

DIRECTOR'S REPORT

September 21, 2005

Proposed Amendment to the *Management Plan for the Columbia River Gorge National Scenic Area (PA-05-02)*: The text of the complete proposal is provided in Appendix A. The application requests three amendments:

1. Change the land use designation on a 1.21 acre property in Multnomah County (that includes the historic Viewpoint Inn building) from Large-Scale Agriculture and Small Woodland to Commercial Recreation;
2. Change the recreation intensity class from RIC 2 to RIC 3; and
3. Amend the cultural resources policies for the General Management Area with a new policy allowing properties that were on the National Register of Historic Places prior to November 17, 1986 and that were originally designed for restaurant and hotel purposes to re-establish those uses and to provide for public viewing and interpretive facilities, subject to conditions regarding size, hours and other aspects of such uses.

Applicant: John Groen

Property Owner: Geoff Thompson

Property Affected: The subject property is located at 40301 E. Larch Mountain Road, in the vicinity of Corbett, Oregon. It is in the SW $\frac{1}{4}$ of Section 30 and the NW $\frac{1}{4}$ of Section 31, Township 1 North, Range 5 East, Willamette Meridian (Tax Lots 1N5E30CC-01500 and 01600).

Recommended Substantive Modification to Amendment Application: In response to direction from the Commission at its May 10, 2005 preliminary review of the application, staff analyzed how well the Management Plan supports preservation of historic buildings in the Scenic Area. As a result of this research, staff recommends that the Commission find that there is a practicable alternative to the application. Staff recommends substantive modifications to the proposed amendment to incorporate the practicable alternative. The complete text of the recommended modified plan amendment is attached as Appendix B.

The recommended modification would:

1. Include a new list of review uses for historic buildings on lands with General Management Area designations that provide for public appreciation of such buildings and for limited economic opportunities to facilitate preservation of the buildings; and
2. Provide a new set of resource protection criteria to ensure that such uses meaningfully protect and enhance the historic resource without adversely affecting Gorge resources or farm and forest lands.

Commission Hearing: October 11, 2005, Rock Creek Center, Stevenson, Washington.

PLEASE NOTE: *The Commission will allow public comment on Plan Amendment Application PA-05-02 and the recommended substantive modification.*

EXECUTIVE SUMMARY

Criteria for Amending the Management Plan

To approve an application to amend the Management Plan, the Commission must find that:

1. Conditions in the Scenic Area have significantly changed;
2. No practicable alternative to the proposed amendment more consistent with the purposes and standards of the Scenic Area Act exists; and
3. The proposed amendment is consistent with the purposes and standards of the Scenic Area Act.

Summary of the Consistency of the Proposed Plan Amendment with the Criteria

Criterion 1: The proposed plan amendment is consistent with criterion 1. The applicant has provided new information about the costs of restoring and maintaining the Inn to historic standards. This information is validated by the results of the historic buildings inventory conducted in response to the Commission's May 10, 2005 direction.

Criterion 3: With the exception of the proposed redesignation of the property to Commercial Recreation, the proposed amendment, with minor clarifications, is consistent with the purposes and standards of the Act. The applicant has said that the redesignation to Commercial Recreation can be dropped. The minor clarification is that the uses described in the proposed new cultural resources policy would also need to become review uses in the Management Plan guidelines.

Criterion 2: The proposed plan amendment is not consistent with criterion 2. The proposed amendment would protect and enhance one historically significant building (the Viewpoint Inn). However, the historic buildings survey completed as part of reviewing this application states that there are at least 54 buildings in the Gorge that are eligible for the National Historic Register. The proposed plan amendments would not protect or enhance these important historic resources. As such, staff recommends that the Commission find that the recommended modification provides greater protection for cultural resources and is a practicable alternative that is more consistent with the purposes and standards of the Scenic Area Act.

Summary of the Consistency of the Recommended Modification with the Criteria

Criterion 1: The recommended modification is consistent with the first criterion. New information and inventory data was generated during review of the proposed plan amendment. Staff found four facts and observations to be new information: (1) some historic buildings in the Scenic Area are deteriorating; these resources are threatened; (2) restoration and maintenance of historic buildings is challenging and can be very costly; (3) providing flexibility for adaptive use of historic buildings is a frequently-used, effective incentive to support preservation of these buildings; and (4) the Management Plan offers very limited options for adaptive use of historic buildings that are economic incentives for preservation. This new information constitutes a significant change in conditions in the Scenic Area.

Criterion 3: The recommended modification is consistent with the purposes and standards of the Act. It would allow uses in historic buildings that would enhance public appreciation of such resources. These uses would only be allowed if they were shown to contribute to the protection and enhancement of the historic building and would not adversely affect scenic, cultural, natural and recreation resources, and farm or forest lands. Such uses would provide an economic development opportunity outside urban areas consistent with the first purpose of the Act.

Criterion 2: There is no practicable alternative to the recommended modification that is more consistent with the purposes and standards of the Act. It would provide a level of protection and enhancement for historic buildings not afforded by the proposed amendment or by the current Management Plan. Other alternatives, such as allowing re-establishment of historically-occurring uses, could benefit some historic buildings. However, resuming historic uses would not assist *all* historic buildings (e.g., allowing old farm buildings to be used for farming) and would, thus, not support as great a degree of protection and enhancement as the recommended modification.

Options for Commission Action and Staff Recommendation

Option 1: Adopt the Proposed Application with Minor Clarifications

If the Commission finds the applicant's proposed amendment consistent with all three plan amendment criteria, then the Commission should adopt it. If the Commission makes these findings, staff recommends you include the following minor clarifications in your motion to adopt.

1. Eliminate the portion of the proposed amendment that changes the designation of the parcel to Commercial Recreation; and
2. Add the uses that are included in paragraph 1 of the proposed amendment as new "Review Uses" in Part II, Chapter 7 of the Management Plan, to be clear that these uses must be consistent with the Scenic, Natural, Cultural, and Recreational guidelines in the Management Plan

Option 2: Reject the Proposed Application and the Recommended Modification

If the Commission finds that the application, both as submitted and as recommended to be modified is inconsistent with one or more of the Plan Amendment criterion, then the Commission should vote to deny the application.

Option 3: Schedule the recommended modification for additional public input

If the Commission finds that the proposed application can be modified through substantive changes to meet all three plan amendment criteria, then you should take additional public input as required by Commission rule 350-50-100 (3)(h). If you select this option, then staff recommends that you schedule a new public hearing for your December 13, 2005 meeting, which allows enough time to provide a 30 day notice of hearing for the recommended modification. Continuance of the hearing to the November 8, 2005 meeting would not allow for 30 days notice for public review of the modifications.

Recommendation: Staff recommends the Commission pursue option 3. Staff agrees with the applicant that there is a need to amend the Management Plan to better protect and enhance historic buildings as important cultural resources. However, in our review of the application, as a result of the new historic buildings survey, and because of what we learned from other jurisdictions, staff recommends that the Commission find that there is a practicable alternative to the proposed plan amendment, which is to allow adaptive reuse of all buildings that are on or eligible for the National Register of Historic Places provided that reuse protects farm and forest lands and scenic, natural, cultural, and recreational resources. Staff recommends proposed modifications to the amendment to implement that Gorge-wide approach. Commission rule 350-50-100(3)(h) requires the Commission to take additional public input prior to adopting significant changes to a proposed plan amendment. Because the recommended modifications have not been noticed prior to this Director's Report, staff recommends a minimum of 30 days notice to ensure adequate input.

I. Application Summary

John Groen, representing Geoff Thompson, submitted a plan amendment application to the Gorge Commission on January 27, 2005 to: 1) change the land use designation for the Viewpoint Inn parcels from Small Woodland and Large-Scale Agriculture to Commercial Recreation; 2) change the Recreation Intensity Class from RIC 2 to RIC 3; and 3) add a new policy and guideline to the Management Plan provisions for Commercial Recreation designations.

On March 14, 2005, the applicant submitted supplemental materials in response to a February 15, 2005 letter from the Commission indicating additional information was needed to make the application complete. The application was accepted as complete on March 29, 2005. The Gorge Commission conducted a preliminary review of the plan amendment application on April 12, 2005, as required by Commission Rule 350-50-075. The Gorge Commission asked the applicant to provide additional information regarding several aspects of the proposal and continued preliminary review to its May 10, 2005 meeting. Commission Rule 350-50-075(3)(a) provides that the Commission may ask questions of the applicant regarding a plan amendment application in preliminary review.

The applicant provided responses to the Commission's questions at the May 10, 2005 meeting, and submitted a revised application at that time. The complete text of the revised application is in Appendix A of this report.

