not attempt to summarize and resolve all the competing interpretive arguments that petitioners and the city make in their briefs. If the city council determines that it must consider those interpretive arguments to adequately address LDC 2.9.100.04(b)(2) on remand, it may do so. We believe it would be more useful to explain why the above findings are inadequate and then suggest how some interpretations of LDC 2.9.100.04(b)(2) by the city on remand would likely facilitate addressing that criterion.

Turning to the city's findings quoted above, we do not understand the first sentence. That sentence mentions the findings that the city adopted to address a different criterion, LDC 2.9.100.04(b)(1). See Appendix. However, the first sentence makes no attempt to explain how those findings have any direct or relevant bearing on whether the proposed alterations and new construction comply with either subsection (a) or (b) of 2.9.100.04(b)(2).

The second finding concludes that the proposed changes to the south facade will cause the theater "to more closely approximate its original historic design, style and appearance than it currently does, consistent with LDC 2.9.100.04(b)(2)(b)." The city council presumably meant to cite subsection (a) of LDC 2.9.100.04(b)(2) rather than subsection (b). This finding is conclusory, but we are not sure petitioners dispute that many of the south facade changes satisfy LDC 2.9.100.04(b)(2)(a). On remand that issue can be clarified and, if so, the city can elaborate or identify any findings that it adopts elsewhere in its decision that are adequate to demonstrate that the south facade improvements comply with LDC 2.9.100.04(b)(2)(a).

The third sentence addresses the garden boxes. Although the city council does not identify which subsection of LDC 2.9.100.04(b)(2) it believes replacing the garden boxes complies with, it presumably is LDC 2.9.100.04(b)(2)(a). We do not understand petitioners to challenge that finding.

The final sentence is the most problematic of the four. The proposed changes to the west facade are extensive and will dramatically change the existing appearance of the west facade. The city council's final finding cites the existing utilitarian nature of the west facade and the focus of the historic survey on the south facade and then simply concludes that the west facade changes therefore comply with the requirement of LDC 2.9.100.04(b)(2) that the improvements are "compatible with the historic characteristics of the [historic theater] based on a consideration of the historic design or style, appearance, or material composition of the resource." Some additional explanation in the findings is going to be needed to support that conclusion. The west facade improvements do not appear to be "compatible with the historic characteristics of the" west facade of the Whiteside Theater. If the reference to the utilitarian nature of the west facade means the city council believes the existing west facade can be disregarded for purposes of LDC 2.9.100.04(b)(2), so that the proposed changes to the west facade need only be compatible with the south facade, the city needs to more clearly state and explain that position. The city will also need to explain how it can take that position when it later finds that "both the west and south elevations maintain a high degree of historic integrity as defined in LDC Chapter 1.6." Record 22.

## 2. Interpretive Issues

To the extent our discussion above is not sufficient to identify some interpretive issues the city council will likely want to address on remand, we briefly discuss some of the more obvious interpretive issues here.

We tend to agree with the city's argument in its brief that the correct focus under LDC 2.9.100.04(b)(2) is on the proposed alteration or new construction itself. Those alterations are described in some detail at ns 1 and 2 and in the related text above. The city must determine whether the proposed changes will "cause the [theater] to more closely approximate [its] original historic design or style, appearance, or material composition" (thereby satisfying subsection (a) of LDC 2.9.100.04(b)(2)) or whether the proposed changes

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will "[b]e compatible with the historic characteristics of the [theater], based on a consideration of the historic design or style, appearance, or material composition of the [theater]" (thereby satisfying subsection (b) of LDC 2.9.100.04(b)(2)). We are not sure there is any disagreement on this point, although the parties phrase their arguments in ways that make it difficult to be sure.

A second interpretive issue may arise in performing the analysis described in the foregoing paragraph. It could be that the city must demonstrate that each and every item of the proposed alterations and new construction at ns 1 and 2 must be shown to satisfy either subsection (a) or subsection (b). Or it could be that logically grouped alterations or proposals for new construction could be considered together to determine whether those groups of alterations or groups of new construction satisfy subsection a or subsection b. The city council seems to believe the latter approach is appropriate. Provided the groupings are logical, we agree with the city.

We are not sure what to make of the "[i]n general" qualification at the beginning of LDC 2.9.100.04(b)(2). It could mean a number of different things. Petitioners argue that it means the proposal as a whole must comply with subsection (a) or (b). The city disagrees with that position in its brief. We agree with the city that it need not be interpreted in that way. Another interpretation that may be possible, and which does not seem to us to be very different from petitioners' interpretation, would likely make it possible for the city to approve permit applications that might otherwise have to be denied. It might be that the city could interpret the "in general" language to allow the city to approve a number of proposed improvements to the theater even though some of those improvements satisfy neither subsection (a) nor subsection (b) of LDC 2.9.100.04(b)(2). Under such an interpretation, the city council could approve the proposal so long as the proposed improvements that comply with subsections (a) or (b) of LDC 2.9.100.04(b)(2) sufficiently outweigh those that do not,

- 1 so that the proposed improvements viewed as a whole "generally" satisfy one or more of
- 2 those two subsections.
- For the reasons explained above, the city's findings regarding LDC 2.9.100.04(b)(2)
- 4 are inadequate.

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- 5 The third subassignment of error is sustained.
- The fourth assignment of error is sustained in part and denied in part.

