

SPECIAL



REPORT

Resolving Functional Obsolescence

Securing the Future of Oregon's
Pioneer-Era Properties



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March 2015

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Study Process

Topic Defined

Spring 2014

Site Visits

Bybee-Howell House

June 14, 2014

Horace Dibble House

June 27, 2014

August 19, 2014

Sam Brown House

June 26, 2014

Gaylord House

June 27, 2014

Stakeholder Discussion

August 27, 2014

Preservation Pubs

6 total, Spring-Fall 2014

Report Released

March 2015

About Restore Oregon

Restore Oregon was founded in 1977 as the Historic Preservation League of Oregon. A statewide nonprofit and partner of the National Trust for Historic Preservation, Restore Oregon has a mission to “Preserve, reuse, and pass forward Oregon’s historic resources to ensure livable, sustainable communities.” Headquartered in Portland and operating statewide, Restore Oregon provides advocacy support, education programs, technical assistance, and stewardship of over 40 conservation easements on historic properties across Oregon. The organization also offers financial and technical assistance to save an annual list of Oregon’s Most Endangered Places.

In 2010, Restore Oregon convened the Preservation Roundtable, a mechanism of bringing Oregonians together to address the challenges confronting Oregon’s historic places, particularly the complex issues that stymie the health of our historic downtowns. This report supplements the Preservation Roundtable for 2014/15 by addressing an issue of paramount importance to Oregon’s heritage: houses built by Euro-American settlers between 1841 and 1865.



Forest Grove’s 1848 Beeks House. Photo: Drew Nasto

Executive Summary

The story of the Oregon Trail has permeated school textbooks and regional lore ever since the Pioneer period came to a close 150 years ago. However, the tangible evidence of this early period of Euro-American settlement has almost entirely vanished from the landscape. Today, just 5% of the buildings that originally stood in the Willamette Valley in 1865 still remain. Of the 236 survivors, most are functionally obsolete. Those without a purpose await the same fate as the four thousand Pioneer-era buildings that have already been lost.



The 1855 Angell-Brewster House was demolished in 2010

Not only is it imperative that we stem the loss of Pioneer properties, we must also secure a sustainable future for them. They must have economic value and be sensitively adapted for modern use if they are to survive. Accepting this challenge will require preservationists tap the economic power of the marketplace, while upholding the standards of historic preservation. We must begin to think of Pioneer houses as living history, not dead artifacts.

Buildings are real estate assets subject to market-based economic drivers. Historic buildings are no exception. For generations, preservationists have researched, documented, and celebrated Pioneer houses, but have failed to find solutions for their preservation that can be sustained over the long-term. Through the use of four case study examples, this report identifies preservation and reuse strategies that can resolve functional obsolescence and give Pioneer properties the economic relevance required for their long-term preservation.

Findings and Recommendations

The following seven findings are based on insights gathered from the four case studies, with recommendations provided to assist the long-term viability of Oregon's Pioneer-era properties.

1. **Utility.** Pioneer properties must find uses that economically justify their rehabilitation. Innovative residential uses provide the greatest opportunity to balance preservation with utility. The construction of a sensitive addition—best conducted at the rear of the property—can help achieve utility in certain circumstances.
2. **Planning.** Before commencing rehabilitation, Pioneer properties should have a Historic Structure Report and Preservation Plan developed by a qualified professional. These studies will provide guidance for sensitive rehabilitation and maintenance strategies.
3. **Funding.** The availability of loans, grants, and tax incentives is extremely limited for Pioneer properties. Even more so, traditional financing can be difficult to obtain for deteriorated properties. Non-conventional financing or sale through a nonprofit intermediary provide two innovative solutions.
4. **Land Use.** Zoning regulations dictate the uses allowed to take place on a site. Unfortunately, the regulations of many communities do not provide the flexibility needed for Pioneer properties to be viably reused or subdivided from large farm parcels. Without jeopardizing the intent of land use rules, local jurisdictions should adopt special provisions for historic properties.
5. **Protection.** Historic designation does not always protect a property from demolition or insensitive alternation, especially in those communities that lack a preservation ordinance. Owners should consider donating a conservation easement to protect the property in perpetuity.
6. **Quality.** Because of the uniqueness of Pioneer properties, only those professionals with demonstrated experience rehabilitating significant 19th Century buildings should perform work on Pioneer-era properties. For full-building rehabilitation, both a preservation architect and skilled contractor should be engaged.
7. **Pragmatism.** In most cases, turning a Pioneer property into a house museum is not economically viable. Historic buildings indeed provide a public benefit, but each must respond to the economic realities of an ever-evolving marketplace. Preservationists must envision pragmatic solutions for Pioneer properties.

Report Limitations

The analysis of the four case studies conducted for this report represent an outline of preliminary information. Work scopes, construction costs, and architectural plans are conceptual in nature, as are estimated property values and income potentials. This report is meant to serve as a starting place for further due diligence and investigation into the feasible reuse of these properties, and provide a template for the analysis of other properties.

Stewardship of Historic Resources

Why Preserve Pioneer Houses?

Nearly all of Oregon's Pioneer-era houses—those built by first-wave Euro-American settlers—are at risk of forever vanishing from the landscape. While a few Pioneer houses exist in other parts of the state, their highest concentration is in the Willamette Valley, where each of the nine counties still feature small collections of early settler residences. Over 95% of Willamette Valley houses built between 1841 and 1865 have been lost and most of the remaining few suffer from varying degrees of functional obsolescence and deterioration.

According to a 2013 Restore Oregon study on Pioneer houses, “Many of those that remain are fragile and endangered, assaulted by neglect, time, weather and the ignorance of those who alter or raze them. While documentation in the form of photographs, written description and drawings may serve to better understand such sites, nothing is more effective in demonstrating the visual and operational genius of these buildings than the ‘living’ example: the buildings themselves. Their significance, and the urgency of their need for preservation, merits the attention and support of all Oregonians.”¹

Just 236 Pioneer properties remain standing in the Willamette Valley with most under some level of threat to their very survival.

Key Considerations

The preservation of Pioneer houses isn't a new topic. In 1909, Oregon City residents rallied to save the 1846 McLoughlin House. In 1934, the Historic American Building Survey recorded Pioneer houses in the Willamette Valley and Southern Oregon. In 1966, Salem preservationists saved the 1841 Jason Lee House, Oregon's oldest. And in the 1970s and '80s, several Pioneer houses were converted into museums. But despite over a century of actions, most remaining Pioneer houses are at risk of being lost. Before identifying preservation strategies, it is important to review several key considerations.

Geographic Distribution

While Pioneer houses are located in both urban and rural areas, the majority are located in agricultural zones or on the fringes of cities. Linn County retains by far the greatest number of Pioneer houses, but significant collections are also found in Clackamas, Benton, and Yamhill Counties. Only eight Pioneer houses remain in urbanized Multnomah County.

Ownership

While many of the most architecturally-meritorious Pioneer houses are held in public or nonprofit ownership, 91% of the properties are in private hands. Public and nonprofit owners typically recognize their stewardship responsibilities and perform basic upkeep on the properties, yet are held back from further investment due to tight budgets and uncertain preservation plans. Private owners have less motivation for keeping their properties in a restored condition. Expectations of cashing in on development, a focus on agricultural use, the high costs of rehabilitation, zoning restrictions, and other factors all play into private owner's decision to invest, or not, in their Pioneer house.

Historic Designation

Only 76 pioneer properties have been listed in the National Register of Historic Places. While historic designation brings increased eligibility for grants and tax incentives, it does not necessarily protect a property from demolition or alteration. And, in Oregon, an owner must consent before the property is formally designated as historic. The National Park Service recently approved a Multiple Property Documentation Form that makes an additional 123 Pioneer properties eligible for National Register listing (37 have been altered beyond the point of eligibility).

Preservation Standards

Regulations protecting designated historic places in Oregon are imposed at the local level. Because many Oregon cities and counties lack preservation ordinances, only a quarter of the remaining Willamette Valley Pioneer buildings are subject to any historic review. Philosophically, all Pioneer properties are deserving of quality work, conducted by qualified architects and contractors. Guidelines for the rehabilitation of historic buildings can be found in the Secretary of the Interior's Standards.