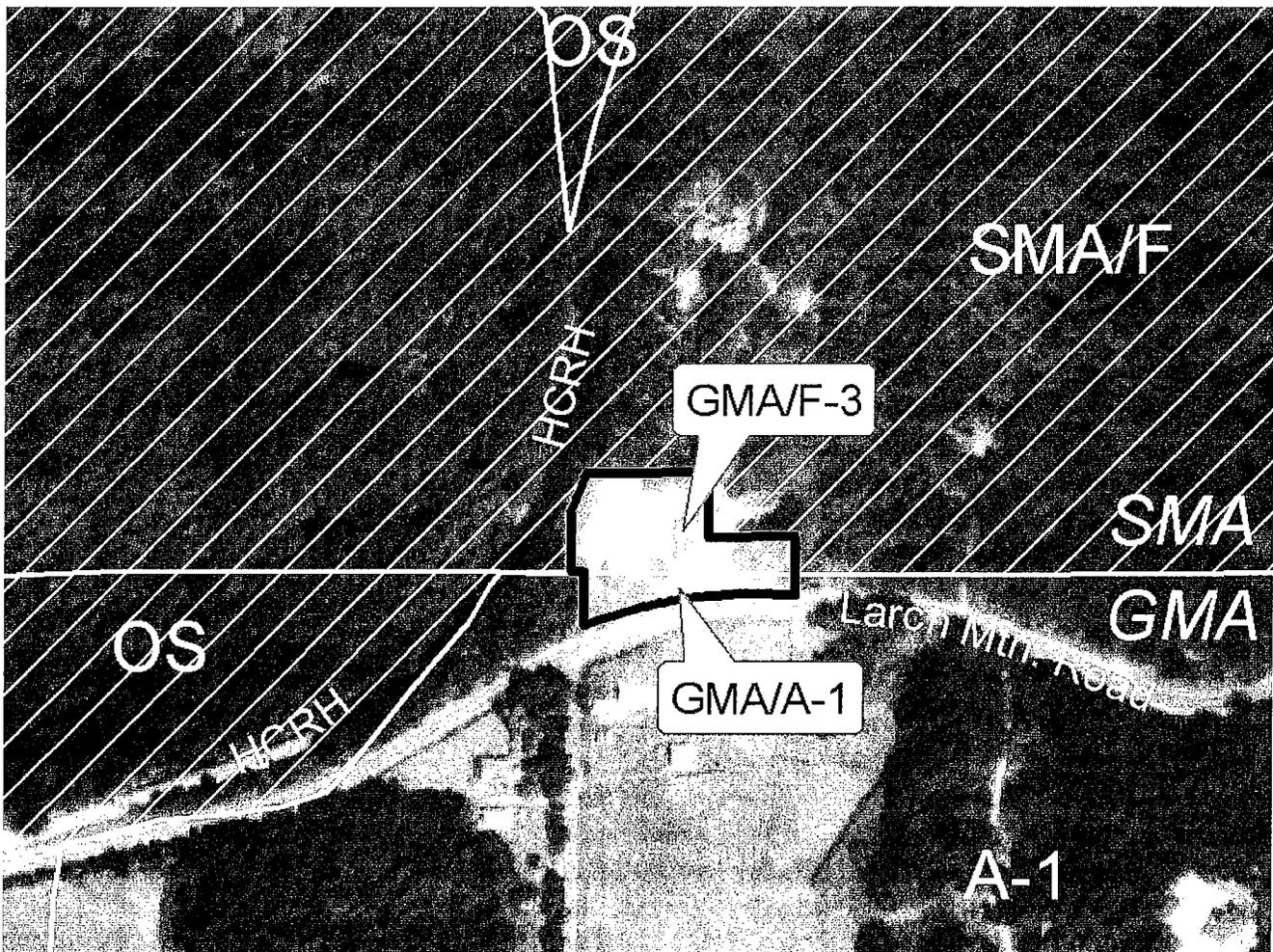
The applicant indicates that, if there are concerns with the request to redesignate the property Commercial Recreation, it is not necessary to achieve the applicant's objectives and may be dropped from the proposed amendment. The applicant has indicated that the amendment is needed to preserve the Inn in its original state. If forced to be used as a residence, the applicant states that interior modifications would be required to adapt it to a residential use which would be detrimental to its original design and identity. In other words, the applicant states the amendment is needed to protect the historic resource.

The Commission voted to commence review of the Plan Amendment Application PA-05-02 on May 10, 2005. The Commission also granted the Executive Director 30 additional working days for preparation of the Director's Report. The Commission granted the extension to allow time for the staff to study the broader issue raised by the subject application of how well the Management Plan supports protection of historic buildings. The Commission acknowledged that this additional time would allow neither significant stakeholder involvement beyond the opportunities provided in Commission Rule 350-50, nor economic trends analyses relevant to uses in historic buildings. The additional time was designed to allow staff to:

- (1) Assess the extent, use and condition of buildings in the Scenic Area on or eligible for the National Register of Historic Places;
- (2) Identify allowable uses for historic buildings provided by the Management Plan;
- (3) Conduct a limited survey of how other jurisdictions address preservation of historic buildings; and
- (4) Assess consistency of possible new uses for historic buildings with the purposes and standards of the Scenic Area Act.

II. Background/Facts

The Viewpoint Inn is located on a 1.21 acre property consisting of two contiguous tax lots (shown on the map below). The property is bisected by the SMA/GMA boundary. The southern portion of the property is in the GMA, and is designated Large-Scale Agriculture (A-1). The northern portion of the property (approximately one acre) is in the SMA, and contains the Viewpoint Inn building. The SMA portion was originally designated SMA-Forest. On October 19, 2004, the SMA portion of the property was redesignated GMA-Small Woodland (F-3) pursuant to Section 8(o) of the Scenic Area Act.



The Viewpoint Inn was completed in 1924, and opened as an inn and restaurant in 1925. This use continued until 1962. From 1962 through 1979, the owner/operator of the inn continued to reside in the building. It was vacant from 1979 until 1982. It was used as a dwelling from 1982 until 1997. From 1997 until 1999, the Inn was permitted by Multnomah County to operate as a training facility for disabled individuals with limited commercial activity authorized in association with that use. That use terminated in 1999. Since 1999, it has been used as a private residence.

III. Criteria and Rules for Approving an Amendment to the Management Plan

Section 6(h) of the Scenic Area Act authorizes the Gorge Commission to amend the Management Plan, and requires the Secretary of Agriculture to concur with a plan amendment adopted by the Gorge Commission before the plan amendment can go into effect.

Commission Rule 350-50 specifies the procedures for amending the Management Plan, based on the requirements of the Scenic Area Act. Proposed plan amendments must be considered after a public hearing. They must be adopted by a majority vote of the members appointed to the Gorge Commission, including at least three members from each state. According to Commission Rule 350-50-030, the Gorge Commission must find that the following three criteria are satisfied before it approves an amendment to the Management Plan:

4. Conditions in the Scenic Area have significantly changed. This means:
 - (a) Physical changes that have widespread or major impacts to the landforms, resources, or land use patterns in the Scenic Area;
 - (b) New information or inventory data regarding land uses or resources that could result in a change of a plan designation, classification, or other plan provisions; or
 - (c) Changes in legal, social, or economic conditions, including those that affect public health, safety, or welfare, not anticipated in the Management Plan;
5. No practicable alternative to the proposed amendment more consistent with the purposes and standards of the Scenic Area Act exists; and
6. The proposed amendment is consistent with the purposes and standards of the Scenic Area Act.

The Gorge Commission may conclude that conditions in the Scenic Area have significantly changed if it finds that any one of the three subsections of Commission Rule 350-50-030(1) have been satisfied.

Commission Rule 350-50-100(3)(f), (g) and (h) provides three ways the Commission can make a decision on a proposed plan amendment:

- (f) If the Commission makes no changes to the original amendment, the Commission may proceed to vote on the proposal.
- (g) If the only changes to the amendment are for the purposes of clarification, the Commission may proceed to vote on whether to adopt the amendment after providing an opportunity for public comment during the hearing on any change.
- (h) If substantive changes, i.e. those not covered by subparagraph (g) immediately above, to the amendment are approved by the Commission during the hearing, the Commission shall:

- (i) provide an opportunity for additional public comment during the hearing on the new proposed language, and then proceed to vote on whether to adopt the amendment; or
- (ii) continue the hearing to a new date to allow for adequate public notice of the content of the modifications and for further consideration of the issues. When the hearing is resumed, the Commission shall provide a reasonable opportunity for the applicant and members of the public to respond to the recommended modifications under review, and then proceed to vote on whether to adopt the amendment.

IV. Public Comments and Consultation

According to Commission Rules 350-50-080 and 350-50-085, the Executive Director sent public notice of the application to the U.S. Forest Service, states, tribal governments, Gorge counties, and interested parties who requested notice. The Executive Director also published notice of the application in local and regional newspapers. Interested persons had 20 working days from the date the notice was posted to submit written comments to the Executive Director (June 6, 2005 through July 5, 2005). During the comment period, the Executive Director received 350 separate comment letters on the application, as well as petitions signed by 420 people.

The Executive Director also consulted with the U.S. Forest Service, the states of Oregon and Washington, four Indian tribal governments, and six Gorge county planning offices pursuant to Commission Rule 350-50-110. On May 18, 2005, letters were sent to all these governmental entities inviting them to share their views on the proposed amendment.

As part of consultation on this amendment application, staff met with representatives from the U.S. Forest Service, the states of Oregon and Washington, five Gorge counties and the Nez Perce Tribe on the broader issue of how well the Management Plan supports preservation of historic buildings in the Scenic Area (all six Gorge counties and all four tribal governments were invited to these meetings). Two meetings were held on the topic, on June 10, 2005 and September 8, 2005. These meetings were attended by representatives from the U.S. Forest Service, state, local and tribal governments.

Written comments on the proposed amendment and broader policy issues were received from the following agencies: USDA Forest Service Scenic Area Office, Oregon State Historic Preservation Office, Washington Department of Historic Preservation, Wasco County, Confederated Tribes of the Warm Springs, and the Washington Department of Parks and Recreation. Copies of these letters are attached. Additionally, staff had phone conversations regarding the proposed amendment with representatives from all four tribal governments.

V. Staff Response to May 10, 2005 Commission Direction

Based on the Gorge Commission's May 10, 2005 direction, staff completed the following tasks, to evaluate the proposed amendment and assess how well the Management Plan support protection and enhancement of historic resources:

1. Contracted with historical consultants Donovan and Associates to conduct a survey of buildings on or eligible for the National Register of Historic Places. The survey included information on the number and location of such buildings, their historic and current use, and condition. As part of the survey work, the consultants interviewed over twenty owners of historic buildings to glean additional information about these properties and the owners' experiences with maintenance and preservation of these buildings. A copy of this report is attached.
2. Conducted research on how other jurisdictions outside the Scenic Area treat uses in historic buildings to support their preservation. Jurisdictions were selected based on advice from the state historic preservation offices and other experts. Fifteen jurisdictions were researched; most of these were municipalities and most were in the Pacific Northwest. This research also included consultation with the National Trust for Historic Preservation. A list of the agencies contacted is enclosed.
3. Assessed uses allowed in the Management Plan for historic buildings. The focus was on those uses that could generate some income for the owners that could in turn help support the costs of restoration, rehabilitation and preservation of the buildings.
4. Consulted with the states, Gorge counties, tribal governments and the USDA Forest Service on the proposed amendment, the issue of how well the Management Plan supports historic preservation, and options for possible Gorge-wide alternatives to the proposed amendment.