## FIFTH ASSIGNMENT OF ERROR

- 8 Petitioners' fifth assignment of error is quoted below:
- 9 "Respondent erred in failing to distinguish between the terms 'main' facade and 'primary' facade." Petition for Review 20.
- Petitioners' fifth assignment of error implicates two of the LDC 2.9.100.04(b)(3)
- 12 compatibility criteria, LDC 2.9.100.04(b)(3)(a) (Facades) and LDC 2.9.100.04(b)(3)(h)
- 13 (Building Orientation). See Appendix. Those two subsections of LDC 2.9.100.04(b)(3)
- 14 provide as follows:
- "a). Facades - Architectural features, such as balconies, porches, bay 15 16 windows, dormers, or trim details on main facades shall be retained, 17 restored, or designed to complement the primary structure and any existing surrounding comparable Designated Historic Resources. 18 19 Particular attention should be paid to those facades facing street rights-20 of-way. Architectural elements inconsistent with the Designated 21 Historic Resource's existing building design or style shall be avoided." 22 (Emphasis added.)
  - "h) Building Orientation Building orientation shall be compatible with existing development patterns on the Designated Historic Resource site, if in existence and proposed in part to remain, and any existing surrounding comparable Designated Historic Resources. In general, Alteration or New Construction shall be sited so that the impact to primary facade(s) of the Designated Historic Resource, if in existence and proposed in part to remain, is minimized." (Emphasis added.)
  - The first sentence of the LDC 2.9.100.04(b)(3)(a) facade criterion requires that architectural features on "main facades" be retained. The last sentence of the LDC 2.9.100.04(b)(3)(h) building orientation criterion requires that alteration or new construction

- be sited to minimize the impact on "primary facade(s)." The city council adopted the following findings regarding the LDC 2.9.100.04(b)(3)(a) facade criterion:
  - "10. The City Council notes that the application was reviewed using the criterion specifically related to 'Facades' found in [LDC] 2.9.100.04(b)(3)(a). The City Council notes that that both the west and south elevations maintain a high degree of historic integrity as defined in LDC Chapter 1.6. The City Council notes that there was considerable testimony related to the treatment of the building facades in this case.

"The City Council notes that the building's most historically significant facade is its architecturally embellished south facade. The City Council notes that the south facade is the facade that displays the Italian Renaissance architectural style and the facade that identifies the building's historic use as a theater. The City Council finds that, although the west facade deserves 'particular attention' because it faces a street right-of-way, it is not reflective of Italian Renaissance The City Council notes that the building design historically focused on the south facade. The city Council notes that the west facade was utilitarian in nature, without rare or unusual architectural design or style, or type of construction. The City Council finds that the building's main facade is the south facade. The City Council finds that the proposed alterations to the west facade are compatible with the Italian Renaissance architecture evident on the south facade. The City Council finds that the proposed alterations to the west facade are consistent with the requirement that 'particular attention' should be paid to those facades facing street rights-of-way. After considering the proposal as it impacts the west and south facades, the City Council concludes that the proposal is consistent with this criterion." Record 22.

Although the reasoning that petitioners advance in support of their first argument is difficult to follow, we understand petitioners to argue that the city erred by assuming the theater could only have one "main facade."

In its findings addressing the LDC 2.9.100.04(b)(3)(a) building orientation criterion, the city council expressly considered whether a historic building might have more than one *primary* facade. The city council concluded that historic buildings could have more than one

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primary facade, but the Whiteside Theater is not such a building. We suspect the parenthetical "s" at the end of "primary facade(s)" had something to do with the city council's interpretation that the LDC 2.9.100.04(b)(3)(h) building orientation criterion anticipated buildings that might have more than one *primary* facade. The LDC 2.9.100.04(b)(3)(a) *main* facade criterion is not phrased in that way. Therefore, if the city council had been asked to decide the question, and had determined that historic structures only have one "main facade" within the meaning of LDC 2.9.100.04(b)(3)(a), it does not seem likely that that interpretation would be reversible under ORS 197.829(1). However, even if a historic building could have more than one main facade, petitioners make no attempt to explain how they believe "main facades" and "primary facades" are different. Neither do they offer any reason to believe that the analysis that the city council applied to conclude that the south facade is the Whiteside Theater's only primary facade would not have also led the city council to conclude that the south facade is the Whiteside Theater's

<sup>&</sup>lt;sup>15</sup> The city council's findings include the following:

<sup>&</sup>quot;\* \* The City Council finds that the most historically important elevation is the south elevation, in part because of the architecturally embellished entry. The City Council finds that the west facade is not reflective of Italian Renaissance architecture, and therefore does not constitute as high a degree of historical significance as the south facade. \* \* \* The City Council notes that the term 'primary facade(s)' on its face is somewhat ambiguous. [T]he City Council agrees with opponents that the code language clearly anticipates the possibility that some Designated Historic Resources may have more than one 'primary facade,' depending on the nature of the resource. [A] Designated Historic Resource may have more than one building (perhaps each with a primary facade), or a single building could have been constructed and oriented in such a way that it presented more than one primary facade. The City Council notes that the Whiteside Theater was constructed so that the Theater entrance, marquee and significant ornamentation were all on the south facade. The Council concludes that the given the utilitarian nature of the Whiteside's west facade, the Whiteside Theater has a single primary facade on the south." Record 14-15.

<sup>&</sup>lt;sup>16</sup> The dictionary definitions of the two terms are similar:

<sup>&</sup>quot;main \* \* \* 1 : outstanding, conspicuous, or first in any respect : GREAT, PREEMINENT : PRINCIPAL \* \* \*." Webster's Third New Intern'l Dictionary, 1362 (unabridged ed 1981).

<sup>&</sup>quot;**primary** \* \* \* **1 a** : first in order of time or development : INITIAL \* \* \* **2 a** : first in rank or importance : CHIEF, PRINCIPAL \* \* \*." Webster's Third New Intern'l Dictionary, 1800 (unabridged ed 1981).

- only main facade. Absent such an effort on petitioners' part, we believe it is appropriate to assume that the city council would have determined the west facade is not a main facade for the same reason it concluded that it is not a primary facade. Petitioners do not challenge the
- 4 city council's primary facade findings.

Petitioners' final argument under the fifth assignment of error is quoted below:

"[T]he challenged decision fails to address the significance of each of the three sentences addressing facades. \* \* \* The second sentence requires that particular attention be paid to facades facing street right-of-ways. And the third sentence, unlike the first, addresses all facades, not just main facades or facades facing street right-or-ways. The third sentence prohibits architectural elements that are inconsistent with the historic resource's existing building design or style. The challenged decision does not even address this last sentence or how the proposed changes to the west facade might comply with it." Petition for Review 23.

In the findings quoted in the text above, the city council found "that the proposed alterations to the west facade are consistent with the requirement that 'particular attention' should be paid to those facades facing street rights-of-way." Record 22. While conclusory, the finding addresses the second sentence of LDC 2.9.100.04(b)(3)(a). Later in its decision, the city council adopts several pages of findings addressing the west and south facades. Absent a more developed argument from petitioners, we conclude those findings are adequate to demonstrate that the city paid "particular attention" to the west facade. Finally, in the findings quoted in the text above, the city council also found "that the proposed alterations to the west facade are compatible with the Italian Renaissance architecture evident on the south facade." Again, absent a more developed argument from petitioners, we conclude that finding and the findings later in the decision that discuss the proposed alterations are adequate to demonstrate the alterations are not "inconsistent with the [theater's] existing building design or style \* \* \*."