Willamette Valley Pioneer Farmstead, c.1900

¹ Liz Carter, “Pioneer Houses and Homesteads of the Willamette Valley, Oregon 1841-1865” (Restore Oregon, 2013), 37.

Sustaining Pioneer Properties in the 21st Century

Addressing Functional Obsolescence

Oregon's collection of Pioneer-era properties are rare resources that are becoming even more so, with the current state of those remaining being largely that of neglect and functional obsolescence. On the whole, Pioneer-era houses are seen as unsuitable residences for contemporary times and are woefully underutilized. As a result, they have lost a high percentage of their economic value, providing their owners—private owners in particular—little motivation to invest in their stewardship.

One model of functional use commonly thought to provide a safe haven for these properties is that of a house museum, owned and operated by a public agency or a nonprofit organization. While this might work for a few examples, the house museum is not a financially feasible or sustainable model for the majority of Pioneer-era properties facing obsolescence and decay. (See sidebar on page 8 for further discussion.)

While Pioneer-era properties are significant historic treasures, they are also real estate assets subject to economic forces. Addressing the demands of the marketplace—regardless of whether the property is held in public, private, or nonprofit ownership—must be a key component of a sustainable preservation strategy. When the economic value of these properties is increased, resources will then be directed towards maintaining and preserving them over the long term. In conjunction, careful regulation is needed to address unfettered market forces that might favor inappropriate changes or demolition.

Functional obsolescence is not incurable. However, in the US especially, there is a broad cultural tendency to quickly dispose of what is outdated rather than adapt and reuse what already exists. The market also has low tolerance for complexity and risk, especially when the financial rewards are not high. Combined with the level of skill and sensitivity needed to successfully reuse Pioneer-era properties, it is not difficult to understand why most of these buildings are boarded up and have a significant backlog of deferred maintenance.

A critical role that preservation advocates can play in saving Pioneer properties is to help create and enhance their value to ensure their foothold in the market. However, to do so, preservationists must understand the main economic drivers that guide the marketplace, the funding opportunities available for rehabilitation projects, and preservation planning procedures that ensure the retention of historic significance and integrity.

Economic Drivers

The primary drivers of economic value are scarcity, utility, desire, and purchasing power. For Pioneer-era properties to thrive, or even survive in the real estate market, these determinants of value must be both understood and addressed.

Scarcity

The scarcity of a commodity's supply tends to increase its demand in the market. Historic properties are by definition a scarce resource, and Pioneer homes—with a mere 5% remaining—are some of the rarest historic buildings in the state.

Utility

Utility is the primary driver of a historic building's real estate value. A building's utility is defined by its perceived usefulness towards an end purpose with recognized economic value. As an example of this value, Pioneer-era buildings were initially constructed not only for shelter, but also to demonstrate the required investment under the Donation Land Claim Act.

It is no small challenge to find an economically feasible use for historic properties considered to be functionally obsolete. To craft a solution that balances the needs of the resource with the needs of the real estate market requires addressing two important questions:

1. What does the building want to be?
2. What does the market want the building to be?

Ideally, historic buildings are best reused in their original intended use. When this is not achievable, adapted uses can be employed if approached sensitively.

The overlap between what a building can accommodate without diminishing its historic character and what uses the market can support is where truly sustainable preservation exists.



The intricate relationship between use, economics, and historic preservation

Desire

The economic driver of desire is influenced by utility, for useful buildings are more desirable than those that lack function. Desire, however, can vary depending on a multitude of factors, including how a local population values historic resources. In some markets, a vintage building may be seen as a significant liability, removing the desire to invest based on historic value. In other markets, desire for a resource can be driven by its historic significance, unique materials, and aesthetic beauty. The general public's desire for these properties may be increased through education, outreach, and targeted marketing.



Oregon City's 1851 Ainsworth House in 1934. Photo: HABS

Purchasing Power

Purchasing power describes the ability to apply financial resources towards desired commodities, with money moving toward those investments found to be most lucrative. This is a challenge for historic properties considered economically risky, and as a result limits the sources of capital available to purchase and rehabilitate them.

Long-Term Feasibility

All four economic drivers—scarcity, utility, desire, and purchasing power—need to be adequately addressed for Pioneer-era properties to thrive in the real estate market. It cannot be overemphasized that a viable use is what gives a practical purpose and inherent value to a property. Owners and occupants tend to care most for those properties that provide shelter, long-term investment, and/or annual income. For a historic property to receive the appropriate level of stewardship, it needs to accommodate a contemporary occupant, as well as retain sufficient market appeal and value. When these factors are in place, the property's real estate value will appreciate at a rate comparable with non-historic properties—an attribute that will secure its long-term economic viability.

Funding Opportunities

A major economic hurdle for Pioneer-era properties is the limited amount of traditional funding sources available for financing preservation work. The direct investment of an owner is the most significant source of funding, but loans, grants, and tax incentives can factor into a preservation project's budget.

Loans

For properties in good condition with modern systems and structural integrity, traditional home mortgages or equity loans are available for purchase and remodeling. However, most Pioneer-era properties will be considered “fixers” by banks, resulting in a more complicated and costly process to financing their acquisition and rehabilitation. Additionally, building insurers are often reluctant to provide affordable coverage (or any coverage at all) for aged buildings that have not been modernized. Because insurance is typically required by lenders, this can create a “Catch-22” in the financing game.

Even if a loan can be secured, in most cases an interim acquisition and improvement loan will be required prior to securing a permanent home mortgage. These loans come with higher interest rates, shorter repayment terms, and a large balloon payment. Unforeseen conditions discovered during construction can put a project reliant on short-term bank financing in jeopardy and therefore requires advanced planning, contingencies, and an expert architect and contractor.

One of the challenges that face many historic properties is that prior to rehabilitation the building itself may have very little value. To provide interim financing for improvements, a bank must be able to quantify the value of the building and feel confident that the cost of the improvements will not exceed the value of the property at completion. Banks rely on appraisals to determine value, which is typically informed by comparable property values. This presents a challenge when appraising historic properties, which are often one-of-a-kind and lack relevant comparables within their market area (particularly in rural markets). As a result, appraised values tend to be conservative, thereby reducing the amount that banks will lend.

Dilapidated structures with little inherent monetary value face the most significant uphill battle to securing upfront financing. These properties may require a cash buyer who can use their own funds to stabilize the property before seeking traditional financing. However, this type of buyer is in short supply.

As an alternative to conventional bank financing, HUD's Section 203(k) program insures mortgages covering the purchase (or refinance) and rehabilitation of a home in need of repair and/or modernization. This program can save borrowers time and money, while also protecting the lender by insuring the loan prior to the building's

rehabilitation. The 203(k) program holds the most promise for financing the rehab of Pioneer-era properties, yet is still a complex funding source that is not perfect for every building or every borrower.

Some Pioneer properties may be repurposed for commercial uses, providing access to small business loans for rehabilitation. In these situations, borrowers will be required to provide a viable business plan that demonstrates an income stream that exceeds operating costs and loan repayment.

Grants

The State Historic Preservation Office offers Preserving Oregon matching grants of up to \$20,000 for National Register-listed properties. Grant managers have indicated that Pioneer-era properties would be excellent candidates for these funds; however, resources in public and nonprofit ownership are given preference over those in private ownership.

Several charitable foundations fund historic rehabilitation. The Kinsman Foundation, Oregon Cultural Trust, and National Trust for Historic Preservation are a few of the organizations that provide grants to nonprofit and public owners. Charitable foundation grants for private properties are virtually non-existent, however, models for nonprofit leases may provide one out-of-the-box opportunity for private rental properties.

Tax Incentives

A 20% Federal Historic Tax Credit is available to owners of income-producing National Register properties. The program is especially attractive to large projects (\$5 million and higher) where the credits can be syndicated, resulting in direct project funding. For small Pioneer-era rehabilitations, monetizing the credits is unlikely and the credits will need to be claimed against the owner's federal income tax liability once the project is complete.