Through these four tasks, staff concluded:

1. Historic buildings are a threatened resource needing protection;
2. Historic buildings are challenging and often costly to restore, rehabilitate and maintain;
3. Long-term preservation is promoted through options for adaptive use that are economically viable and historically compatible; and
4. The Management Plan currently lacks such provisions, with a few exceptions.

VI. Summary of Recommended Modification

Staff evaluated how well the proposed plan amendment addresses these four conclusions. As outlined in our analysis below, staff concluded that the proposed plan amendment does address the needs of one important building in the National Scenic Area, but that it does not meet the needs of all historic properties. Additionally, if the Commission were to adopt only the proposed plan amendment, the Commission would have to address any other significant historic building through additional amendments to the Management Plan.

Based on these conclusions, staff recommends that the Commission consider a Gorge-wide approach to preserving historic buildings by modifying the proposed amendment. The recommended modification to the amendment is provided in Appendix B of this report. County, state, and tribal staff had opportunities to review and comment on a preliminary draft of this recommended modification.

The uses listed in the recommended modification are all related to public appreciation and enjoyment of historic resources. They also all provide economic development options that would support preservation and enhancement of these buildings.

The uses provided would only be allowed upon a demonstration by the applicant that they would not adversely affect Gorge resources. Specifically, these uses and any development associated with them (e.g. a new parking area) would have to be found compatible with the historic character of the property. An important feature of the recommended modification is the requirement for a “protection and enhancement plan,” specifying how the uses will protect and enhance the historic resource, with measurable benchmarks and periodic review of progress required.

Such uses would also need to be found to not adversely affect scenic, natural or recreation resources, and farm or forest lands. The recommended modification includes additional provisions for new uses in historic buildings that supplement existing Management Plan resource protection guidelines.

These provisions would apply only to designations in the General Management Area. The Scenic Area Act prohibits new commercial uses in the Special Management Area, except for those included in the recreation assessment called for by the Act. Staff consulted with Forest Service staff on the topic. The Forest Service indicated some of these uses are already allowed in the SMA (e.g. bed and breakfasts), while others were clearly commercial uses that would not be consistent with Scenic Act provisions for lands with SMA designations.

Commercial events would only be allowed if “incidental and subordinate” to the primary use. The reason for this is two-fold. First, if their size and frequency are not controlled, these uses have the potential to affect nearby resource land uses and Gorge resources. Second, by their nature, they could also become so lucrative if not regulated that they could indirectly discourage continued farming or forestry on properties with both historically significant buildings and active farm or forest uses. Keeping them incidental and subordinate to the primary use would help ensure they do not adversely affect Gorge resources and productive resource lands.

Staff did not include the current Management Plan limits on frequency and size of such events because those limits may not work well as a preservation incentive for all historic properties. For example, some properties may be better suited to have fewer commercial events that may be larger than the current Management Plan limits. Other properties may be ideal for more frequent, smaller events. Instead of a “one-size-fits-all” approach, the recommended modification would allow each historic property desiring commercial events to propose a specific “operational plan” that specifies the size and number of such events. They would still need to be found incidental and subordinate to another use that is the primary use of a property, whether a farm, restaurant, dwelling, retreat facility, etc. This approach provides more flexibility.

Some of these uses may affect surrounding properties in ways that are not within the scope of the Scenic Area Act's purposes and standards. While this is an important planning issue, it is within the domain of the counties to regulate these uses to ensure they do not conflict with surrounding neighborhoods. The recommended modification provides that counties may impose additional regulations to address issues such as noise, traffic and hours of operation.

VII. Analysis of Proposed Plan Amendment PA-05-02

Summary of Applicant's Analysis of Consistency with Criteria:

Criterion 1 -- Conditions in the Scenic Area Have Significantly Changed: The applicant states there is new information and inventory data that constitute a significant change of conditions pursuant to Commission Rule 350-50-030(1)(b). The applicant also contends that there are changes in legal, social and economic conditions that constitute a significant change in conditions pursuant to Commission Rule 350-50-030(1)(c).

New Information and Inventory Data: In 1985, the Viewpoint Inn was listed on the National Register of Historic Places. Despite its listing on the National Register, the Viewpoint was not included in the cultural resources inventory prepared for the National Scenic Area in 1988. This report was prepared in response to Scenic Area direction to complete a resource inventory to include all existing cultural resources.

The applicant states that, in part, this omission occurred because the owners at the time had converted the building into a residence and that conversion resulted in an adverse effect to the Inn as a cultural resource. One of the reasons the Inn was found eligible for the National Register (and thus a significant cultural resource) related to its use as an inn associated with the rise of automobile touring and the development of the Historic Columbia River Highway. The applicant contends that terminating the Inn's original use and converting it to a residence thus constitutes an adverse effect to the cultural resource. The applicant then notes that the current owner seeks to restore and preserve the historic integrity of the building. Thus, the applicant states that new information about the National Register status of the building, adverse effects from its conversion to a residence, and the restoration and preservation goals of the current owner constitute a significant change in conditions in the Scenic Area.

Change in Legal Conditions: On October 19, 2004, the land use regulations for the portion of the Viewpoint Inn property in the SMA (including the building itself) converted to GMA guidelines, pursuant to Section 8(o) of the Scenic Area Act. This allows a designation such as Commercial Recreation to be applied to the property, whereas such designation is not available for lands in the SMA. It also allows any amendments to other GMA provisions to be applied to the property. The applicant argues that this constitutes a significant change in the legal status of the parcel.

Change in Social Conditions: The applicant states there are two changes in social conditions that would constitute a significant change in conditions in the Scenic Area. They are: (1) an increasing need for handicapped-accessible public restrooms; and (2) an increasing demand for banquets, receptions and similar events at scenic locations. The Viewpoint Inn can provide for both of these.

Change in Economic Conditions: The applicant states that, over time, the repair and maintenance needs of the building have increased significantly, and are estimated at \$220,425. This includes restoration work needed to undo changes caused by prior residential use of the property. The applicant indicates that the Viewpoint Inn must be allowed to generate enough

revenue to support restoration and preservation of the building. He notes that bed and breakfast use would not provide sufficient revenue for such restoration and preservation. The applicant also indicates that, under the Management Plan, bed and breakfasts and commercial events must remain incidental and subordinate to residential use of a property. The applicant continues that, since the Viewpoint Inn was not originally designed as dwelling, it does not meet the Management Plan definition of a dwelling. Thus, the applicant argues that neither bed and breakfast nor commercial event provisions of the Management Plan would be applicable to the Inn, which was designed as an inn and restaurant. In summary, the applicant argues that new information about extensive costs of restoration and maintenance, coupled with the lack of viable economic uses available under the Management Plan, constitute a significant change in conditions justifying a Management Plan amendment.

Criterion 3 (Application is Consistent With Purposes and Standards of Scenic Area Act): The first purpose of the Scenic Area Act is “to protect and provide for the enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge.” The second purpose of the Scenic Area Act is “to protect and support the economy of the Columbia River Gorge area by encouraging growth to occur in existing urban areas and by allowing future economic development in a manner consistent with paragraph 1 (the first purpose).”

To satisfy the third criterion, the applicant notes that the proposed amendment would further both purposes of the Scenic Area Act. According to the applicant, it would result in protection and enhancement of the historic character of the Inn, and provide public viewing and interpretive opportunities, consistent with the first purpose of the Act. By providing a commercial use consistent with protection of Gorge resources, the applicant also states the proposal is consistent with the second purpose of the Act.

The applicant also highlights several Management Plan objectives and policies, asserting the application is consistent with these provisions. The plan provisions cited address: incentives for protecting cultural resources, increasing scenic appreciation opportunities, increasing recreation opportunities for the physically challenged, providing interpretive facilities to increase appreciation of Gorge resources. The applicant also notes the proposed amendment is consistent with policies for designating lands for the Commercial Recreation designation. Lastly, he asserts that the current RIC 2 classification is not consistent with recreation intensity class policies. Moderate intensity recreation development (as provided through RIC 3) is more appropriate for the property, given its accessibility, proximity to complementary recreation facilities, and on-site amenities, according to the applicant.

Criterion 2 (No Practicable Alternative More Consistent with Scenic Area Act): The Management Plan defines “practicable” as “able to be done, considering technology and cost.” The applicant asserts there is no practicable alternative more consistent with the purposes and standards of the Act because: (1) the application will provide an accessible, cultural and scenic resource-based recreation opportunity that otherwise would not exist, and (2) the application will protect and enhance the cultural resource, and limiting the Inn’s use to a private residence would force changes to the building that would be detrimental to the cultural resource.

Staff Analysis of Consistency of Proposed Amendment With Criteria:

Criterion 1 (Conditions in the Scenic Area Have Changed Significantly):

New Information and Inventory Data: The application correctly states that the Viewpoint Inn had already been determined to be a significant cultural resource before passage of the Scenic Area Act and thus should have been included in the Scenic Area's 1988 cultural resources inventory. Its omission was clearly an oversight. The key question in the context of criterion 1 is whether inclusion of the Inn in this inventory could have made any significant difference in the scope of allowable uses pursuant to the Scenic Area Act and Management Plan. If so, this could constitute new information "...that could result in a change of a plan designation, classification, or other plan provisions."