The fifth assignment of error is denied.

### SIXTH ASSIGNMENT OF ERROR

Petitioners' sixth assignment of error argues the city erred in concluding that the proposal complies with the LDC 2.9.100.04(b)(3) criteria. See Appendix. After describing the proposed changes to the west facade and what petitioners believe are the significant historical features of the west facade, petitioners offer the following argument:

"\* \* \* The proposed changes to the west facade are enormous. Removing over 40% of the west wall will prohibit its historic use and will destroy its building style as a theater.

"The challenged findings identify the relevant criteria to include: Facades, Building Materials, Architectural Details, Pattern of Window and Door Openings, and Differentiation. However, the challenged decision does not separately address those criteria. That approach, in itself, would not be sufficient to require remand, if it could be shown that the findings support the conclusion that each of those separate criteria is satisfied. However, in this case, the approach is used to gloss over the inadequacies of the proposed changes as they relate to the stated relevant criteria.

"It is important to note that two of those listed criteria, <u>Architectural Details</u> and <u>Pattern of Window and Door Openings</u> do not allow, in the compatibility determination, consideration of surrounding comparable resources. Further, as depicted in the drawings of the proposed changes to the west wall, the alterations would change the orientation of the building, contrary to the <u>Orientation</u> provision. The city failed to directly consider or analyze the <u>Orientation</u> criterion." Petition for Review 25 (underscoring in original; footnote omitted).

The argument presented in the first two paragraphs quoted above is insufficiently developed to permit review. *Deschutes Development v. Deschutes Cty.*, 5 Or LUBA 218, 220 (1982). If petitioners believe the city failed to address or inadequately addressed the Building Materials, Architectural Details, Pattern of Window and Door Openings, and Differentiation criteria, they must make some attempt to explain why they believe that is the case.

The last paragraph quoted above comes a bit closer, but is also inadequate to state a basis for reversal or remand. Petitioners contend that the Architectural Details and Pattern of Window and Door Openings criteria "do not allow \* \* \* consideration of surrounding

comparable resources." Those criteria are set out as subsections (c) and (g) of LDC 2.9.100.04(b)(3). While the required focus under LDC 2.9.100.04(b)(3)(c) and (g) is the historic resource itself, here the theater, LDC 2.9.100.04(b)(3)(c) and (g) do not *prohibit* considering other historic resources. So long as the proposed improvements are shown to be compatible with the theater's architectural details and window and door openings are shown to be compatible with the theater's window and door openings, it does not matter if the city council also considered the proposed improvements compatibility with other historic resources. We can infer from petitioners' undeveloped argument that they believe that is the case, but petitioners' argument is simply not sufficiently developed.

Finally, petitioners' contention that the city "did not directly consider or analyze the Orientation criterion" is incorrect. The city council found that the orientation of the building would not be changed and petitioners fail to challenge those findings. Record 30.

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<sup>&</sup>lt;sup>17</sup> The text of those subsections is set out below:

<sup>&</sup>quot;c) Architectural Details - Retention and repair of existing character-defining elements of a structure, such as molding or trim, brackets, columns, cladding, ornamentation, and other finishing details and their design or style, materials, and dimensions, shall be considered by the property owner prior to replacement. Replacements for existing architectural elements or proposed new architectural elements shall be consistent with the resource's design or style. If any previously existing architectural elements are restored, such features shall be consistent with the documented building design or style. Conjectural architectural details shall not be applied."

<sup>&</sup>quot;g) Pattern of Window and Door Openings – To the extent possible window and door openings shall be compatible with the original features of the existing Designated Historic Resource, if in existence and proposed in part to remain, in form (size, proportion, detailing), materials, type, pattern, and placement of openings."

<sup>&</sup>lt;sup>18</sup> The city adopted the following findings:

<sup>&</sup>quot;The City Council notes that the proposal does not impact the physical orientation or position of the building on the lot. The City council notes that the proposed alterations to the west facade may impact the visual perception or [sic – probably should be of] orientation of the west elevation." Record 30.

### SEVENTH ASSIGNMENT OF ERROR

One of the bases for Whiteside's appeal of the HRC decision denying its application for the Historic Preservation Permit was that the HRC improperly relied on US Secretary of Interior Standards for preservation. *See* n 3. In its decision, the city council adopted the following findings in reaching its decision to approve the Historic Preservation Permit:

"[O]ne of the grounds provided for the appeal was the applicant's perception that the [HRC] used the Secretary of the Interior Standards as a basis for its decision. The City Council finds that the Council decision was based on the applicable review criteria found in LDC Chapter 2.9 and the related Corvallis Comprehensive Plan provisions. The Council sees no need to refer to the Secretary of the Interior Standards as a basis for its decision. The Council notes that LDC 2.9.10 specifically states that the provisions in LDC 2.9 are intended to 'adequately implement the Secretary of Interior's Standards for Rehabilitation and the Secretary of Interior's Standards for Preservation, since they were used in the development of review criteria for Historic Preservation Permit requests.' The Council interprets this language to mean that the provisions within LDC 2.9 fully implement the Secretary of Interior Standards and therefore the Standards themselves are not relevant criteria." Record 14.

In their seventh assignment of error petitioners allege the city council "erred in ignoring the significance of the Secretary of Interior Standards." Petition for Review 25. Petitioners' argument in support of the seventh assignment of error is set out below:

"While petitioners do not contend that the Secretary of Interior Standards are themselves approval criteria, the standards do inform the city's interpretation of the code. The Secretary of Interior Standards were the basis for LDC 2.9 and the city's historic preservation provisions, including those provisions addressing alteration and new construction. Accordingly, the city can and should review the Secretary of Interior Standards when interpreting its historic preservation provisions. To the extent the city determined that it could not consider the Secretary of Interior Standards in an interpretation of its code, it erred." Petition for Review 26.