Oregon's Special Assessment Program freezes a property's pre-rehabilitation assessed value for 10 years for the purpose of reducing property taxes owed. However, because this program does not provide upfront funding, requires significant investment, and may be redundant with farm assessment programs, it is only minimally beneficial for most property owners.

Preservation Planning

A historic property's significance is conveyed principally through the integrity of its design and materials. Altering a building to accommodate contemporary uses has the potential to harm key elements of integrity. This is a particular challenge for Pioneer-era properties, as their reuse requires both physical rehabilitation and the rigorous protection of delicate historic fabric.

At over 150 years old, Pioneer-era properties tend to require work ranging from basic maintenance to full rehabilitation. Many of the original systems could be considered character-defining, but lack practicality, building code compliance, and even general safety. Electrical, mechanical, and plumbing upgrades are often required, along with improvements to the thermal comfort and weather resistant capacity of the building envelope. Accessibility code requirements can also present a challenge to properties intended for public use.

All maintenance and rehabilitation work should be conducted based on a detailed understanding of the property. The instrument commonly used to provide this is a Historic Structures Report prepared by a preservation consultant. This report documents a building's history, its character-defining features and integrity, and its current condition. This information is vital in developing a rehabilitation plan that accommodates an intended use while respecting all elements of historic integrity. It is strongly recommended that this type of report be generated before any rehabilitation work commences.

Along with the guidance provided by a Historic Structures Report, the local historic commission or planning office should be invited to review proposed changes to the property. These groups can help steer owners away from low-cost construction materials or harmful treatments. Because not all communities require historic design review, property owners should seriously consider donating a conservation easement upon sale or completion of rehabilitation.

Sustainable Maintenance Strategies

Pioneer-era properties require long-range planning for maintenance and capital improvements if they are to be sustained in good health. The typical homeowner addresses these needs only when they have already become obviously detrimental, intensifying the amount of rehabilitation work required. Historic buildings deserve to be treated with a higher standard of care and maintenance. In the world of commercial properties, a common tool used for mapping the short-term, medium-term, and long-term actions is a Capital Needs Assessment (CNA). The CNA is based on the understanding that revenue-generating properties are fiscal assets requiring planned and consistent care.

Pioneer-era properties deserve at least this level of consideration. It is recommended that every Pioneer-era property have a CNA or Preservation Plan developed with specific, actionable directives that address ongoing maintenance and condition issues. The goal of long-term planning is to reduce large-scale and expensive rehabilitation through consistent, properly-conducted maintenance. Furthermore, a well-maintained building is more highly regarded in the marketplace, enhancing its overall value and economic viability.

Property owners must budget for annual ongoing maintenance, as well as more capital-intensive improvements that occur less frequently, such as furnace and roof replacement. When a building is fully rehabilitated with new systems and a weather-tight envelope, there is a period of several years where maintenance expenditures are low. During this period it is extremely important to set aside money annually for the eventual repairs and improvements that every property requires in the life cycle of its systems and materials. This recommendation is especially salient for nonprofit owners of Pioneer-era properties, as tight budgets often result in inadequate maintenance and no long-term savings plans. A property like the Dibble House, for example, should be setting aside \$5,000 a year into a reserve fund for roof, furnace, electrical panel, fixtures, and appliance replacement, as well as projects like repainting, replacing window glazing putty, and chimney repointing. This is in addition to budgeting for ongoing maintenance that can include landscaping, gutter/downspout cleaning, roof inspections, paint touch-ups, plumbing repairs, and so forth.



Following a major rehabilitation project, the best method of preparing for future expenses, such as roof replacement, is to annually accrue savings in a reserve account. Pictured is Salem's 1841 Methodist Parsonage prior to restoration. Image: University of Oregon Libraries

Sidebar: House Museums

Since the 1970s, there has been interest in both protecting Pioneer properties and sharing their rich history with Oregon's citizenry. Converting Pioneer properties into house museums was once considered to be the best method of doing so, providing the purest form of preservation and interpretation.

Although noble in intent, there are challenges with the house museum model that keep it from being the best solution for most Pioneer properties. The majority of Pioneer-era houses are currently held by private owners who do not have the motivation or financial capacity to maintain a static artifact, nor the interest in providing ongoing public access. Transferring these properties into public or nonprofit ownership would require government investment or charitable donations far in excess of what is reasonably feasible. Because the commitment of ongoing government subsidy or a permanent endowment are necessary for a house museum to be viable, just maintaining those that already exist will likely be an impossible challenge.



The Dibble House kitchen, with interpretive furnishings

House museums across the country are suffering from insufficient attendance, grant funding, and government support necessary to generate enough revenue to maintain their historic buildings. Furthermore, a shrinking pool of volunteers and lack of paid staff often result in stagnant programming and a no vision for their future.

Any consideration of the house museum model should address the following:

- Acquisition of a permanent endowment of sufficient size to provide for ongoing maintenance as well as reserves necessary to cover occasional big-ticket expenses (keep in mind that a \$1 million endowment would only provide \$50,000 in annual operating funds).
- A business plan that demonstrates sufficient income can be generated to maintain the property (income sources may include admissions, events, grants, donations, and sale or rental of facilities).
- Development of public-private partnerships that achieve educational goals while maximizing the utility and accessibility of the historic building.

Case Studies - Introduction

Property Selection

The four properties selected for analysis represent a range of geographic, physical, economic, and regulatory conditions faced by owners of Pioneer-era properties. For instance, the government-owned Bybee-Howell House remains in its rural context on Sauvie Island, though that context is now within easy access of Oregon's largest metropolitan area. The Horace Dibble House Museum in Molalla has seen its physical context change as the town grew up around it. The Sam Brown House is privately owned within an Exclusive Farm Use zone, and the owner is considering parceling off the property so it may be rehabilitated and sold. The Charles Gaylord House has been owned and managed by the Corvallis Parks Department since its relocation and exterior restoration in the early 1990s, but remains unoccupied. These four properties represent the challenges and opportunities faced by many of the Pioneer houses that remain in the Willamette Valley.

Property Analysis

For this report, each property was visited and building owners and local stakeholders engaged in discussion. Research on historic significance, relevant studies, local regulations, and market conditions was conducted. Findings were recorded into a chart format to coalesce data and analyze each property. Six categories were developed to describe the property and its situation, with opportunities and constraints established for each category (for detailed background on this decision matrix see page 19).

Uses and Costs

Based on the full analysis of each property, uses were proposed that would improve economic viability while maintaining historic character. A broad range of rehabilitation actions to accommodate the proposed uses were described, and a range of associated rehabilitation costs generated. Potential income for each use was identified based on an understanding of current market conditions.

Feasibility

It was determined that in order for the rehabilitation and reuse of Pioneer-era properties to be financially feasible and sustainable for the long term, the following must be present:

- Financial resources available to fund rehabilitation activities;
- Sufficient income to maintain the property and pay off any debt;
- A post-rehab value commensurate with the investment made in the property;
- For private owners, the likelihood of some future return on the investment.

These case studies propose a new use, possible funding sources, and estimates of income that would provide the most feasible way forward for each property.



Bybee-Howell House



The Horace Dibble House



The Sam Brown House



The Gaylord House

Sidebar: Conservation Easements

A conservation easement is a legally binding agreement to protect a historic property from activities that may harm the building's integrity, including neglect, demolition, and insensitive alterations. An easement allows the owner of a historic property to retain title and use of the property while ensuring its long-term preservation. Easements can be crafted to address specific aspects of the property, though most tend to focus on the preservation of a building's exterior. All future property owners are required to seek approval from the easement-holding organization for changes to the property. The limitations imposed by the easement can reduce a property's fair market value, for which the donor of the easement can take a charitable tax deduction.



The Keil House, an easement property

Case Study: The Bybee-Howell House

Property Overview

The Bybee-Howell House, built in 1856 on Sauvie Island, represents an outstanding example of the Classical Revival style in Pioneer-era architecture. This building was initially built for the Bybees—a pioneering family from Kentucky. In 1974 it was listed in the National Register and is today owned by Metro, the regional government for the Portland metropolitan area. It is currently unoccupied after serving as an under-performing museum for four decades. At the center of a 120-acre park, Metro maintains the building in a mothballed state.