At the time of passage of the Scenic Area Act, the original commercial use of the Viewpoint, a property within the SMA, had long since ended. Section 6(d) of the Scenic Area Act ("Standards for the management plan"), taken in context of Section 2(j) (Definition of "major development action"), clearly indicate that new commercial uses, except those included in the recreation assessment, are prohibited within the Special Management Areas. As a private residence at the time, the property was not included in the recreation assessment for the SMA, as was the case for all private residences throughout the SMA. Thus, even if the property had been included in the 1988 cultural resources inventory, it could not have resulted in any designation allowing new commercial use (including restoration of original uses that had long since terminated) at the Inn. Its inclusion in the inventory could not have resulted in any other provisions in the Management Plan of significance with respect to the current application, including recreational uses. For example, there is no basis in the SMA Goals, Policies and Guidelines for the Recreation Intensity Classes (RICs) for the property receiving a different RIC than it was assigned (RIC 2) because of knowledge that the building (then a private residence) was historically significant. The omission of the Viewpoint Inn from the 1988 cultural resources inventory thus does not satisfy criterion 1 as new information constituting a significant change of conditions in the Scenic Area.

The applicant argues that conversion of the Inn to residential use by the prior owners constituted an adverse effect to the cultural resource and thus a significant change. Staff finds the prior owner's residential use not to be a significant change. The previous owners nominated the Inn for inclusion on the National Register, disclosing alterations made to the building associated with their residential use of the property. In their evaluation of eligibility, the Oregon State Historic Preservation Office considered these changes yet did not conclude that they compromised the historic integrity of the structure. OSHPO recommended that the building had sufficient integrity of design, materials, feeling, etc., as well as consistency with two of the four evaluation criteria to be eligible for the Register. The application quotes the first portion of 36 CFR 68.3 to support the assertion that conversion of the Inn from its original use to a residence is an adverse effect to the cultural resource. The standards cited, however, also clearly allow other compatible uses to occur. 36 CFR 68.3(a)(1), the first standard for preservation, states: "A property will be used as it was historically, or be given a new use that maximizes the retention of distinctive materials, features, spaces and spatial relationships." The successful nomination of the Inn to the Register in 1985 indicates that the new residential use,

and any alterations made to the Inn for that use, did not compromise the building's historic significance nor constitute an adverse effect to the resource.

Furthermore, any interior changes to a historic building are not subject to review under the Management Plan. The Management Plan's historic preservation guidelines only come into effect are when a proposed use may "...alter the exterior architectural appearance of buildings and structures that are 50 years old or older, or would compromise features of the surrounding area that are important in defining the historic or architectural character..." of such buildings.

In summary, new information provided with the application does not constitute a significant change of conditions in the Scenic Area, pursuant to Commission Rule 350-50-030(1)(a).

Changes in Legal, Social, or Economic Conditions: The Inn converted to GMA guidelines and a GMA designation (Small Woodland) on October 19, 2004 pursuant to Section 8(o) of the Scenic Area Act. This change certainly has significance to the property itself, as does any Section 8(o) redesignation. It allows application of GMA guidelines, which are significantly different than the prior SMA provisions. Under Commission Rule 350-50-030(1)(c), such changes would have to consist of those "...not anticipated in the Management Plan" (emphasis added) in order to constitute a significant change in conditions in the Scenic Area. The conversion of this property to a GMA designation pursuant to Section 8(o) is one of the many Section 8(o) conversions anticipated by the Management Plan. There are no salient distinctions associated with this particular 8(o) redesignation that make it a change not anticipated by the Management Plan.

The application asserts that there is an increasing need for handicapped-accessible public restrooms, and an increasing demand for banquets and similar events at scenic locations. While both of these trends may be occurring, there is no data provided to support these assertions. The Management Plan arguably provides opportunities to meet these demands. For example, some new handicapped-accessible public restrooms have been constructed at public parks in recent years, and many more may be permitted under the Management Plan. Similarly, there are a variety of places where, through the new "Commercial Events" provisions of the Management Plan, outdoor events in scenic locations could be approved. Thus, it appears that the Management Plan and its revisions did anticipate both these trends.

The applicant provides specific new cost estimates for restoration, repair and ongoing maintenance of the Viewpoint Inn (\$220,425). He also notes that the Inn's owners need to generate sufficient revenue to support these restoration and maintenance activities in order to protect and enhance the historic integrity of the Inn. Staff finds this new information is relevant and significant. It is corroborated by other input received in evaluating Gorge-wide policy issues regarding restoration and maintenance costs of historic buildings, especially larger buildings used as residences. Staff concurs that these costs may be significant, and uses that generate revenue to owners to support these costs could facilitate their long-term preservation.

The applicant also states that both bed and breakfast use and commercial events could not be allowed at the Inn because these uses must be incidental and subordinate to a residential use.

Because the Inn was not originally designed as a dwelling, it would not qualify under the Management Plan definition of “dwelling” for either of these uses, according to the applicant.

The Inn, although not originally designed to be a residence, was modified by the prior owners to serve primarily as a dwelling. Its primary use has been as a dwelling for many years. One may speculate if an application for a bed and breakfast or commercial events would be denied based on the grounds purported by the applicant. However, such a determination would require an interpretation by the implementing agency through the land use application process, considering a number of relevant factors. Given that the building was modified for and primarily used as a dwelling for years, a conclusion that it would categorically not qualify for uses accessory to a dwelling is premature.

New information about the high costs of restoration and maintenance for the Inn is validated by the results of the *Columbia River Gorge Commission - National Scenic Area Historic Buildings Survey*, completed as part of analyzing this application. That study found that the cost and complexity of restoration of historic properties is a major impediment to their preservation. In other words, the cost issue is a widespread issue and is new information that constitutes a significant change in conditions in the Scenic Area pursuant to Commission Rule 350-50-030(1)(c).

Criterion 3 (Application is Consistent With Purposes and Standards of Scenic Area Act):

Purposes of the Act: As previously noted, the first purpose of the Scenic Area Act is to protect and enhance the scenic, cultural, recreational, and natural resources of the Scenic Area. The second purpose is to protect and support the economy of the Gorge by encouraging growth to occur in existing urban areas and by allowing future economic development in a manner consistent with the first purpose.

The first component of the proposed application would add a new policy to Part I, Chapter 2 of the Management Plan (GMA Cultural Resources). It would allow the Inn to re-establish its original restaurant and hotel use, conduct commercial events subject to restrictions on noise and hours of operation, and provide interpretive displays and scenic viewing opportunities for the public. It also requires that the structure be maintained in a manner that protects the historic significance of the property.

With one important revision, this component of the application is consistent with both purposes of the Act. The revision required to make it consistent with the first purpose is to make the new policy also a new review use guideline either for the designation in which the subject parcel is located, so that the uses are allowable subject to consistency with guidelines to protect scenic, cultural, natural and recreation resources. Without this revision, there would no review to ensure aspects of the uses would not adversely affect scenic or other resources. Some aspects of these uses (e.g. new parking areas, temporary structures associated with events) could adversely affect other resources if not properly designed. With this revision, the proposed GMA Cultural Resources Policy 20 would be consistent with the first purpose. This aspect of the proposed amendment would then also be consistent with the second purpose, by allowing economic development that is consistent with the first purpose.

Standards of the Act: Section 6(d) of the Act contains nine standards for the Management Plan. Five of these are not applicable to the proposed amendment. They address: protection and enhancement of open spaces (there are no lands designated Open Space on or adjacent to the subject parcel); prohibiting major development actions in the SMA; prohibiting industrial development outside urban areas; requiring that residential development not adversely affect Gorge resources; and require that mining outside urban areas not adversely affect Gorge resources.

Four of the Section 6(d) standards are relevant to the application. Standards 1 and 2 require protection and enhancement of farm and forest lands for farm and forest uses. Standard 4 requires that public and private recreation resources, including interpretive opportunities, are protected and enhanced. Standard 7 requires that commercial development outside urban areas occur without adversely affecting scenic, cultural, natural or recreation resources.

The subject parcel is too small to be used as either farm or forest land. It is located within a partially developed platted subdivision. Adjacent land uses within the subdivision (north and east of the parcel) are a mix of vacant lots purchased by the federal government and rural residential uses. There are some forested tracts in the vicinity outside the subdivision designated SMA Forest that could be used for forest uses. Almost all of these parcels are owned either by the federal government or the state of Oregon and are not managed for forestry. There is land designated for agriculture south of the subject parcel, on the other side of Larch Mountain Road. Some of this land is currently used for pasture. Given the nature of the anticipated uses associated with the application, ownership and management of nearby public lands, and the separation of the parcel from agriculturally-designated lands, the proposed amendment would not affect nearby farm or forest lands from being used for agriculture or forestry. This component of the proposed amendment is consistent with Standards 6(d)(1) and (2).

Recreational aspects of the proposed use would be consistent with Standard 6(d)(4), by enhancing private recreation resources through provision of interpretive facilities and a scenic viewpoint. As mentioned above, the allowed uses (if treated as review uses) would allow commercial development that does not adversely affect Gorge resources, consistent with Standard 6(d)(7) of the Act. The first component of the proposed amendment is consistent with the standards of the Act.

The second component of the amendment involves reclassifying the property from Recreation Intensity Class (RIC) 2 to RIC 3. This change would allow scenic overlooks and interpretive displays or facilities on the property, and parking areas to support such uses for up to 75 vehicles. The RIC 2 classification limits interpretive displays to 100 square feet in area, and limits recreational parking to 25 vehicles. Any recreational use allowed pursuant to the RICs must be found consistent with guidelines to protect all other resources before they can be approved. As such, the change from RIC 2 to 3 would allow additional parking capacity and interpretive facilities, but only if they do not adversely affect Gorge resources. This component of the proposed amendment would enhance recreation opportunities in a manner consistent with both purposes of the Scenic Area Act. This component of the proposed amendment is also consistent with other applicable standards in Section 6 of the Act, particularly Standard 6(d)(4).