The city disputes petitioners' argument that the "Secretary of Interior Standards were the basis for LDC 2.9." According to the city "they were used in the development of review

criteria" and one of the stated purposes of LDC Chapter 2.9 is to "adequately implement the Secretary of Interior's Standards \* \* \*." Respondent's Brief 34. 19

Since petitioners and the city apparently agree that the Secretary of Interior Standards do not apply directly, the only remaining questions are (1) must the city council consider those standards in the event they provide relevant guidance in resolving ambiguities in the text of LCD Chapter 2.9 and (2) did the city refuse to do so in this case? We conclude that the city council could consider relevant Secretary of Interior Standards as context in resolving ambiguities in LDC Chapter 2.9, since LDC Chapter 2.9 was adopted to implement those standards. *See PGE v. Bureau of Labor and Industries*, 317 Or 606, 610-11, 859 P2d 1143 (1993) (text and context considered at first level of statutory interpretation). More precisely, in resolving ambiguities in any LDC standard that can be identified as a standard that was adopted to implement a Secretary of Interior Standard, we believe it would be appropriate for the city council to consider the Secretary of Interior Standard for any assistance it might provide in resolving the identified ambiguity.

However, under their seventh assignment of error, petitioners identify no ambiguity, for which the Secretary of Interior Standards have some relevant bearing, where the city council refused to consider the Secretary of Interior Standards. Therefore, the seventh assignment of error provides no basis for reversal or remand.<sup>20</sup>

<sup>&</sup>lt;sup>19</sup> LDC 2.9.20(a) through (i) sets out the purposes of LDC Chapter 2.9. The last of those stated purposes is LDC 2.9.20(1), which provides:

<sup>&</sup>quot;Adequately implement the Secretary of the Interior's Standards for Rehabilitation and the Secretary of Interior's Standards for Preservation, since they were used in the development of review criteria for Historic Preservation Permit requests. The review criteria contained herein implement these standards in a manner that adequately protects Designated Historic Resources consistent with Secretary of the Interior's Standards for Rehabilitation and the Secretary of Interior's Standards for Preservation." (Footnotes omitted.)

<sup>&</sup>lt;sup>20</sup> In their eighth assignment of error, petitioners argue the city council should have considered one of the Secretary of Interior's Standards in interpreting and applying LDC 2.9.100.04(b)(2)(a) to the proposed marquee and that had the city council done so, they would not have concluded that the proposed marquee complies with LDC 2.9.100.04(b)(2)(a). For the reasons explained below in our discussion of the eighth assignment of error, we do not agree.

## EIGHTH AND NINTH ASSIGNMENTS OF ERROR

2	Under these assignments of error, petitioners argue the city council adopted an
3	erroneously short view of the "applicable Period of Significance" of the theater and
4	erroneously found that the proposed marquee satisfies LDC 2.9.100.04(b)(2).
5	As we explained in our discussion of the fourth assignment of error, LDC
6	2.9.100.04(b)(2) requires that the city find that the proposed improvements satisfy either
7	subsection (a) or subsection (b) of LDC 2.9.100.04(b)(2). We again set out the text of LDC
8	2.9.100.04(b)(2) below:
9	"In general, the proposed Alteration or New Construction shall either:
10 11 12 13	"a) Cause the Designated Historic Resource to more closely approximate the original historic design or style, appearance, or material composition of the resource relative to the applicable Period of Significance; or
14 15 16 17	"b) Be compatible with the historic characteristics of the Designated Historic Resource and/or District, as applicable, based on a consideration of the historic design or style, appearance, or material composition of the resource."
18	The city council adopted the following findings in concluding that the proposal to
19	replace the 1950s era neon marquee with a marquee that closely approximates the original
20	marquee complies with LDC 2.9.100.04(b)(2):
21 22 23 24 25	"* * [T]he existing 1950's marquee is proposed to be replaced with a replica of the original 1920's marquee. The City Council notes that the existing marquee is over fifty years old, and is located on a Designated Historic Resource, therefore, the [existing] marquee is a historic element of the Whiteside Theater building.[21] * * *
26 27 28 29	"* * The City Council notes that the new marquee is proposed to be constructed to closely resemble the appearance of the original marquee based on historical photographs of the original marquee submitted by the applicant.  * * *

 $<sup>^{21}</sup>$  We added the word "existing" to this sentence to clarify our understanding that the city council found that the existing 1950s neon marquee is itself a historic element of the theater.

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"The City Council finds that the design of the 1950's marquee is inconsistent with the Italian Renaissance style. The City Council finds that replacing the 1950's era marquee with a marquee that closely resembles the original marquee is consistent with the criterion in LDC \* \* \* 2.9.100.04(b)(2). This criterion states that a proposed alteration shall cause the Designated Historic Resource to more closely approximate the original historic design or style, appearance, or material composition of the resource relative to the applicable Period of Significance. Though not explicitly stated in the building's Statement of Significance, the City Council finds the Period of Significance was approximately 1922 to 1936, a period prior to the installation of the existing marquee. The city Council finds the new marquee causes the theater to more closely approximate the Italian Renaissance style of the building as a whole, and the proposed marquee more closely approximates the original design or style of the marquee." Record 23.

Three of the above findings play a role in resolving the parties' arguments under the eighth and ninth assignments of error: (1) the existing neon marquee is historic in its own right; (2) the proposed marquee is more consistent with the original marquee and the original Italian Renaissance style of the theater; and (3) the relevant Period of Significance is 1920 to 1936.

A close reading of LDC 2.9.100.04(b)(2)(a) shows that the city council correctly found that the proposed marquee complies with that subsection of LDC 2.9.100.04(b)(2). Again, under that subsection, the proposed marquee can be approved if it "more closely approximate[s] the *original historic design or style*, appearance, or material composition of the resource \* \* \*." Although the 1950s marquee is itself historic, as the city council recognized in the above quoted findings, there simply is no question that the proposed marquee more closely approximates the original marquee which in turn was part of the original historic Italian Renaissance design. Approval of the proposed marquee is therefore consistent with LDC 2.9.100.04(b)(2)(a).