The building remains in its rural setting with farm pursuits nearby. It is sited in an Exclusive Farm Use zone—a designation that protects the agricultural activities on Sauvie Island. This zoning limits the utilization of the property to a finite list of activities compatible with agricultural pursuits, though room and board accommodations (with restrictions) are allowed. Metro’s most recent master plan lists overnight accommodations as a consideration for use. If a usage can be found that fits Metro’s goals and governance, the house could be rehabilitated with a fairly quick turnaround and within a relatively modest budget.

The house features an efficient layout with good-sized rooms at each corner. Access via stairs to two entry porches currently makes the house inaccessible for people with disabilities. Metro will want to make the first floor accessible, which would require the construction of a ramp best situated at the rear of the property. The second floor could be excused from ADA compliance if it contains uses redundant to those of the first floor.



Early image of the Bybee-Howell House



Current image of the main facade



The front corner room, with casework and fireplace

Bybee-Howell House Description Matrix		
	Opportunities	Constraints
Ownership Metro (public agency)	<ul style="list-style-type: none"> Public mission would allow for uses that would otherwise be limited by economics. Ongoing budget line item could be allocated for maintenance. 	<ul style="list-style-type: none"> Could be subject to the cyclical nature of budget cuts.
Historic Status & Significance Status: National Register Listed Significance: Outstanding example of pioneer architecture in the Classical Revival style.	<ul style="list-style-type: none"> NR listing adds cache as a heritage tourism site. Eligible for easement to protect in perpetuity. Grant opportunities and public parks funding available. 	<ul style="list-style-type: none"> With a nonprofit use, Special Assessment and Historic Tax Credits are of no value.
Zoning Jurisdiction: Multnomah County Zoning: Exclusive Farm Use (EFU) / HP1 Subdistrict Zone. Included in Sauvie Island/Multnomah Channel Rural Area.	<ul style="list-style-type: none"> Metro 1997 master plan lists “overnight guest accommodations” as a consideration for use. “Room and board arrangements for a maximum of five unrelated persons in existing residences” allowed in EFU zone. 	<ul style="list-style-type: none"> The current Exclusive Farm Use zoning on the park limits a fuller spectrum of park uses.
Physical Context Neighborhood: Farmland Site: Rural, with great views and nearby parking	<ul style="list-style-type: none"> Building maintains a direct connection to its historic context and a variety of narratives (nature, agriculture, Native American settlement). Easy proximity to large Portland and Vancouver metro area. 	<ul style="list-style-type: none"> Context obviously precludes uses that are more appropriate in an urban setting (i.e., a year-around restaurant or other retail establishment).
Building Configuration Size: First Floor—1,870sf Second Floor—1,377sf Layout: 2-story (partial basement), center hall layout	<ul style="list-style-type: none"> Useable layout with a number of good sized rooms. Building size and configuration is conducive to reuse as a B&B. 	<ul style="list-style-type: none"> Will likely need bathroom facilities constructed. Some configuration change would likely be required, and with a cost.
Physical Integrity & Condition Integrity Interior: Good Integrity Exterior: Good Condition Interior: Good Condition Exterior: Good	<ul style="list-style-type: none"> Building clearly communicates its history and authenticity, which will be a draw for guests. Building well maintained by Owner, and in good enough condition that renovations are feasible. 	<ul style="list-style-type: none"> Will need constantly dedicated funds allocated for maintenance. Respecting integrity/authenticity could constrain certain upgrades that are typical in overnight accommodations.
Rehabilitation Work Scope		Proposed use: hostel-type accommodations
Exterior <ul style="list-style-type: none"> Examine exterior wood for rot or damage. Patch or repair, and repaint Roof appears to be in good condition, with usable life. Provide an ADA pathway from parking to rear of building, provide ADA ramp and stair located at back. Enclose back porch for bathroom. Ensure good operation of windows. Examine condition of chimneys, repoint as needed. 	Interior <ul style="list-style-type: none"> Add a 3/4 bathroom at the first floor, and two at the second. Add plumbing for the kitchen, and provide counters, cabinets, and appliances for basic food service. Examine the electrical system. Provide ADA handrail at stairs. Provide 2nd floor ceiling insulation. Refinish the floors, repaint the interior. Update the smoke detection system. Provide furnishings for all rooms. Conduct seismic upgrades in basement. 	Economics <ul style="list-style-type: none"> Rehabilitation costs range from \$85,000-\$225,000. Metro funding assumed; possible Preserving Oregon Grant. B&B use is a good fit with building, market demands, and may provide modest income. Further analysis is needed to determine more specific financial outcomes.

Proposed Uses

Two uses are proposed for the Bybee-Howell House that best accommodate the building's layout and integrity while providing beneficial activities. Proposed Use 'A' is that of a hostel, open during the high travel season and portions of the two "shoulder" seasons. Proposed Use 'B' would have the house serve as a welcome center to Island visitors and also provide seasonal Metro staff housing. Floor plan drawings of these options are provided at right.

Both uses take full advantage of the house's large corner rooms. One of the rooms on the second floor would be divided up for needed bathrooms. Use 'A' would also enclose the back porch to add another bathroom for first floor guests.

Work Scope and Costs

The exterior rehabilitation work scope would involve conducting exterior repairs as required, installing a new ADA ramp, and enclosing the back porch. The interior work scope involves the installation of plumbing for a serving kitchen and bathrooms; refreshing of floor, wall and ceiling finishes; providing a smoke detection system; and insulating the attic. All necessary furnishings would be included.

Full project costs for this rehabilitation work scope would range from \$85,000 to \$225,000, depending on the level of finishes and furnishings, and the exact condition of the exterior elements.

Funding

Metro will be undertaking a master planning process that will identify funds for improving the property. It is therefore assumed that Metro would fund the rehabilitation from a budget allocation. As a public agency, Metro could apply for a Preserving Oregon Grant, which could provide up to \$20,000 for rehabilitation work.

Project Feasibility

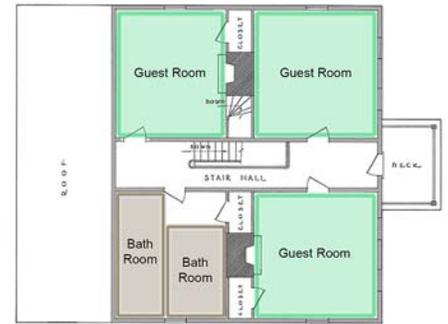
Considering the uniqueness of the setting and the easy proximity to the large urban centers of Portland and Vancouver, a good demand is anticipated for Proposed Use 'A', providing hostel accommodations. Hikers, birders, bicyclists, and agri-tourists are likely to be particularly interested in these accommodations, which would be a rarity on both Sauvie Island and the Portland Metro Area. Events such as weddings, farm-to-table dinners, and other seasonal draws would increase the visibility of the property, demand for accommodations, and ultimately the gross income. Rooms could be rented for \$115–140 per night, depending on the level of finishes and amenities. This would result in a modest income that would help cover operation and maintenance costs. Metro could conduct operations through its staff or lease out management to a private contractor.

Proposed Use 'B'—the visitor center and seasonal employee housing—would have much lower operational costs, yet would generate little to no income. Metro might select this option if it determines there is need for these types of facilities.

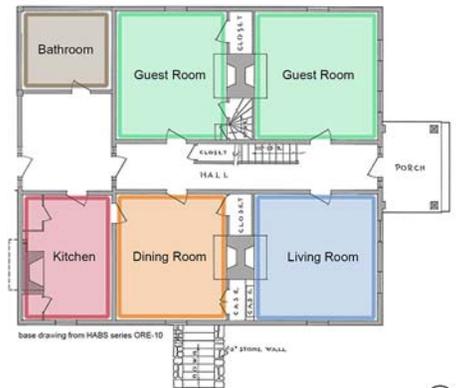
Conclusion

The Bybee-Howell House is a valued gateway property that could fill a critical need as either a welcome center or unique overnight accommodations allowing visitors to experience the historical, cultural, and natural significance of this special island location. It appears that the reuse of this property could generate modest income, fulfill other needs recognized by Metro, and result in the preservation and reuse of an important Pioneer building.