The third component of the amendment involves redesignating the subject parcel to Commercial Recreation. It is currently designated Small Woodland (SMA portion) and Large-Scale Agriculture (GMA portion). The applicant states this designation is a more appropriate designation for the property, but also indicates this component of the application is optional. The application states: "If there are significant concerns regarding a Commercial Recreation designation, the Gorge Commission can achieve the purposes of this proposal by merely approving the first two requests.

The Commercial Recreation (CR) designation is unique in that it allows a level of commercial development not allowed in any other Scenic Area designation. The CR zone allows up to 25 units of overnight accommodations, with individual units of up to 1500 square feet in size. If the development is clustered, up to 35 units of overnight accommodations may be permitted. Such accommodations must be tied to a resource-based recreation use on or adjacent to the site. Restaurants sized to accommodate overnight visitors and their guests are also review uses in this zone.

The subject property possesses characteristics consistent with some of the designation policies for Commercial Recreation – namely, the significant cultural resource, the interpretive opportunities it provides and the accessible scenic vista on the grounds. However, the redesignation of the subject parcel to CR raises concerns about long-term protection of cultural resources and thus consistency with the first purpose of the Act. The amount of potential commercial overnight accommodations allowed in the CR zone could create a disincentive to preserve and maintain the building in the long run. The intensity of development potentially available through the CR designation offers the possibility of significant economic gains from new overnight lodging. If in the future, restoration, repair and maintenance costs of the historic building remain very high or even rise, it could make the prospect of tearing it down and replacing it with new accommodations economically attractive. While this is clearly not the stated intent of the applicant, it is a possibility that arises with the CR designation. Thus, although the property has some qualities that might benefit a CR designation, in this case such a designation would not be consistent with the first purpose of the Act regarding protection of cultural resources. The CR designation would be consistent with the first, second and fourth standards in Section 6(d) of the Act. It would not be consistent with the seventh standard, which requires that commercial development take place in a manner that does not adversely affect Gorge resources, because it could eventually cause an adverse effect to cultural resources.

In summary, if the proposed amendment did not include redesignation of the property to Commercial Recreation, it would be consistent with the purposes and standards of the Act.

Criterion 2 (No Practicable Alternative More Consistent with Scenic Area Act):

The first purpose of the Scenic Area Act requires protection and enhancement of cultural resources. The applicant's proposal does not meet Criterion 2 because there is a practicable alternative (the recommended modification) that provides better protection and enhancement of cultural resources and is thus more consistent with the Scenic Area Act.

The application would only apply to one building in the entire Scenic Area. On page 6 of the Application for PA-05-02, uses proposed in the application (including interpretive displays, gift shop, and re-establishment of hotel and restaurant use as originally designed) would only apply to “Privately-owned properties included on the National Register of Historic Places prior to November 17, 1986...” The Viewpoint Inn is the only privately-owned property included on the National Register of Historic Places prior to November 17, 1986 in the entire Scenic Area.

The Management Plan treats all buildings on or eligible for the National Register as significant cultural resources [Policy 10, page I-53, Management Plan]. Guidelines in Part I, Chapter 2 of the Management Plan are provided to ensure all significant cultural resources are protected from adverse effects, to implement the first purpose of the Act. The Management Plan makes no distinction between buildings on or eligible for the Register in terms of their significance or value as cultural resources. As the *Columbia River Gorge Commission, National Scenic Area Historic Building Survey* [Donovan and Associates, September, 2005] indicates, only a small percentage of historically significant buildings in the Scenic Area (those known to be eligible and likely to be eligible) are on the National Register.

The proposed plan amendment would allow uses at the Viewpoint Inn that could provide significant revenue for the owners. This revenue, as the applicant argues, would greatly facilitate ongoing protection and enhancement of this significant cultural resource. The proposed amendment would not, however, provide similar benefits to any other historically significant buildings in the Scenic Area. These buildings also need protection and enhancement as mandated by the Scenic Area Act. By applying to all historically significant buildings within the GMA, the recommended modification is more consistent with the first purpose of Scenic Area Act by providing much broader protection and enhancement of significant cultural resources in the Scenic Area.

Staff Analysis of Consistency of Recommended Modifications to Amendment With Criteria

Based on the conclusion that a Gorge-wide approach to preserving historic buildings is a practicable alternative to the application as submitted, staff recommends the modifications to the amendment included in Appendix B. Staff finds that these modifications are consistent with criteria to amend the Management Plan.

Criterion 1 (Conditions in the Scenic Area Have Changed Significantly):

New information and inventory data: A significant body of new information and inventory data regarding cultural resources in the Scenic Area has been generated through staff's review of the proposed amendment and analysis of how well the Management Plan protects and enhances historic buildings. As mentioned previously, the Gorge Commission directed staff to conduct this analysis as part of their review of this application. This new information came from the following sources:

- (1) The *Columbia River Gorge Commission, National Scenic Area Historic Building Survey* (Historic Building Survey) prepared by Donovan and Associates in September 2005;
- (2) Input received through consultation on the proposed amendment with the U.S. Forest Service, states of Oregon and Washington and Gorge counties;

- (3) Input from other agencies with expertise in historic preservation and other jurisdictions administering historic preservation programs;
- (4) Public comment received on the proposed amendment during the comment period;
- (5) Staff-generated summary of allowable uses for historic buildings in the Management Plan;
- (6) Relevant input received during Plan Review;
- (7) Compilation of relevant implementation experience regarding preservation of historic buildings and adaptive use proposals since Management Plan adoption.

Some of the above information was not gathered specifically for this plan amendment (particularly input received during Plan Review). However, it consists of information germane to the subject of historic preservation that did not exist when the Management Plan was originally adopted in 1991. The Commission had to prioritize its work during Plan Review work and could not address all topics. The Commission now has an opportunity through the proposed amendment to address Gorge-wide issues related to historic preservation.

Several important observations and facts emerged from this new information and data. These are discussed in detail below, and can be summarized as follows:

- Some significant historic buildings in the Scenic Area are deteriorating and are in need of stabilization to protect the resource. Other historic buildings have either been adversely impacted by incompatible alterations or lost to deterioration and demolition.
 - Rehabilitation (including restoration) and maintenance of historic buildings to preserve their historic integrity poses special challenges and can be very costly.
 - Providing flexibility for uses in historic buildings, including compatible adaptive uses and especially uses providing economic development options for the owners, is an incentive frequently used by jurisdictions with successful historic preservation programs.
 - Current Management Plan regulation offer limited options for adaptive use of historic buildings that would provide economic incentives for preservation. Some ideas for adaptive uses of historic buildings previously proposed would likely not be consistent with current Management Plan guidelines.
1. *Threats to Historic Buildings:* The Historic Building Survey indicates that, “Although generally in fair to good condition, some of the buildings were in need of structural stabilization and repair” [page iv]. Specifically, the survey report notes that many agricultural buildings are threatened by a lack of use or maintenance, due in part to changes in agricultural practices or changes in the use of the buildings. Many of these buildings are currently not in use, a harbinger of further degradation if they remain vacant. The survey report also highlights deterioration in the wet, western end of the Scenic Area due to climate.

An example of historic farm buildings in need of restoration and rehabilitation is found at the Dalles Mountain Ranch (Columbia Hills State Park, Washington). The original farm dwelling has

remained vacant for years. It and several other buildings in the original farm complex are in need of significant rehabilitation and stabilization to support public use [page 9 and Interview with Andy Kallinen, Park Manager, August 2005].

As the survey also notes, the Scenic Area has lost historic buildings to incompatible alterations through the years. In addition, implementation experience includes documented loss of several historically significant buildings through demolition, some of which had deteriorated severely. Other historic buildings not documented have likely also been lost due to neglect, vacancy and the elements.

2. *Challenges of Rehabilitation and Maintenance:* As part of the Historic Building Survey, the consultants interviewed 24 owners and/or managers of properties either on the National Register, known to be eligible, or likely to be found eligible. One of the themes repeated by those interviewed was the difficulty, and in particular the high cost, of restoring, rehabilitating and maintaining historic buildings in a manner that preserves their historic integrity.

As the survey report notes, "Owners cited the cost of maintaining a historic building is high because of the time, materials, and skill required to complete the repair work that is compatible with the historic building" [page 11]. Interviewees also spoke of difficulty in finding craftspeople and carpenters sensitive to historic buildings and willing to adapt standard techniques to combine new and old materials. Finding in-kind replacement materials for restoration of original features was also cited as difficult, as was maintaining original landscaping integral to the historic context of some properties.

Marge Dryden, US Forest Service Archaeologist, noted in a September 7, 2005 letter on the application, "...historic buildings can be expensive to maintain and large buildings...have associated costs that are beyond the reach of many residential occupants." Columbia Hills State Park Manager Andy Kallinen estimated in his August 2005 interview that the costs of restoring an 1880's barn at Dalles Mountain Ranch for adaptive reuse at \$250,000 and rehabilitating the Crawford House for a public use at approximately \$200,000. In a July 7, 2003 letter to the Commission from Tom Garnier, owner of "Mayerdale", a historically significant property along the Historic Columbia River Highway near Mosier, Mr. Garnier notes the property is in a "...serious state of deferred maintenance", and that "...it could take several hundred thousand dollars to repair the house." These types of figures and the high costs of proper restoration are corroborated in the application for the Viewpoint Inn, as discussed earlier in this report.

3. *The Case for Flexibility and Compatible Adaptive Use:* Comments from owners of historic buildings, preservation experts and planners from various jurisdictions point to the beneficial effects on historic resources provided by regulatory incentives for preservation. Such incentives typically involve codes with flexibility in allowing adaptive reuse of historic buildings compatible with preserving their historic character.