In their ninth assignment of error, petitioners argue that the Period of Significance extends from the time the theater was constructed until as late as the present day. We tend to agree with petitioners, based on the LDC 1.6.30 definition of the term "Period of

Significance," that the city council's unexplained finding that the applicable Period of
Significance began in 1922 and ended in 1936 is questionable. <sup>22</sup> But we agree with the city
that even if the Period of Significance extends until the present, the city's findings are
adequate to demonstrate that the proposed marquee complies with LDC 2.9.100.04(b)(2)(a).
There does not appear to be any dispute that the Period of Significance began in 1922 when
the theater began. Therefore, in this case, there are only two relevant questions under LDC
2.9.100.04(b)(2)(a). First, what is the "original historic design or style?" Second, does the
proposed marquee or the existing marquee "more closely approximate" that style? The
answer to the first question is the Italian Renaissance architecture of the south facade. The
answer to the second question is the proposed marquee. Since there is no dispute about when
the Period of Significance began, the answers to those questions are unaffected by the end-
date of the Period of Significance. Therefore, even if the Period of Significance extends until
today, the proposed marquee more closely approximates the original Italian Renaissance
design or style and the city council's finding regarding the end-date of the Period of
Significance is at most harmless error.

Finally, petitioners argue that the city council should have considered one of the Secretary of Interior Standards for rehabilitation, which provides:

"(4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved."

<sup>&</sup>lt;sup>22</sup> LDC 1.6.30 provides the following definition:

<sup>&</sup>quot;Period of Significance - Period of Significance is the length of time when a property was associated with important events, activities, or persons, or attained the characteristics which qualify it for National Register of Historic Places listing and/or Local Register listing. Period of Significance usually begins with the date when significant activities or events began giving the property its Historic Significance; this is often a date of construction. Period of Significance usually ends with the date when the significant activities or events stopped giving the property its Historic Significance. For prehistoric properties, the Period of Significance is the broad span of time about which the site or district is likely to provide information; it is often the period associated with a particular cultural group."

- 1 However, petitioners' only argue the Secretary of Interior's Standard is relevant in correctly
- 2 determining the Period of Significance, which we have already determined does not matter
- 3 when it comes to applying LDC 2.9.100.04(b)(2)(a) to the proposed marquee.
- 4 The eighth and ninth assignments of error are denied.

# TENTH ASSIGNMENT OF ERROR

A new cornice is proposed for the west facade. The city's findings addressing the new cornice are set out below:

"[T]he applicants are proposing to install a simple cornice on the west elevation roof line, designed to match the pattern and dimension of the existing south elevation cornice. The cornice is proposed to be fabricated from metal and painted a dark earth tone color and would resemble the cornice on the Forest Temple Gallery building on SW Second Street in Corvallis. [T]he applicant is proposing the cornice to compensate for the 'visual anomaly' caused by the location of the second story windows, which are lower than would be typical to avoid impacts to the interior ceiling. [T]he cornice would tie-in with the existing cornice on the south elevation, and would be of the same width, but would not include the ornamentation present on the south cornice.

"[T]he materials of the cornice are reflective of, and complementary to, the materials of the existing cornice. [T]he design of the proposed cornice complements, and is consistent with the existing cornice and design of the building. [T]he proposed cornice will be visually different from the existing cornice because of its simplified style. The City Council therefore finds that the proposed cornice complies with the Facades, Building Materials, Architectural Details, and Differentiation criteria." Record 26.

Petitioners argue the city council erred in concluding the proposal complies with the compatibility criteria:

"\* \* The City Council struggles in its findings to find a happy place between differentiation, requiring changes to stand out as different from original elements, and compatibility, requiring changes to reflect the structure's original historicity. There never was a cornice on the west elevation. The reason given for adding the proposed west elevation cornice is to fill the void that would occur due to the addition of the second story windows. The findings make it clear that the cornice is being added merely to avoid a visual anomaly that is created as a result of other changes that the applicant proposes to the west facade. Neither are they intended to be approved to allow the designated historic resource to fit in with the

surrounding area. The city's justification for approving the proposed cornice is based, at least in part, on its resemblance to a cornice on the 'Forest Temple gallery Building \* \* \*.' [T]he code only allows the city to consider whether or how the proposed alterations are compatible with the Whiteside Theater itself. \* \* \*

"Further, LDC 2.9.100.04(b)(3)(c) precludes the addition of this cornice. LDC 2.9.100.04(b)(3)(c): Architectural Details provides in relevant part: 'Conjectural architectural details shall not be applied.' The term 'conjectural' is not defined in the [LDC]. Accordingly, the city's first error was its failure to determine the meaning of that term, and thus, the meaning of LDC 2.9.100.04(b)(3)(c).

"The term 'conjectural' appears to be a term of art, and the Webster's dictionary definition is less than helpful in defining this term as it applies in the architectural setting or with regard to historic preservation. However, this provision is taken from provisions in the Secretary of Interior Standards, which is helpful in understanding its meaning. \* \* \* 68 CFR 68.3(b)(3) provides:

"Each property will be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken."

"The proposal to add the west elevation cornice is a change that 'creates a false sense of historical development.' There never was a cornice on the west elevation, and its addition at this point is not representative of the historic development of the Whiteside Theater. The city's decision should be remanded for an interpretation of the code and an explanation how the cornice complies with the apparent prohibition set forth in LDC 2.9.100.04(b)(3)(c)." Petition for Review 30-32 (footnote omitted).

LDC Chapter 2.9 was not written with ease of application in mind. It includes so many subjective and ambiguously worded provisions that a decision maker faces an exceedingly difficult task in applying its standards. In this case, the city findings quoted above explain that the new cornice on the west facade is needed to avoid a visual anomaly that will otherwise result due the placement of the second floor windows. The above findings explain why the city concluded the proposed cornice satisfies the somewhat inconsistent requirements that such a new cornice be compatible with the existing cornice on

- the south facade, as LDC 2.9.100.04(b)(2)(b) requires, but also different from that existing
- 2 cornice so that it complies with the LDC 2.9.100.04(b)(3)(n) requirement for
- 3 "Differentiation." Petitioners do not really challenge the adequacy of those findings.
- 4 Although petitioners also fault the city and applicant for trying to make the new cornice look
- 5 like the cornice on a nearby building, we do not see that it is error to do that.