Proposed Use 'A': hostel



Second Floor Plan



First Floor Plan

Proposed Use 'B': welcome center



Second Floor Plan



First Floor Plan

Case Study: The Horace Dibble House

Property Overview

The Dibble House, built 1856-59, presents a rare example of an Oregon vernacular building inspired by New England saltbox structures. Horace and Julia Dibble emigrated from Iowa, and family members lived in the building for over fifty years. The building received formal documentation in the 1930s, and in 1974 was listed in the National Register. The house is now owned by the Molalla Area Historical Society (MAHS), which has operated it as a house museum since the early 1970s. The Society is challenged with maintaining the building in a time of limited funding and a lack of volunteers.

The setting has changed for the Dibble House, which is now surrounded by a residential neighborhood. The R2 zone allows single family and duplex uses, along with some public and institutional uses, and grandfathers in the Dibble House's current usage. MAHS has surrounded the Dibble House, considered their "crown jewel," with other buildings and artifacts that help tell the early story of the Molalla area. The interior has been decorated with a variety of period-appropriate furnishing.

The house is fairly simple in layout, with the largest rooms on the first floor at opposite corners (the living room and the kitchen), and smaller rooms at the remaining corners. A tight stairwell leads to the second floor, consisting of a larger bedroom located immediately above the living room, and a smaller bedroom, opposite. The building is in relatively good condition, though there are exterior elements that require focused examination.



1934 image of the Dibble House. Photo: HABS



Current image of the main facade



The living room, with full furnishings

Horace Dibble House Description Matrix		
	Opportunities	Constraints
Ownership The Molalla Area Historical Society (non-profit)	<ul style="list-style-type: none"> Historical society/house museum is aligned with the significance of the building, providing educational opportunities Recognized within community as an important place. Contributions are tax deductible. Eligible for grants related to restoration/programs. 	<ul style="list-style-type: none"> Property should be made ADA accessible at first floor. Limited visitor interest and demand. Schools have less funding for tours. Donor base is decreasing, and community support is lacking. Lack of a business plan. The Board of Directors has been relatively inactive.
Historic Status & Significance Status: National Register Listed Significance: Excellent and rare example of a New England saltbox style in an Oregon vernacular.	<ul style="list-style-type: none"> Grant opportunities available, though limited in scope in amount. Eligible for easement to protect property in perpetuity. 	<ul style="list-style-type: none"> With a nonprofit use, Special Assessment and HTCs are of no value.
Zoning Jurisdiction: City of Molalla Zoning: Two-Family Residential (R2)	<ul style="list-style-type: none"> R2 Uses allowed: single-family (detached and attached), duplex, group home, public building. 	<ul style="list-style-type: none"> No commercial use allowed in the R2 zone, limited some more viable uses.
Physical Context Neighborhood: residential, single family homes Site: large front yard, with various building at rear owned by MAHS.	<ul style="list-style-type: none"> Located in a quiet and pleasant neighborhood. 	<ul style="list-style-type: none"> Not an obvious location for a museum, with no nearby related uses, hurting visitor visibility and general visitation. Historic context has been lost to later development.
Building Configuration Size: First Floor-950sf Second Floor-524sf Layout: 1-1/2-story, principal rooms at corners	<ul style="list-style-type: none"> Very compact and efficient layout. 	<ul style="list-style-type: none"> Lacks an internal bathroom. The stair to the second floor is very tight, with non-compliant winders.
Physical Integrity & Condition Interior Integrity: Good Exterior Integrity: Good Condition Interior: Good Condition Exterior: Fair	<ul style="list-style-type: none"> Great representation of a Pioneer-era house. 	<ul style="list-style-type: none"> Any interior renovation work should respect room layouts. Overdue maintenance work is required, and some needs are pressing, such as the roof and the south wall.
Rehabilitation Work Scope		<u>Proposed use:</u> remains in use as a house museum
Exterior <ul style="list-style-type: none"> Worst case scenario: on all elevations remove all siding and the blown-in insulation. Repair insect and rot damage. Explore adding new sheathing, tar paper, and new lap siding to match. Examine foundation and flooring structure for condition, insect damage, and settling. Might need concrete footings under timber frame sills. Conduct a full re-roofing. Windows to be reglazed as required, and patching and painting. Doors to be examined for tightness of joints and fit in frame. 	Interior <ul style="list-style-type: none"> The board finish on the insides of the exterior walls could be removed, and the wall insulated with a vapor barrier. Add plumbing for the kitchen, and provide cabinets, counters and appliances. Examine the electrical system of the house. At the least, the system and individual plugs should be grounded. Provide ceiling insulation, if not existing. Refinish the floors, and repaint the interior. 	Economics <ul style="list-style-type: none"> Rehabilitation costs range from \$40,000 to \$100,000. Bank funding highly unlikely; Grants possible, but matching funds will be required. Selling ancillary properties and collections may be the most viable path to financing a rehabilitation project. Downsizing MAHS responsibilities will allow them to focus on their mission and have a more manageable portfolio.

Proposed Use

It is proposed that Molalla Area Historical Society continue operating the Dibble House as a house museum, though in a manner that would ensure its long-term health. This would require that the Society be restructured and rejuvenated with an active Board of Directors, and an appropriately-sized endowment. The Board would be charged with raising funds to cover annual operations and maintenance costs, including cyclical work such as re-roofing and repainting. Developing an endowment with the ability to generate interest for maintenance items without drawing down the principal would present the ideal fiscal situation. This endowment could be built through donations, specifically through planned estate giving potentially by some of the founding Board members that have supported the Historical Society in the past. The strategic divestment of assets, such as the Vonder Ahe House, coupled with fundraising would likely be necessary.

Work Scope and Costs

The roof is due to be replaced and there have been concerns with the south wall, which shows a bulge in the area of the second floor line. This could be representative of a widespread issue, as the building reportedly has no sheathing between the exterior siding and the framing. At some point insulation was installed at the exterior walls, and that insulation could be holding moisture against the wood structure, causing rot and encouraging insect damage. All exterior walls should be examined to determine their condition.

The minimum cost to rehabilitate the Dibble House will be in the neighborhood of \$40,000. This includes construction costs, consultant costs, and a modest allowance for furniture, fixtures, and equipment. This assumes a “best-case scenario” for some of the condition issues where their extents are currently unknown. A “worst-case scenario” could add upwards of \$60,000 in costs to fully stabilize and repair the building in a way that supports its long-term preservation.

Funding

MAHS has seen a decline in membership and volunteer involvement, putting pressure on those who remain active with the organization. Heavily reliant on membership fees, grants, and donations, the MAHS Board of Directors finds it challenging to maintain general operations and property maintenance. The City of Molalla provides very little support, and there is no expectation that this will change.

Funding the rehabilitation/restoration of the Dibble House will be challenging, as bank financing will be difficult (if not impossible) to secure, especially for a non-profit with a lack of income. One way to fund work on the house is to sell the other properties on the site and extraneous collections. This might net proceeds in the neighborhood of \$75,000, which would cover the cost of a modest rehab project and begin to fund a reserve for maintenance and future capital improvements. If awarded a Preserving Oregon Grant, this could also allow additional funds to be dedicated to an endowment.

Feasibility

In order to sustain the Dibble House as the headquarters for MAHS, a long-term predictable income stream is required to cover the costs of operating and maintaining the building. This requires careful planning to break the cycle of raising funds for emergency repairs but not sustaining funding to address problems holistically with proper maintenance over the years. It is estimated that a minimum of \$10,000 per year is needed to pay for utilities, insurance, upkeep of the grounds, maintenance, and to fund a reserve for future capital improvements (such as a new roof). This does not include funds to support a part-time staff person, grant writer, or to fund costs for events and programming in the building.