On page 12 of the Historic Buildings Survey report, the following was noted: "Several owners stated that use regulations should be relaxed to allow for compatible alternative uses that support the preservation of the historic buildings. Several owners stated that the Scenic Act promotes tourism and historic preservation, so the plan should allow alternative uses for the historic

buildings such as weddings, bed and breakfasts, gatherings, cafes and art galleries that serve tourists and generate income for the rehabilitation of the buildings.” Along a similar vein, Laurel MacDonald, in a July 5 2005 comment letter on the proposed plan amendment, stated, “...expanding usage options for historic properties would significantly enhance the ability to preserve these landmarks.” Ms. MacDonald owns the historic Bridal Veil Bed and Breakfast along the Historic Columbia River Highway.

Commission staff consulted with the National Trust for Historic Preservation in the process of researching various approaches to historic preservation nationwide. In a correspondence dated August 9, 2005, Stephanie Redman, Assistant Director of the National Trust's “Main Street” program, stated that “...a more flexible set of guidelines created specifically for the geographic area enables building owners to retain the historic integrity of the building while rehabilitating property for a contemporary use.” She observed that “...pristine restoration ala the Secretary's standards is often cost-prohibitive,” underscoring the importance of allowing compatible adaptive uses for historic buildings. Ms. Redman goes on to note, “the reason that many Main Street districts are economically viable today is because of adaptive reuse and preservation incentives.” While the Main Street program focuses on urban situations, these observations about the power of regulatory incentives still provide valuable lessons in effective preservation applicable to the Scenic Area.

The value of allowing adaptive uses in historic buildings is echoed in a September 12, 2005 comment letter from James Hamrick, Oregon State Historic Preservation Officer. Mr. Hamrick states: “The concept of compatible use is well founded in historic preservation philosophy. It acknowledges that while some properties can maintain the historic use, others may not survive without adjustments such as alternative but compatible uses.” Mr. Hamrick's letter also supports a Gorge-wide approach to this issue, as does a September 13, 2005 letter received from Greg Griffith, Deputy State Historic Preservation Officer with the Washington Department of Archaeology and Historic Preservation. Mr. Griffith stated that a Gorge-wide amendment addressing this topic “...provides the CRGC with a more efficient and comprehensive approach to its mission for cultural resources in the region.”

Richard Davis, Washington State Parks Area Manager for the eastern Gorge, highlighted the importance of allowing uses in historic buildings that facilitate reinvesting in those properties. In his September 7, 2005 letter, Mr. Davis states: “If the Gorge Commission is going to protect historic buildings in the Gorge, the Commission must find a way to allow private or government investment in historic buildings the opportunity for some type of economic benefit.”

As part of its research, Commission staff surveyed multiple jurisdictions in the Pacific Northwest that administer historic preservation programs. Jurisdictions known for their successful historic preservation efforts all provided regulatory incentives including adaptive use options for historic buildings. Most of these jurisdictions, particularly in the Pacific Northwest, are municipalities. Few if any county governments in the region were found to have special regulatory incentives for preservation of historic buildings through allowance of adaptive uses. Ken Guzowski, Preservation Planner for the City of Eugene, in an August 19, 2005 conversation, indicated the City's historic preservation zone approach has proven to be a powerful regulatory incentive for preservation. Similar observations on the importance of regulatory incentives were made by planners from the

cities of Bellingham, Washington, and Portland, Oregon, both of which make special provisions for uses in historic buildings.

The common thread is that, to effectively encourage historic preservation, land use codes should allow owners to pursue historically compatible uses that generate sufficient revenue to support the costs of restoration, rehabilitation and maintenance of historic properties. This point is emphasized in proposed plan amendment, which states: "Under the current economics, the Viewpoint Inn and Restaurant must be allowed to generate sufficient revenue to justify the preservation and restoration that it deserves" [Application PA-05-02, page 10].

4. *The Management Plan's Limited Provisions for Adaptive Use:* To assess whether an amendment to the Management Plan is needed, Commission staff analyzed allowable uses available for these buildings under the Management Plan. The analysis focused on uses that could potentially generate revenue that could help cover restoration and preservation costs. A table of such allowed uses for each land use designation was compiled for this analysis (copy enclosed). Several such uses are potentially available to some historic buildings (e.g. bed and breakfasts, home occupations); others are only allowed in a limited number of places. This is the case for a variety of commercial uses in Rural Center, Commercial or Commercial Recreation designations, which account for a small percentage of the Scenic Area land base.

The Management Plan provides some regulatory incentives for uses in historic buildings through provisions for bed and breakfasts and commercial events. In fact, in order to qualify for bed and breakfast use in the Special Management Areas, one must locate the use in a building on or eligible for the National Register of Historic Places. Commercial events are allowed in most GMA designations, but only in four circumstances, one of which is for dwellings listed on the National Register. A closer examination reveals that for many historic buildings, these uses are not an option. As revealed in the Historic Building Survey, only a small percentage of buildings eligible for the National Register are actually listed (7% of buildings identified as eligible or likely to be found eligible in the survey report). Most of these are in the SMA, where commercial events are not allowed. For the remaining 93% of historic buildings identified in the survey, commercial events are not a use option under the Management Plan. Also, about half of the buildings identified as historically significant in the survey report are not dwellings, and thus are not eligible for bed and breakfast uses. Several commenters, including the applicant for PA-05-02, felt that the revenue that bed and breakfast use generates is often insufficient to cover costs of rehabilitation, restoration and maintenance of historic buildings.

During Plan Review, Multnomah County provided a comment letter to the Commission, listing issues that it viewed as priorities to address during Plan Review. One of these issues was that the Management Plan does not adequately provide for adaptive use of historic buildings. In a September 26, 2001 letter to the Commission, then Planning Director Kathy Busse stated: "The land use guidelines (review uses) may prevent the re-use of historic buildings. This issue is of critical importance to Multnomah County." The June 17, 2005 letter from the Multnomah County Board of Commissioners urges the Commission to address this issue on a Gorge-wide basis.

Empirical experience through the years of implementation lends credibility to this assertion. For example, in 2001, a proposal emerged to convert a vacant, historic school to a multiple use facility

featuring artist studios, a gallery and restaurant, a community meeting space, four artist residences and traveler accommodations. Preliminary analysis showed several facets of the proposal were probably inconsistent with the Management Plan. Shortly after the proposal was submitted for review, the school was destroyed by fire. This case, however, underscores how an adaptive reuse may have provided a positive, compatible use of a disused historic building. Other similar examples have also emerged pointing to a need for more Management Plan flexibility to support historic preservation. For example, ideas at the Dalles Mountain Ranch for a museum/interpretive center for the old barn or a small inn at the Crawford House would not likely be allowed under current Management Plan provisions.

Wasco County Board of Commissioners submitted a comment letter in response to the Commission staff's exploration of additional economically beneficial, compatible uses for historic buildings in the Scenic Area. The Board stated, in their September 13, 2005 letter, that "...without this amendment, there is little incentive to maintain many of these buildings and will begin to lose them as a result of non-usage and neglect."

Conclusion Regarding New Information to Support Recommended modification:

In conclusion, all of the above new information and inventory data, taken as a whole, creates a strong case that Management Plan needs to be amended to better support protection and enhancement of cultural resources.

Criterion 3 (Application is Consistent With Purposes and Standards of Scenic Area Act):

Purposes of the Act:

The recommended modification allows historic buildings to be used in a manner that protects their historic integrity and facilitates public appreciation of the resource. This may in some cases include re-establishment of original uses, as well as adaptive uses for which the building was not historically used. These properties may only qualify for these uses if they demonstrate consistency with the Management Plan's guidelines and additional resource protection criteria. Such guidelines and criteria are designed to prevent the uses from adversely affecting scenic, cultural, natural and recreation resources. For example, any alterations to the historic property associated with the use must be consistent with the Secretary of Interior's standards for preservation and rehabilitation. The use itself must also result in additional protection and enhancement to the cultural resource, as delineated in a "Protection and Enhancement Plan." Additional criteria are provided to ensure any aspects of the uses occurring outside the building (e.g. parking) do not adversely affect scenic resources. The recommended modification also includes a requirement that the use not detract from any recreation uses that exist nearby. Furthermore, the list of allowed uses is limited to those that would provide for public enjoyment and appreciation of the historic resource. This will serve to enhance recreation opportunities associated with historic interpretation and visiting historic sites. The recommended modification is consistent with the first purpose of the Scenic Area Act.

The recommended modification would allow uses that create economic development opportunities for property owners in a manner consistent with the first purpose. Such opportunities include restaurants, historic inns, art studios and galleries, etc. The allowed uses will promote tourism based on enjoyment and appreciation of historic sites in rural, often scenic

settings. These opportunities are unique to this combination of historic resources and rural environments; they are not typically available or easily replicated inside urban areas. With a few exceptions, these opportunities do not exist under the current Management Plan. By allowing commercial development outside urban areas in a manner consistent with the first purpose of the Act, the recommended modification is consistent with the second purpose of the Act.

Standards of the Act:

Standard 6(d)(1) of the Act requires that the Management Plan protect and enhance agricultural lands for agricultural uses. Standard 6(d)(2) requires that the Management Plan protect and enhance forest lands for forest uses. Both allow conversion of resource lands to open space and recreation development, and conversions between farm and forest lands.

The recommended modification would allow certain uses in existing historic buildings, and supporting uses outside those buildings, such as parking areas, temporary structures, interpretive and picnic areas, etc. The recommended modification includes four additional, mandatory criteria all such uses must meet to protect agricultural and forest lands for agricultural and forest uses. These criteria are designed to protect productive farm and forest lands on parcels that include historic buildings that would accommodate these uses. They include siting criteria for components of the use outside the historic building, to minimize loss of land suitable for farming or forestry. The criteria also require that such uses do not interfere with accepted farm or forest practices on adjacent and nearby lands devoted to such uses. Lastly, they require owner of properties operating these uses to sign a declaration that accepted farm or forest practices are allowed to occur on nearby resource lands. Furthermore, by requiring that commercial events are incidental and subordinate to the primary use, the recommended modification will further protect farm and forest uses where they are the primary use occurring on a parcel that will also include these other, ancillary uses. In conclusion, the recommended modification is consistent with the first two standards in Section 6(d) of the Act.