However, while we have some sympathy for the difficult task the city faces in navigating LDC 2.9.100.04(b)(2) and the 2.9.100.04(b)(3) compatibility criteria, the city council's findings expressly state that the LDC 2.9.100.04(b)(3)(c) "Architectural Details" criteria were applied to the west facade. We are not sure what a "conjectural architectural detail" is. The city does not argue that no issue was raised concerning whether the cornice proposed for the west facade violates the LDC 2.9.100.04(b)(3)(c) prohibition on "conjectural architectural details," and the city council's decision does not address the issue. We therefore agree with petitioners that the city council's decision must be remanded so that the city council can consider whether the cornice proposed for the west facade constitutes a

The tenth assignment of error is sustained.

# **ELEVENTH ASSIGNMENT OF ERROR**

In their eleventh assignment of error, petitioners allege the city erred in concluding that the proposed canopies satisfy the relevant LDC 2.9.100.04(b)(3) compatibility criteria.

"conjectural architectural detail" If it is, it is prohibited by LDC 2.9.100.04(b)(3)(c).

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<sup>&</sup>lt;sup>23</sup> LDC 2.9.100.04(b)(3)(n) provides:

<sup>&</sup>quot;Differentiation - An Alteration or New Construction shall be differentiated from the portions of the site's existing Designated Historic Resource(s) inside the applicable Period of Significance. However, it also shall be compatible with said Designated Historic Resource's Historically Significant materials, design or style elements, features, size, scale, proportion, and massing to protect the Historic Integrity of the Designated Historic Resource and its environment. Therefore, the differentiation may be subtle and may be accomplished between the Historically Significant portions and the new construction with variations in wall or roof alignment, offsets, roof pitch, or roof height. Alternatively, differentiation may be accomplished by a visual change in surface, such as a molding strip or other element that acts as an interface between the Historically Significant and the new portions."

- 1 Petitioners argue the theater never had canopies. In approving the canopies, petitioners
- 2 contend the city council erred by relying on the existence of canopies on (1) the nearby
- 3 historic Hotel Corvallis and (2) nearby buildings that are not historic. Petitioners argue:
- 4 "The city errs in its attempts to make the Whiteside Theater fit in with other buildings in the area. Its function is to make the changes compatible with the designated historic resource, i.e., the Whiteside Theater itself. To the extent it did not do that, it erred." Petition for Review 33.
- 8 The city council adopted the following findings in approving the disputed canopies:

"The City Council notes that the applicant is proposing to install an approximately 6 foot deep by 14 foot wide steel canopy over the new entry doors on the east side of the south [facade]. The City Council notes the applicant is proposing to install 5, six-foot deep, steel-channel canopies over the new store front windows and entries on the west facade. The canopies would be attached to the building where there is currently, and was historically, no significant architectural detail. The City Council notes that the theater never had a canopy other than the marquee, so it is not possible to compare the proposed canopies to existing or original canopies. As such, the City Council notes that compatibility of the canopies must be based on the canopies' consistency with the Whiteside Theater building and surrounding Designated Historic Resources.

"The City Council notes that the majority of the older buildings in the downtown have canopies that extend over the sidewalks fronting the buildings. This is due in large part to development standards of the Central Business District. The steel canopy proposed on the south elevation would have a strong horizontal appearance, similar to the proposed marquee. The canopy would be similar in style and materials to the canopies on the Hotel Corvallis, a downtown property built circa 1927, and listed on the Local and National Registers.

"The City Council finds that, given the proposed style, materials, and size of the canopies, and similarities to canopies on a nearby Designated Historic Resource, the proposed canopies are appropriate for the Whiteside Theater. The canopies are consistent with the design of the Whiteside Theater Building, particularly the proposed marquee, and are consistent with canopies on at least one nearby historic structure from the same era. Therefore, the City Council finds that the canopy complies with the Facades, Building Materials, and Architectural Details criteria in LDC Section 2.9.100.04(b)(3)." Record 24.

We agree with petitioners that the city cannot rely on the fact that nearby businesses

have canopies to approve the disputed canopies, if those businesses are not part of the city's

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designated Historic Resource. But as we have said before, we do not think the city commits reversible error by pointing out that some of the proposed alterations are consistent with features on nearby buildings. While the focus of the city's decision must be on the Historic Resource, that Historic Resource does not exist in a vacuum, and the city council is not required to completely ignore the buildings around the Historic Resource.

It is clear from first of the above-quoted paragraphs that the city council recognized that the canopies are not going to cause the theater to "more closely approximate the original historic design or style," as required by LDC 2.9.100.04(b)(2)(a), since the theater never had canopies. The final sentence in the first paragraph makes it clear that the city is relying on LDC 2.9.100.04(b)(2)(b) rather than (a).<sup>24</sup> Under LDC 2.9.100.04(b)(2)(b) the proposed canopies must "[b]e compatible with the historic characteristics of the Designated Historic Resource and/or District, based on a consideration of the historic design or style, appearance, or material composition of the resource."

In the first of the above-quoted paragraphs, the city finds that there are no significant architectural details where the canopies are to be attached. In the second of the above-quoted paragraphs, the city council finds that the "strong horizontal appearance" of the canopies is consistent with that of the proposed marquee, which in turn resembles the original marquee. In that second paragraph, the city also finds that the "style and materials" of the proposed canopies are similar to the canopies on the historic Hotel Corvallis. <sup>25</sup> In the third paragraph the city council restates these findings and concludes, based on "the proposed style, materials, and size of the canopies and similarities to canopies on" the Hotel Corvallis, "[t]he

<sup>&</sup>lt;sup>24</sup> LDC 2.9.100.04(b)(2) is set out in the Appendix and is quoted and discussed in our discussion of the third subassignment of error under the fourth assignment of error above.

<sup>&</sup>lt;sup>25</sup> We see nothing improper in the city considering whether the canopies are compatible with the historic Corvallis Hotel. That hotel is part of the city's Designated Historic Resource. That the theater and hotel are different kinds of buildings does not mean the canopies cannot be compatible. We also do not see that the fact that the Hotel is two blocks away precludes the comparison or mandates an explanation for why the canopies were considered.

- 1 canopies are consistent with the design of the Whiteside Theater, particularly the proposed
- 2 marquee" and therefore "the canopy complies with the Facades, Building Materials, and
- 3 Architectural Details criteria in LDC Section 2.9.100.04(b)(3)."
- Without more of an argument from petitioners, we fail to see why the city council's
- 5 findings concerning the proposed canopies are inadequate. The eleventh assignment of error
- 6 is denied.