Conclusion

The “best-case scenario” for the Dibble House would include rehabilitation costs at the low end of the estimate, receiving grant funds, additional proceeds acquired from the sale of various properties and collections, and the procurement of donated materials and skilled labor. An endowment should be developed of an amount to sustain MAHS operations and the long-term maintenance of the building. With a rejuvenated board, improved programming, and a secure endowment, the MAHS can successfully continue their mission with the Dibble House as their home base.

Proposed Use: house museum



Second Floor Plan



First Floor Plan



Case Study: The Sam Brown House

Property Overview

The Sam Brown House, built 1856-58, characterizes the popular Classical Revival style, and was the home of an Oregon Senator and his family. Unique in that it is a very early architect-designed house, the property was listed in the National Register in 1974. The house is part of a 114-acre property that remains in its rural environs on its side of Highway 99E, though the view across the highway is of a suburban development. It was recently purchased by a nurseryman primarily to extend his company's planting area. The house is located on a separate two-acre tax lot, but is now empty with no immediate plans for reuse.

The property sits within an Exclusive Farm Use zone, which restricts transfer of the two-acre tax lot without Marion County involvement. This subdivision is critical to the viability of the structure, and approval to do so would require either an amendment to the Comprehensive Plan or negotiations to convince the County that subdividing is allowable under existing state land use laws.

The house is secure and weather-tight, but in need of rehabilitation to be made livable. At the first floor, the house contains large rooms at the corners, with a generous main hall opening onto the impressive portico. The second floor is accessed via a tight stair and into a large room the size of the main hall immediately below, and this room provides access to the deck portion of the portico.



1934 image of the Sam Brown House. Photo: HABS



Current image of the main facade



The central hallway

Sam Brown House Description Matrix		
	Opportunities	Constraints
Ownership Private Owner	<ul style="list-style-type: none"> Owner willing to donate house and immediate surroundings to a non-profit organization. Current owner can claim tax deduction if donated. 	<ul style="list-style-type: none"> Current owner has no intention to use or rehabilitate house. Owner would require any future user to accept farm practices on adjacent farm.
Historic Status & Significance Status: National Register Listed Significance: Outstanding example of pioneer architecture in the Classical Revival style. Significant for its association with pioneer and Oregon senator Sam Brown.	<ul style="list-style-type: none"> NR listing and significance add cache that could be used in marketing the property to a buyer who values the building's history. Eligible for easement, which could provide the owner a tax deduction. An income-producing property is eligible for tax incentives. 	<ul style="list-style-type: none"> The project would not be large enough to pass through the Historic Tax Credits. They would have to be utilized by the owner/investor. Some buyers may see its historical nature and any regulation (local, easement) as constraints that lower value, reducing marketability.
Zoning Jurisdiction: Marion County Zoning: Exclusive Farm Use (EFU)	<ul style="list-style-type: none"> Single family residential allowed in EFU. "Room and board arrangements for a maximum of five unrelated persons in existing residences" allowed. "A living history" museum allowed in EFU zone. Potential rezone if formally included into City of Gervais boundaries. 	<ul style="list-style-type: none"> Currently property sits on 100+ acres with owner who is focused on the agricultural use of the site, and not the historic property. House can't be subdivided from larger parcel without County involvement—either through Comprehensive Plan Amendment or proving it is allowed under state land use law.
Physical Context Neighborhood: Farm use and edge of suburbia Site: Rural, facing a state highway	<ul style="list-style-type: none"> Maintains original connection to farmland (at rear). Buyer/occupant may appreciate the original connection to farmland/rural life. 	<ul style="list-style-type: none"> Lack of decent view at front, relatively busy highway with associated noise. Location away from a town center and on busy highway could hurt value and reduce marketability.
Building Configuration Size: First Floor—1,370sf Second Floor—702sf Layout: 1-1/2-story, center hall layout	<ul style="list-style-type: none"> Large rooms surrounding main hall, with fireplaces. Unique, authentic configuration may attract a buyer interested in history. 	<ul style="list-style-type: none"> A fair amount of unassignable space (large halls), with oddly-configured rooms at second floor.
Physical Integrity & Condition Interior Integrity: Fair Exterior Integrity: Good Condition Interior: Fair Condition Exterior: Fair	<ul style="list-style-type: none"> Building clearly communicates its authenticity, which may be appealing to the buyer who appreciates history. Outbuildings as seen in HABS drawings could be replaced, adding space in a contextual manner. 	<ul style="list-style-type: none"> Building does not conform to typical market expectations, impacting value. Unoccupied state has caused degradation. Building requires investment to make it comfortably habitable as a residence.
Rehabilitation Work Scope	Scope of work: renovate for residential use, provide addition	
Exterior	Interior	Economics
<ul style="list-style-type: none"> Examine original exterior wood for rot. Patch, repair, and repaint. Remove non-historic siding at rear and re clad to match original. Remove cladding of front porch piers, examine structure underneath. Will likely need to strengthen this system. Explore foundation condition, and repair as needed. Repair all exterior doors, provide new hardware. Ensure good operation of windows. Improve pathway to building. 	<ul style="list-style-type: none"> Patch and repaint interior wall finishes. Add a full bathroom on the main floor. Add a new kitchen, and provide cabinets, counters, and appliances. Examine the electrical system of the house and amend as needed. Examine the furnace and ducts for condition and effectiveness. Refinish the floors. 	<ul style="list-style-type: none"> Rehabilitation costs range from \$115,000 to \$225,000. HUD 203(k) loan should be considered. If current owner donates to preservation group, the property can be sold at below FMV to help make rehab financially feasible. Easement should be in place to protect property in perpetuity. Preliminary research indicates property may be worth \$275,000 when fully rehabilitated to a high standard, with additional living space.

Proposed Use

The main use proposed for the Sam Brown House is that of a private residence, parceled off from the larger acreage. The current owner is not interested in conducting the rehabilitation process necessary to bring the property up to market standards, therefore it is recommended that the house be donated to a nonprofit organization to facilitate this effort.

This house has some larger rooms, though none act properly as bedrooms. To retain the original room configuration while adding at least two bedrooms, a small addition is proposed at the rear. This addition should provide minimal disruption of historic fabric, and be designed for aesthetic compatibility with the historic house.

Work Scope and Costs

The exterior of the house requires repair in locations and repainting. The non historic siding at the rear is to be removed and re-clad to match the original siding.

In the interior, the plumbing system will need to be relocated and updated to service a kitchen and bathroom at the back half of the main house. The electrical and mechanical systems will need examination and likely updating.

The cost range to rehabilitate the house with worst-case condition issues, higher-quality modernizations, and a two bedroom addition is between \$115,000- \$225,000. This does not include acquisition costs, as it is assumed the house and two acres around it will be donated to a nonprofit before being transferred to a preservation-oriented private buyer.

Funding

Funding the acquisition and rehabilitation of the Sam Brown House would need to be conducted with cash, interim bank financing, and/or a HUD 203(k) loan. A Preserving Oregon Grant is a possible additional funding source for this project. If the house was rehabilitated as a rental property, the owner would be eligible to apply for the 20% historic tax credit; however, this is not an upfront funding source.

Feasibility

It is recommended that the property be donated to a nonprofit preservation intermediary who will ensure its protection through an easement and then select a preservation-minded buyer. The new owner would use their own cash or secure financing to acquire the property, and likely use it as their personal residence or a rental property.

The current as-is value of the Sam Brown House and surrounding two-acre parcel is roughly estimated at between \$125,000-\$150,000. This is based on for-sale comparables obtained at the time this report was prepared.

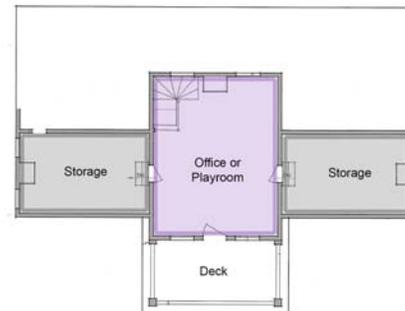
Given what is known about the property, the assumed rough-order-of-magnitude costs, and comparable properties in the area, the Sam Brown House may be worth approximately \$275,000 when fully rehabilitated with a rear addition. The vast majority of potential buyers, including those who love history and historic houses, will be looking at this property as an investment that has to make some reasonable economic sense.