Standard 6(d)(3) requires that the Management Plan protect and enhance open spaces. The recommended modification would not apply to any lands designated Open Space, and is thus consistent with the third standard of the Act.

Standard 6(d)(4) requires that the Management Plan protect and enhance public and private recreation resources and educational and interpretive facilities and opportunities, in accordance with the recreation assessment adopted pursuant to the Act. The recreation assessment includes the objectives, policies, and guidelines contained in Part I, Chapter 4 of the Management Plan ("Recreation Resources"). These provisions encourage opportunities for public appreciation and enjoyment of cultural resources, and enhanced understanding of the Scenic Area's history through interpretive facilities. The proposed uses in the recommended modification were specifically selected in part because they would afford the public opportunities to enjoy and appreciate significant historic resources. By allowing interpretive displays, picnic areas or other day use recreation (e.g. scenic viewpoint) at historic sites, the recommended modification would directly enhance public and private recreation and interpretive opportunities, consistent with Standard 6(d)(4) of the Act.

Standard 6(d)(5) requires that the Management Plan prohibit major development actions in the SMA. The recommended modification does not apply to any lands with Special Management Area designations. It is thus consistent with the fifth standard of the Act.

Standard 6(d)(6) requires that the Management Plan prohibit industrial development outside urban areas. The recommended modification does not allow any industrial development outside urban areas. It is thus consistent with the sixth standard of the Act.

Standard 6(d)(7) requires that commercial development outside urban areas take place without adversely affecting scenic cultural, natural or recreation resources. As was stated in detail in the analysis of consistency of the recommended modification with the first purpose, only commercial development consistent with the first purpose is allowed by the recommended modification. The recommended modification is consistent with the seventh standard of the Act.

Standard 6(d)(8) requires that residential development outside urban areas take place without adversely affecting scenic cultural, natural or recreation resources. The recommended modification does not allow any additional residential development in historic buildings. The recommended modification is consistent with the eighth standard of the Act.

Standard 6(d)(9) requires that the exploration, development and production of mineral resources outside urban areas take place without adversely affecting scenic cultural, natural or recreation resources. The recommended modification does not allow mining or related uses on historic properties. The recommended modification is consistent with the ninth standard of the Act.

In summary, the recommended modification is consistent with the purposes and standards of the Act.

Criterion 2 (No Practicable Alternative More Consistent with Scenic Area Act):

The recommended modification is a practicable alternative to the applicant's proposal that is more consistent with the purposes and standards of the Scenic Area Act. It provides protection for cultural resources not afforded by the applicant's proposal. It could allow approval of those uses the applicant is requesting, since the restaurant, inn, interpretive displays, commercial events and day use public recreation would all be allowable review uses under the recommended modification to the amendment. These uses would have to be consistent with the Secretary of Interior's standards for preservation and rehabilitation, and found to contribute to the protection and enhancement of the historic resource and to not adversely affect other Gorge resources.

Other alternatives to both the applicant's proposal and the recommended modification exist. One option is for the Commission to not adopt either of these, and leave the Management Plan as is regarding historic buildings. This alternative is less consistent with the Scenic Area Act, because it fails to provide the added protection and enhancement to historic resources that the recommended modification offers. As explained under the analysis of consistency of the recommended modification with criterion 1, substantial new information now exists showing that: (1) threats exist to a number of historic buildings in the Scenic Area, (2) historic buildings are difficult to restore and maintain; (3) the

best way to ensure long-term preservation of these resources is through provisions allowing adaptive use of these buildings, and (4) the Management Plan does not adequately provide for such uses. A “no action” alternative would be unresponsive to this new information and clearly provide less protection for cultural resources.

Another option is for the Commission to approve the applicant's request, and consider similar changes for other specific historic properties in the Scenic Area, as they come forward through proposed amendments. First, this approach is not practicable, as treating these historic properties individually would require a level of staff and Commission resources beyond the agency's capacity. It is also not as consistent with the purposes and standards of the Act, as it doesn't ensure protection and enhancement of all buildings on or eligible for the National Register of Historic Places. Some properties that may be eligible now may become ineligible or may cease to exist in the future. Similarly, some buildings not eligible now may become eligible (through extensive restoration, or as time passes and they become old enough to meet the age criterion). Treating historic buildings individually would not address the above types of changes to buildings, as would the recommended modification. Furthermore, this approach is reactive rather than proactive, and there is no guarantee other significant historic properties would even apply for such an amendment.

Lastly, the Commission could consider a Gorge-wide amendment to allow re-establishment of original historic uses in these buildings. This approach ignores the body of evidence indicating that, in many cases, faithfully restoring original uses can be cost-prohibitive and may not provide sufficient revenue that could in turn support the restoration/preservation work needed. In other words, only allowing re-establishment of historic uses would be a less powerful incentive for preservation in many cases than would an adaptive use approach. Also, it may be difficult at times to adequately document the exact historic use for a building, particularly if the uses changed over time. Important details a planner would need to know in order to permit a re-established use may be difficult to track down in the historic record. This alternative, by not allowing compatible adaptive uses of historic buildings, would provide less protection to the historic resources than would the recommended modification.

There is no practicable alternative to this recommended modification that is more consistent with the purposes and standards of the Act than a Gorge-wide amendment allowing additional uses in historic buildings that are compatible with the historic character of the resource and do not adversely affect Gorge resources or farm and forest lands. The recommended modification provides the most comprehensive protection to historic resources of any alternatives considered. There is no practicable alternative to the recommended modification that is more consistent with the purposes and standards of the Act.

IX. Options and Recommendations

Option 1: Adopt the Proposed Application with Minor Clarifications

If the Commission finds the applicant's proposed amendment consistent with all three plan amendment criteria, then the Commission should adopt it. If the Commission makes these findings, staff recommends you include the following minor clarifications in your motion to adopt.

1. Eliminate the portion of the proposed amendment that changes the designation of the parcel to Commercial Recreation; and
2. Add the uses that are included in paragraph 1 of the proposed amendment as new "Review Uses" in Part II, Chapter 7 of the Management Plan, to be clear that these uses must be consistent with the Scenic, Natural, Cultural, and Recreational guidelines in the Management Plan

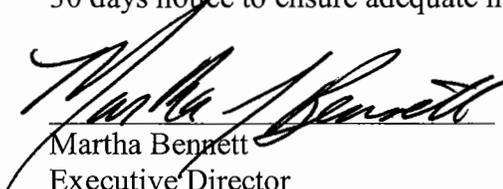
Option 2: Reject the Proposed Application and the Recommended Modification

If the Commission finds that the application, both as submitted and as recommended to be modified is inconsistent with one or more of the Plan Amendment criterion, then the Commission should vote to deny the application.

Option 3: Schedule the recommended modification for additional public input

If the Commission finds that the proposed application can be modified through substantive changes to meet all three plan amendment criteria, then you should take additional public input as required by Commission rule 350-50-100 (3)(h). If you select this option, then staff recommends that you schedule a new public hearing for your December 13, 2005, which allows enough time to provide a 30 day notice of hearing for the recommended modification. Continuance of the hearing to the November 8, 2005 meeting would not allow for 30 days notice for public review of the modifications.

Recommendation: Staff recommends the Commission pursue option 3. Staff agrees with the applicant that there is a need to amend the Management Plan to better protect and enhance historic buildings as important cultural resources. However, in our review of the application, as a result of the new historic buildings survey, and because of what we learned from other jurisdictions, staff recommends that the Commission find that there is a practicable alternative to the proposed plan amendment, which is to allow adaptive reuse of all buildings that are on or eligible for the National Register of Historic Places provided that reuse protects farm and forest lands and scenic, natural, cultural, and recreational resources. Staff recommends proposed modifications to the amendment to implement that Gorge-wide approach. Commission rule 350-50-100(3)(h) requires the Commission to take additional public input prior to adopting significant changes to a proposed plan amendment. Because the recommended modifications have not been noticed prior to this Director's Report, staff recommends a minimum of 30 days notice to ensure adequate input.


Martha Bennett
Executive Director


Date

Appendix A: Text of Proposed Amendment to the *Management Plan for the Columbia River Gorge National Scenic Area* (PA-05-02):

Appendix B: Text of Recommended Substantive Modification to Application

Attachments:

1. *Columbia River Gorge Commission - National Scenic Area Historic Buildings Survey*
2. Consultation Letters from Agencies
3. List of Agencies Contacted
4. Table of Potential Revenue-Generating Uses Allowed in Historic Buildings
5. Public Comments Received During Comment Period (Commission only)

APPENDIX A: PROPOSED PLAN AMENDMENT LANGUAGE

Plan Amendment Application PA-05-02 (as revised on May 10, 2005) consists of the following specific requests:

1. Add the following as GMA Cultural Resources Policy 20 to Part I, Chapter 2 of the Management Plan:

Privately owned properties included on the National Register of Historic Places prior to November 17, 1986, shall be permitted to be open for public viewing, interpretive displays, and an associated gift shop. Voluntary donations to support maintenance, preservation and enhancement of the cultural resource may be accepted by the landowner. On such properties, existing facilities that were originally designed for restaurant and hotel purposes shall also be permitted to re-establish restaurant and hotel use, subject to the following conditions:

- A. The existing historic structure shall continue to be maintained in a manner that protects and preserves the cultural significance of the property and thereby retains its status on the National Register of Historic Places.
 - B. Interpretive displays should highlight and explain the cultural significance of the property including its architectural significance and its role in the history of the Columbia River Gorge. The siting, size, color, and physical features of outdoor interpretive displays shall be reviewed and approved by the Executive Director of the Commission prior to installation. The content of interpretive displays shall follow the recommendations of the *Interpretive Strategy for the Columbia River Gorge National Scenic Area*.
 - C. Public viewing of the facility and interpretive displays shall be limited to daylight hours of 9:00 a.m. until dusk. Any associated gift shop shall not exceed 100 square feet in floor area.
 - D. Restaurant use shall have a maximum indoor seating capacity of 115 patrons. Private parties, banquets, receptions and similar events may also utilize outdoor facilities provided that outdoor activities shall be limited to daylight hours of 9:00 a.m. until dusk. Except for breakfast served to overnight guests, food service shall be limited on Monday through Saturday to the hours of 11:00 a.m. to 10:00 p.m. On Sunday, food service may operate from 9:00 a.m. to 10:00 p.m.
 - E. Hotel use shall be limited to a maximum of five private rooms available for overnight guest accommodations.
 - F. During daylight hours, outdoor noise levels shall not exceed 8 decibels. After dusk, outdoor noise levels shall not exceed 5 decibels.
2. Change the recreation intensity class of the subject property from RIC 2 to RIC 3.
 3. Change the land use designation from Large-Scale Agriculture and Small Woodland to Commercial Recreation.