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### TWELFTH ASSIGNMENT OF ERROR

- The question presented under the twelfth assignment of error is whether Whiteside's proposed interior modifications are subject to Historic Preservation Permit review. By
- 10 "interior modifications," we understand petitioners to refer to structural modifications to the
- theater that do not themselves alter the exterior of the theater, and therefore are not listed at
- ns 1 and 2, but will operate in concert with the exterior alterations listed in ns 1 and 2 to
- 13 effect a change in the use of the theater. The parties seem to agree which LDC sections are
- 14 relevant in answering that question; they simply read those sections to reach different
- 15 interpretive conclusions.
- The logical starting point seems to be LDC 2.9.100.02, which provides:
- 17 "If an activity meets the definition for an Alteration or New Construction
- involving a Designated Historic Resource, as outlined in Section 2.9.100.01
- above, then one of the two types of Historic Preservation Permits (Director-
- 20 level or HRC-level) \* \* \* is required."
- 21 The LDC 2.9.100.01 definition of "Alteration or New Construction involving a Designated
- 22 Historic Resource" is set out below:
- 23 "An activity is considered an Alteration or New Construction involving a
- Designated Historic Resource when: the activity is not an exempt activity,
- 25 \* \* \* as defined in Section[] 2.9.70 \* \* \* and the activity meets at least one of
- 26 the descriptions in 'a' through 'c,' below.
- 27 "a. The activity alters the exterior appearance of a Designated Historic
- 28 Resource. Exterior appearance includes a resource's facade, texture,
- design or style, material, and/or fixtures;

" <b>b.</b>	The activity involves a new addition to an existing Designated Historic
	Resource or new freestanding construction on a Designated Historic
	Resource property; and/or

- "c. The activity involves installation of a Designated Historic Resource at a new site location, following a Moving, if the new site is within the City limits. If the new site of the Designated Historic Resource is outside the City limits, no City evaluation of the resource's installation at that new site will occur because the City has no jurisdiction in such locations."
- Finally, as relevant, LDC 2.9.70 provides the following exemption:

# 11 "EXEMPTIONS FROM HISTORIC PRESERVATION PERMIT 12 REQUIREMENTS

"The following changes to a Designated Historic Resource shall be exempt from the requirement for a Historic Preservation Permit. \* \* \*.

**"a. Interior Alterations** - Changes to the interior of a Designated Historic Resource that do not alter the building exterior."

In rejecting petitioners' argument that Whiteside must seek and obtain a Historic Preservation Permit for its proposed interior alterations, the city adopted the position that "LDC 2.9.70(a) merely makes it clear that alterations to the exterior of a resource are not exempt from the requirement for a Historic Preservation Permit and review just because those alterations are required by exempt interior changes." The city's complete findings on this issue are set out in the margin. Petitioners respond that the city's reading of LDC

<sup>&</sup>lt;sup>26</sup> The city council's complete findings on this issue are as follows:

<sup>&</sup>quot;[M]uch of the testimony in opposition to the proposal focused on language from [LDC] 2.9.70(a), which provides an exemption from the code's requirement for applications for Historic Preservation Permits when an owner of a Historic Resource undertakes '[c]hanges to the interior of a Designated Historic Resource that do not alter the building exterior.' Testimony in opposition argued that this exemption must be read as requiring a permit and review of the interior alterations themselves if the changes to the interior of a Designated Historic Resource do alter the building exterior. The City Council disagrees. LDC 2.9.70(a) does not require a review and Historic Preservation Permit for changes to the interior of a resource if a building exterior is altered. LDC 2.9.70(a) merely makes it clear that alterations to the exterior of a resource are not exempt from the requirement for a Historic Preservation Permit and review just because those alterations are required by exempt interior changes. The City Council finds that nothing in LDC Chapter 2.9 requires a Historic Preservation Permit or review for a change to the interior of a resource." Record 15.

2.9.70(a) is "nonsensical" and renders the exemption in LDC 2.9.70(a) "superfluous." Petition for Review 34. Petitioners argue that the only way LDC 2.9.70(a) can logically be interpreted is that interior alterations that do alter the building exterior are not exempted. We understand petitioners to argue that, but for the proposed interior alterations, the exterior alterations would not be necessary and, for that reason, it is error to describe those interior alterations as changes "that do not alter the building exterior."

The city's and petitioners' interpretive arguments unnecessarily complicate the interpretive question that must be answered to resolve the twelfth assignment of error by focusing almost exclusively on the exemption provided by LDC 2.9.70(a) and ignoring or paying only lip service to the role that LDC 2.9.100.01 plays in answering the question posed under the twelfth assignment of error. Under LDC 2.9.100.01 the question is what activities in Whiteside's proposal qualify as "an Alteration or New Construction involving a Designated Historic Resource?" Under LDC 2.9.100.01 only those activities that meet "at least one of the descriptions in 'a' through 'c,' of [LDC 2.9.100.01]" require a Historic Preservation Permit. The only one of those descriptions that petitioners even suggest might apply in this case is description "a," which provides:

"The activity alters the exterior appearance of a Designated Historic Resource. Exterior appearance includes a resource's facade, texture, design or style, material, and/or fixtures[.]"

Reading the *exemption* in LDC 2.9.70(a) together with the LDC 2.9.100.01(a) *description* of the activities that *must obtain* a Historic Preservation permit, LDC 2.9.70(a) simply makes it clear that interior activities that do not themselves alter the exterior do not require Historic Preservation Permits, whereas activities that do alter the exterior must receive approval via a Historic Preservation Permit.<sup>27</sup> Although LDC 2.9.70(a), 2.9.100.01 and 2.9.100.02 are awkwardly written, they are not particularly ambiguous.

<sup>&</sup>lt;sup>27</sup> We therefore do not agree with the city council's description of the purpose that is served by LDC 2.9.70(a). The purpose of LDC 2.9.70(a) is not to clarify the activities that must obtain a Historic Preservation

As far as we can tell, the lists of activities set out at ns 1 and 2 include every proposed activity that "alters the exterior appearance" of the theater. As far as we can tell, the activities that petitioners refer to as the "interior alterations" do not themselves alter "the exterior appearance of a Designated Historic Resource." For that reason, the interior alterations do not require a Historic Preservation Permit under LDC 2.9.100.01 and LDC 2.9.100.02. We reject petitioners' attempt to interpret LDC 2.9.70(a), 2.9.100.01 and 2.9.100.02 to reach a different conclusion.