A nonprofit intermediary receiving the property as a donation is critical towards making the entire rehabilitation endeavor feasible. It would allow the subsequent sale to an approved buyer at a below-market price, helping to offset the high cost of rehabilitation. The property donation would avoid a scenario where acquisition and rehab costs could total more than the building value at completion.

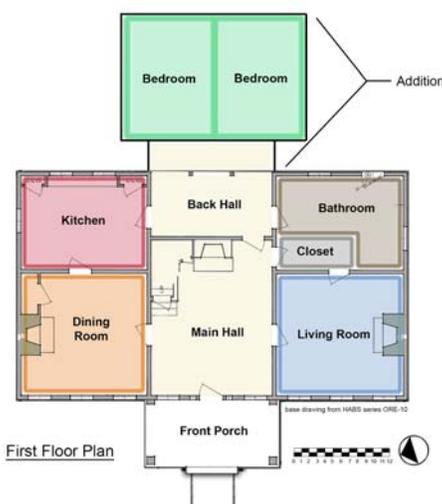
Conclusion

While there are many hurdles for the Sam Brown House to overcome, there appears to be a viable way to save this property and ensure its long-term preservation, especially if it is donated to a preservation intermediary. With a conservation easement in place, preliminary assessments indicates the Sam Brown House can be a viable residence with a competitive economic value.

Proposed Use: private residence



Second Floor Plan



First Floor Plan

Case Study: The Charles Gaylord House

Property Overview

The Charles Gaylord House, built about 1857, is one of Corvallis' few remaining settlement-era properties. The building was relocated to Washington Park in the early 1990s, nine blocks from its original location. The exterior of the building was restored after the move, and in 1991 was listed in the National Register. The house is owned by Corvallis Parks and Recreation, and has been unoccupied since its move. The City has a vested interest in retaining the structure and finding a viable use for it.

The house sits in a residential and public institutional zone, allowing for a range of residential uses. Being situated in a public park will bring about privacy challenges if the building is used as a private residence.

The two-story main building is intersected at the rear by a single-story wing with a covered porch. The building was constructed as a "plank house," a technique that uses wood planks as the principal wall structure which also doubles as the interior finish surface. The challenge of this construction method is that the exterior wall provides no cavity for insulation or the routing of utilities.

The interior of the Gaylord House is in poor condition, though some original elements are extant. As part of a rehabilitation project, all utilities will need to be routed to the house, and full mechanical, electrical, and plumbing services provided.



The Gaylord House moving to its current home



Current image of the main facade



The second floor, at the front gable end

Charles Gaylord House Description Matrix		
	Opportunities	Constraints
Ownership Corvallis Parks and Recreation (public agency)	<ul style="list-style-type: none"> City has interest in retaining structure, and finding an appropriate use. Dedicated citizens are concerned about the building's welfare. The relocated setting in a public park seems to provide a safe location. 	<ul style="list-style-type: none"> City doesn't have a planned use for the building, causing the building to remain empty for many years. Building could be at the mercy of funding cycles and budget shortfalls.
Historic Status & Significance Status: National Register Listed Significance: An excellent example of the Gothic Vernacular style popular at the time of construction.	<ul style="list-style-type: none"> Eligible for easement, though this would have no financial benefit to the City. 	<ul style="list-style-type: none"> Not eligible for historic tax credits.
Zoning Jurisdiction: City of Corvallis Zoning: RS-9 / Public Institutional	<ul style="list-style-type: none"> Medium density residential zone allows for numerous residential uses, including a variety of dwelling types. Air BNB currently operating in vicinity. 	<ul style="list-style-type: none"> Other than rental residential, income producing uses are limited, including commercial office use.
Physical Context Neighborhood: neighborhood within the urban core Site: building relocated to a city park	<ul style="list-style-type: none"> Pleasant park setting to visit and live, which will positively impact the ability to lease the property. 	<ul style="list-style-type: none"> Might be challenging to live in a public park, and a fence will likely be needed to protect privacy.
Building Configuration Size: First Floor-823sf Second Floor-425sf Layout: 1-1/2-story with single story appendage	<ul style="list-style-type: none"> Decent sized rooms with space for a variety of uses. Size appeals to people who are in the apartment market/price point. 	<ul style="list-style-type: none"> May be too small for the segment the market that is looking for an average house in-town.
Physical Integrity & Condition Interior Integrity: Fair to Poor Exterior Integrity: Good (received restoration work) Interior Condition: Deteriorated Exterior Condition: Good	<ul style="list-style-type: none"> Exterior has been restored in a historically sensitive manner. Charm and authenticity of building may be appealing to certain type of renter. Most of investment will be focused on the interior, as the exterior is fairly complete. 	<ul style="list-style-type: none"> Should retain unique and original aspects (including the unique wall construction), while updating. Large amount of work required for interior, including routing new utilities. Updating stairs will be critical to making the upper floor usable and not a legal liability (trip hazard).
Rehabilitation Work Scope		Scope of work: guest house rental
Exterior <ul style="list-style-type: none"> Examine exterior wood for rot or damage. Patch or repair, and repaint. Remove duff and vegetation from roof. Check condition to see if it is still useable. Repair all exterior doors, provide new hardware. Provide a pathway to front, porch and rear of building. Create a perimeter fence, with plantings. Ensure good operation of windows. Bring onto site all utilities, including power, water, sewer, natural gas, phone and cable. 	Interior <ul style="list-style-type: none"> Remove/encapsulate any lead paint. Build stud wall inside exterior walls for insulation and utilities. Rebuild stairs to address code deficiencies. Add plumbing for the kitchen, and provide counters, cabinets, and appliances. Provide a complete heating system. Add bathrooms Add washer and dryer, with hookups. Provide 2nd floor ceiling insulation. Provide new finished floors. Provide a smoke detection system. Provide furnishings for the living room, dining room, and bedroom. 	Economics <ul style="list-style-type: none"> Rehabilitation costs range from \$100,000 to \$190,000. Cost per/sf is high because building needs all modern amenities done in a historically-sensitive manner. Assumed to be publically-funded; possible Preserving Oregon Grant Rental cottage an excellent use for the property in a college town. Rental income range - \$900-\$1200 per month; possibly higher with expertly managed AirBnB use. Presently not assumed to bring in much more revenue than needed to operate the building; however, deeper financial analysis and market study is warranted.

Proposed Use

The use proposed for the Gaylord House is that of a residence, specifically as a longer-term guest house. There would be good demand for this type of accommodation within a university town, and could be leased by academics visiting for the school year. The City will have to decide if it will act as the property manager or turn over operations to a concessionaire or residential property management firm.

Work Scope and Costs

Rehabilitation of the building into a guest house will require a fair amount of effort, as all utilities will have to be routed to the property. Exterior work will need to be redone, since this building's outer rehabilitation work was conducted over twenty years ago. This work would include repainting the building and likely re-roofing. The interior work scope will be substantial, involving construction of a new kitchen and an upper and lower bathroom. It is proposed to reconfigure the stair to be compliant to current code and allow for safer movement. It is also proposed to add a secondary interior wall within the exterior plank walls for location of the required electrical outlets and to provide thermal insulation. There could be a portion of the plank wall left exposed for interpretive purposes.

While the house is small, it requires significant work to make it habitable. The cost to rehabilitate the house as a rental will range between \$100,000-\$190,000. This includes soft costs and a modest furniture, fixtures, and equipment budget. This rehabilitation cost range reflects a quality of work, craftsmanship, and finishes that are appropriate to the historic character of the house.

Funding

It is assumed that the Gaylord House would remain in the ownership of the City of Corvallis and therefore the City would fund the rehabilitation. While there may be political challenges to find the necessary budget to fund this project, this is likely to be a more feasible path than obtaining bank financing if, for instance, the property were to be sold into private ownership.

A Preserving Oregon Grant (up to \$20,000) is a possible funding source for this project given that it is in public ownership. However, as a public entity, there would be no benefit realized from historic tax credits or Special Assessment.