APPENDIX B: PROPOSED SUBSTANTIVE MODIFICATION TO THE AMENDMENT

NEW CULTURAL RESOURCES POLICY (Part I, Chapter 2 of Management Plan)

Provide incentives to protect and enhance historically significant buildings by allowing uses of such buildings that are compatible with their historic character and that provide public appreciation and enjoyment of them as cultural resources.

SPECIAL USES IN HISTORIC BUILDINGS* (Part II, Chapter 7 of Management Plan)

Additional Review Uses for Historic Buildings

1. In addition to all review uses allowed in the designation in which the property is located, the following uses may be allowed in all GMA land use designations except Open Space and Agriculture-Special in a building either on or eligible for the National Register for Historic Places and outdoors on a property including such a building (as specified below), subject to compliance w/ “Additional Resource Protection Guidelines for Uses in Historic Buildings” and applicable guidelines to protect scenic, cultural, natural and recreation resources:
 - (A) establishments selling food and/or beverages
 - (B) overnight accommodations, including bed and breakfasts
 - (C) commercial events in the building or on the subject property, incidental and subordinate to the primary use of the property
 - (D) wineries/tasting rooms
 - (E) conference and/or retreat facilities
 - (F) artist studios and galleries
 - (G) gift shops
 - (H) interpretive displays, picnic areas or other recreational day use activities on the subject property
 - (I) parking areas on the subject property to support any of the above uses.
2. For the purposes of the guidelines in this section, the term “historic buildings” refers to buildings either on or eligible for the National Register of Historic Places. Eligibility determinations shall be made by the local government, based on input from the state historic preservation office (SHPO). The local government shall submit a copy of any historic survey completed to determine eligibility to the State Historic Preservation Office (SHPO). The SHPO shall have 30 calendar days from the date this information is mailed to submit written comments on the eligibility of the property to the local government. If the local government’s determination contradicts comments from the SHPO, the local government shall justify how it reached an opposing conclusion.
3. Use (1)(C) is not subject to the “Commercial Events” provisions in Part II, Chapter 7 of the Management Plan.** Commercial events in historic buildings will be regulated by the guidelines contained in this section. Applications for commercial events shall include all information in the “Operational Plan for Commercial Events” as specified in Guideline 1.D of “Additional Resource

Protection Guidelines for Historic Buildings”. The following apply to commercial events in historic buildings:

- a. Commercial events include wedding, reception, parties and other gatherings that are incidental and subordinate to the primary use on a parcel.
 - b. The owner of the subject property shall notify the reviewing agency and all owners of land within 500 feet of the perimeter of the subject property of each planned event. The notice shall be in writing and shall be mailed at least seven calendar days before an event.
4. Use (1)(H) is not subject to the parking limits and associated “Facility Design Guidelines” in the Recreation Intensity Classes.
 5. Counties may impose additional requirements to address potential impacts to surrounding properties. For example, they may limit the size and frequency of commercial events and outdoor activities, noise, parking, vehicular traffic, lighting and operating hours.
 6. Land use approvals for special uses in historic buildings shall be subject to review by the local government every five years from the date the original approval was issued. As part of this review, the applicant shall submit documentation to the local government on the progress made in implementing the “Protection and Enhancement Plan” required in Cultural Resources Guideline 1 of “Additional Resource Protection Guidelines for Uses in Historic Buildings”. The local government shall submit a copy of the applicant’s documentation to the State Historic Preservation Office (SHPO). The SHPO shall have 30 calendar days from the date this information is mailed to submit written comments to the local government. If the local government’s determination contradicts comments from the SHPO, the local government shall justify how it reached an opposing conclusion. The local government shall revoke the land use approval if the owner has failed to make sufficient progress towards implementing the actions described in the “Protection and Enhancement Plan.”
 7. The property owner shall be the primary operator of the use for all the above uses. If the property is a residence, the owner shall reside at the property.
- * *Cross-reference to “Special Uses in Historic Buildings” to be added to “Review Uses” for all GMA land use designations except Open Space and Agriculture-Special.*
- ** *Will require a revision to “Commercial Events”, GMA Guideline 2.A, deleting “...dwelling listed on the National Register of Historic Places.” Commercial events at historically significant buildings would be regulated under the new “Special Uses in Historic Buildings” provisions.*

Additional Resource Protection Guidelines for Uses in Historic Buildings (Part II, Chapter 7 of Management Plan)

The following guidelines apply to proposed uses listed under “Special Uses for Historic Buildings” in addition to all other relevant guidelines for protection of scenic, cultural, natural and recreation resources:

Cultural Resources

1. In addition to completion of an historic survey (if required pursuant to “Historic Surveys and Reports” on page I-58, Part I, Chapter of the Management Plan), applications for Special Uses for Historic Buildings shall include a “Protection and Enhancement Plan” which shall include the following:
 - A. A description of how the proposed use will significantly contribute to the protection and enhancement of the historic resource, including specific actions that will be taken towards restoration, protection and enhancement, and adequate maintenance of the historic resource, and a proposed schedule for completion of such actions.
 - B. A statement addressing consistency of the proposed use with the *Secretary of the Interior's Standards for Rehabilitation of Historic Properties* and the *Secretary of the Interior's Standards for Preservation of Historic Properties*.
 - C. Detailed architectural drawings and building plans that clearly illustrate all proposed exterior alterations to the building associated with the proposed use. Any exterior additions to the building or outdoor components of the proposed use (e.g. parking areas, site for temporary structures, interpretive displays) shall be shown on the site plan.
 - D. Any proposal for commercial events (Use 1(C) under “Additional Review Uses for Historic Buildings”) shall include an Operation Plan for Commercial Events, to be incorporated into the “Protection and Enhancement Plan”. The Operational Plan shall include sufficient information to demonstrate how the commercial events will remain incidental and subordinate to the primary use of the property, and shall, at minimum, address:
 - (1) Number of events to be held annually.
 - (2) Maximum size of events, including number of guests and vehicles at proposed parking area.
 - (3) Provision for temporary structures, including location and type of structures anticipated.
 - (4) How the proposed commercial events will contribute to protection and enhancement of the historic resource.

2. The local government shall submit a copy of the "Protection and Enhancement Plan" to the State Historic Preservation Office (SHPO). The SHPO shall have 30 calendar days from the date this information is mailed to submit written comments to the local governments. The SHPO comments shall address consistency of the proposed use with the *Secretary of the Interior's Standards for Rehabilitation of Historic Properties* and the *Secretary of the Interior's Standards for Preservation of Historic Properties*, and the effect of the proposed use on the historic resource.
3. Any alterations to the building or surrounding area associated with the proposed use have been determined by the local government to be consistent with the *Secretary of the Interior's Standards for Rehabilitation of Historic Properties* and the *Secretary of the Interior's Standards for Preservation of Historic Properties*. If the local government's final decision contradicts the comments submitted by the State Historic Preservation Office, the local government shall justify how it reached an opposing conclusion.
4. The proposed use has been determined by the local government to have no effect or no adverse effect on the historic character of the property, including features of the property contributing to its historic significance. If the local government's final decision contradicts the comments submitted by the State Historic Preservation Office, the local government shall justify how it reached an opposing conclusion.

Scenic Resources

1. New parking areas associated with the proposed use shall be located on the subject property. Such parking areas may be developed using paving blocks, gravel, or other pervious surfaces; asphalt, concrete and other impervious materials shall be prohibited.
2. New parking areas associated with the proposed use shall be visually subordinate from Key Viewing Areas, and shall to the maximum extent practicable, use existing topography and existing vegetation to achieve visual subordination. New screening vegetation may be used if existing topography and vegetation are insufficient to help make the parking area visually subordinate from Key Viewing Areas, if such vegetation would not adversely affect the historic character of the building's setting.
3. Temporary structures associated with a commercial event (e.g. tents, canopies, portable restrooms) shall be placed on the subject property no sooner than two days before the event and removed within two days after the event. Alternatively, temporary structures may remain in place for up to 90 days after the event if the local government determines that they will be visually subordinate from Key Viewing Areas.

Recreation Resources

1. The proposed use shall not detract from the use and enjoyment of existing recreation resources on nearby lands.

Agricultural and Forest Lands

1. The proposed use is compatible with and will not interfere with accepted forest or agricultural practices on nearby lands devoted to such uses.
2. The proposed use will be sited to minimize the loss of land suitable for production of crops, livestock or forest products.
3. A declaration has been signed by the landowner and recorded into county deeds and records specifying that the owners, successors, heirs and assigns of the subject property are aware that adjacent and nearby operators are entitled to carry on accepted agriculture or forest practices on lands designated Large-Scale or Small-Scale Agriculture, Commercial Forest Land, or Large or Small Woodland.
4. All owners of land in areas designated Large-Scale or Small-Scale Agriculture, Commercial Forest Land, or Large or Small Woodland that are within 500 feet of the perimeter of the subject property on which the use is proposed to be located have been notified and given at least 10 days to comment prior to a decision on an application for a Special Use for a Historic Building.