Finally, as the city correctly points out, it is difficult to see how the city would go about reviewing interior alterations that do not themselves alter the exterior of the building in any event, since the criteria at LDC 2.9.100.04(b) all seem to be concerned with the exterior appearance of historic structures, not the interior of historic structures that cannot be seen from outside. To the extent LDC 2.9.70(a), 2.9.100.01 and 2.9.100.02 are ambiguous, that context supports the city's ultimate interpretive conclusion regarding whether LDC 2.9.70(a), 2.9.100.01 and 2.9.100.02 require a Historic Preservation Permit for the proposed interior alterations.

- The twelfth assignment of error is denied.
- 17 The city's decision is remanded.

#### **Appendix** 1 LDC 2.9.100.04(b) 2 3 "Review Criteria 4 "1. General - The Alteration or New Construction Historic Preservation 5 Permit request shall be evaluated against the review criteria listed 6 below. These criteria are intended to ensure that the design or style of 7 the Alteration or New Construction is compatible with that of the 8 existing Designated Historic Resource, if in existence, and proposed in 9 part to remain, and with any existing surrounding comparable 10 Designated Historic Resources, if applicable. Consideration shall be 11 given to: "a) 12 Historic Significance and/or classification; 13 "b) Historic Integrity; 14 "c) Age; 15 "d) Architectural design or style; "e) 16 Condition of the subject Designated Historic Resource; 17 "f) Whether or not the Designated Historic Resource is a prime 18 example or one of the few remaining examples of a once 19 common architectural design or style, or type of construction; 20 and 21 "g) Whether or not the Designated Historic Resource is of a rare or 22 unusual architectural design or style, or type of construction. "2. 23 In general, the proposed Alteration or New Construction shall 24 either: "a) 25 Cause the Designated Historic Resource to more closely approximate the original historic design or style, appearance, 26 27 or material composition of the resource relative to the 28 applicable Period of Significance; or 29 "b) Be compatible with the historic characteristics of the 30 Designated Historic Resource and/or District, as applicable, 31 based on a consideration of the historic design or style, 32 appearance, or material composition of the resource.

- "3. Compatibility Criteria for Structures and Site Elements -Compatibility considerations shall include the items listed in "a -n," below, as applicable, and relative to the applicable Period of Significance. Alteration or New Construction shall complement the architectural design or style of the primary resource, if in existence and proposed in part to remain; and any existing surrounding comparable Designated Historic Resources. Notwithstanding these provisions and "a-n," below, for Nonhistoric/Noncontributing resources in a National Register of Historic Places Historic District or resources within such Historic District that are not classified because the nomination for the Historic District is silent on the issue, Alteration or New Construction activities shall be evaluated for compatibility with the architectural design or style of any existing Historic/Contributing resource on the site or, where none exists, against the attributes of the applicable Historic District's Period of Significance.
  - "a) Facades Architectural features, such as balconies, porches, bay windows, dormers, or trim details on main facades shall be retained, restored, or designed to complement the primary structure and any existing surrounding comparable Designated Historic Resources. Particular attention should be paid to those facades facing street rights-of-way. Architectural elements inconsistent with the Designated Historic Resource's existing building design or style shall be avoided.
  - "b) <u>Building Materials</u> Building materials shall be reflective of, and complementary to, those found on the existing primary Designated Historic Resource, if in existence and proposed in part to remain, and any existing surrounding comparable Designated Historic Resources. Siding materials of vertical board, plywood, cement stucco, aluminum, exposed concrete block, and vinyl shall be avoided, unless documented as being consistent with the original design or style, or structure of the Designated Historic Resource.
  - "c) Architectural Details Retention and repair of existing character-defining elements of a structure, such as molding or trim, brackets, columns, cladding, ornamentation, and other finishing details and their design or style, materials, and dimensions, shall be considered by the property owner prior to replacement. Replacements for existing architectural elements or

1 proposed new architectural elements shall be consistent 2 with the resource's design or style. If any previously 3 existing architectural elements are restored, such 4 features shall be consistent with the documented 5 building design or style. Conjectural architectural 6 details shall not be applied. 7 Scale and Proportion - \* \* \*. "d) 8 "e) Height - \* \* \*. 9 Roof Shape - \* \* \*. "f) 10 "g) Pattern of Window and Door Openings - To the extent possible window and door openings shall be compatible 11 12 with the original features of the existing Designated 13 Historic Resource, if in existence and proposed in part 14 to remain, in form (size, proportion, detailing), 15 materials, type, pattern, and placement of openings. 16 "h) Building Orientation - Building orientation shall be compatible with existing development patterns on the 17 18 Designated Historic Resource site, if in existence and 19 proposed in part to remain, and any existing 20 surrounding comparable Designated Historic 21 Resources. In general, Alteration or New Construction shall be sited so that the impact to primary facade(s) of 22 23 the Designated Historic Resource, if in existence and 24 proposed in part to remain, is minimized. 25 "i) Site Development - \* \* \*. 26 "i) Accessory Development/Structures - \* \* \*. Garages - \* \* \*. 27 "k) 28 "1) Chemical or Physical Treatments - \* \* \*. 29 "m) Archeological Resources - \* \* \*. 30 "n) Differentiation - An Alteration or New Construction 31 shall be differentiated from the portions of the site's 32 existing Designated Historic Resource(s) inside the 33 applicable Period of Significance. However, it also 34 shall be compatible with said Designated Historic 35 Resource's Historically Significant materials, design or 36 style elements, features, size, scale, proportion, and

massing to protect the Historic Integrity of the Designated Historic Resource and its environment. Therefore, the differentiation may be subtle and may be accomplished between the Historically Significant portions and the new construction with variations in wall or roof alignment, offsets, roof pitch, or roof height. Alternatively, differentiation may be accomplished by a visual change in surface, such as a molding strip or other element that acts as an interface between the Historically Significant and the new portions."