Feasibility

Gross monthly rental income is projected to be \$900-\$1200, depending on the level of interior finishes. This could be a traditional rental with a six-month or one-year lease, or it could be shorter-term catering to visiting faculty at the University. Gross rents could potentially exceed those quoted above if the house was rented nightly through Airbnb. However, higher tenant turnover increases operating expenses and can potentially be harder on the building.

The rental of Gaylord House is unlikely to be a significant moneymaker for the City of Corvallis. The return on investment is likely to be quite low, particularly in the early years of its operation. However, if properly managed, the property should generate modest cash flow. Most importantly, the resource will be stabilized and put back into use. The financial outlook for this property may further improve with additional market research into the demand for short-term housing under the Airbnb model.

Overall, the biggest barrier to a feasible project for the Gaylord House is generating the initial political will to create a reuse plan and allocate funds to support the rehabilitation.

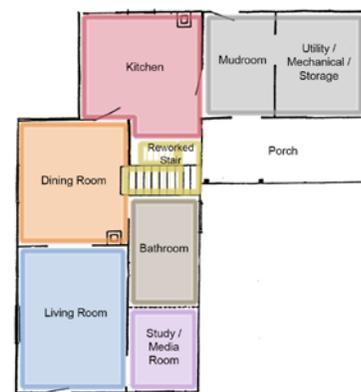
Conclusion

Twenty years ago, significant community effort and resources went into the saving and preservation of the Gaylord House. It seems obvious that the best way to sustain the building's preservation is to put it back into use. While this will require a sizable upfront investment, the rehabilitated property should generate revenue to pay for its annual operations, and eventually allow the City to recoup its initial investment over the long term.

Proposed Use: guest house



Second Floor Plan



base drawing from Tiedale, 1983

First Floor Plan



Case Study Conclusions

Different ownership models each contain unique benefits and challenges. Public owners such as Metro and the City of Corvallis tend to have enough funding capacity to support rehabilitation projects and to provide required long-term maintenance. However, these entities appear to be stymied in finding appropriate and acceptable uses for those buildings. Something as simple as a residential use could require a level of management that a larger governmental body is not organized to provide. The possible solution could be to subcontract the operations to a concessionaire, much like the State of Oregon and the National Parks Service do with their vacation-type properties.



Oregon City's 1845 Ermatinger House.
Photo: Dan Haneckow

Properties in private ownership can have the flexibility and creativity to interact with market forces and find viable uses. The challenge is finding the resources to fund major rehabilitation. Lending institutions do not typically provide loans for this kind of work, and there are not enough grants or low-interest loans available to address this need. Also, with smaller properties, the federal historic tax credits are challenging to fully access.

Nonprofit owners have the ability to receive donations and grants, which is helpful for rehabilitation. The downside to this ownership model tends to be their inability to devote sufficient staff and financial resources to operate the completed project and maintain it for the long term. Board members and staff change over time, as do skills and priorities. Historic properties need consistent attention and upkeep, and inconsistencies with the managing entities can be detrimental.

Zoning Issues

The Exclusive Farm Use zoning should be amended in all Willamette Valley counties to allow National Register-listed Pioneer-era properties to be parceled off if required for economic viability. If they cannot be separated from the farm then they remain the burden of the farm owner, who might value the land well ahead of the historic building. While Exclusive Farm Use serves an important function, the age and rarity of these houses make them worthy of special zoning accommodations to better put them at a competitive advantage.

Building Uses

The four properties studied would accept the proposed new uses rather well, and without detrimental effect to their historic fabric. Retaining some type of residential use tends to allow for the least amount of building alteration, which is advantageous for both the retention of historic integrity and management of construction cost. Other uses, such as retail or office, could be accommodated if the market so dictates, though the level of intervention would be much greater.

Rehabilitation Considerations

Certain building construction issues will be common to many Pioneer-era properties, such as the condition of the exterior walls and their ability to create an effective weather barrier. The early buildings were uninsulated, and what they lacked in thermal comfort they made up for in the ability to dry out the wall cavity. If insulation is provided, it needs to be kept dry so not to hold damaging moisture against the wood framing. This would require a water resistive barrier behind the exterior cladding, such as tar paper. It would also entail the use of a vapor retarder on the inside, to keep indoor moisture from migrating into the wall. The addition of these elements would necessitate the removal of the exterior cladding and the interior finishes, both of which should be carefully considered to protect historic materials.

Feasibility

While each Pioneer-era property presents unique challenges to reuse, with creative problem-solving they all have viable paths forward. The overarching necessity is to find a use that fits the particular opportunities and constraints of each property and allows for a maximum retention of historic fabric. None of the Pioneer properties are slated to be cash cows or highly lucrative investment options. That said, this report demonstrates that a market-based approach can work in tandem with preservation stewardship to provide a viable long-term future for Oregon's Pioneer properties.

Decision Matrix

This report used a decision matrix to help understand all pertinent aspects of the properties under study. That matrix is provided below to assist owners of historic properties—Pioneer-era or otherwise—in developing a sustainable preservation plan for their own buildings.

1. Ownership Classification

- A. Public Agency
- B. Non-profit Organization
- C. Private Owner (individual or company)

2. Funding Availability

- A. Public Agency: Grants, bonds, budget line item
- B. Nonprofit Organization: Grants, donations
- C. Private Owner: Individual funds, bank loan, possibly Historic Tax Credits

3. Directives for Utilization

- A. Public Agency: Public access required for use? Any requirement for profit generation? How will usage be managed (concessionaire)? What is the expectation of comfort in the building? How often will the building be opened and used?
- B. Non-profit Organization: Any requirement for income generation? How will the usage be managed? What is the expectation of comfort in the building? How often will the building be opened and used?
- C. Private Owner: Will the owner occupy the building or will it be a rental? What is the expectation of comfort in the building? How often will the building be opened and used?

4. Building Integrity and Condition

- A. Conduct a level of investigation such as a Historic Structures Report to determine which elements of

the building are original, or non-original but historic in their own right.

- B. Determine the condition of the building and its individual elements.

5. Land Use and Zoning Restrictions

- A. Investigate all applicable land use and zoning ordinances. If the property is in an Exclusive Farm Use zone, there are restrictions on its usage.
- B. If the property is in a residential zone, there are likely restrictions for commercial usage.
- C. Are conditional uses allowed?

6. Rehabilitation Work

- A. This phase integrates the previous categories, specifically 2, 3, and 4. The integrity and condition of the building determines the work to be done. Building utilization dictates the level of intervention to be conducted. Funding availability provides the parameter for the overall scope of work.
- B. Costs for this phase of work tend to be substantial and finding funding can be a challenge. This is where other entities or organizations that promote preservation could help fill funding gaps.
- C. Architect, Engineer, and Contractor selection must be done with care and their work should address the Secretary of the Interiors Standards for Rehabilitation.

7. Long-Term Viability Plan

- A. Develop a Capital Needs Assessment (CNA) that estimates long-term maintenance costs and upkeep required.
- B. Income generated by the property should sustain maintenance activities for the life of the building.

Acknowledgments

This report was authored by Paul Falsetto and Jessica Engeman, with content development and editing provided by Brandon Spencer-Hartle. Paul is the principal of the Portland-based firm, Paul M. Falsetto, Architect; Jessica is a Historic Rehabilitation Specialist at Venerable Properties; and, Brandon is the Senior Field Programs Manager at Restore Oregon. All three have master's degrees in historic preservation from the University of Oregon and have worked on a myriad of research, development, education, and advocacy efforts across Oregon on behalf of the state's historic places.

Special thanks are owed to all who helped with this project, including representatives from the four case study properties. Critical research assistance was provided by historic preservation and architectural history professionals, to whom we also owe our thanks. Finally, our gratitude is owed to Liz Carter for her extensive scholarship on the topic of Pioneer-era houses and farmsteads of the Willamette Valley.

Our deepest thanks, however, are owed to the past, present, and future stewards of Oregon's historic properties. If not for their passion, creativity, and investment, our state would have far fewer tangible reminders of the past.

Rear cover: 1934 HABS photograph of Conser House, Jefferson



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This project was made possible through generous funding provided by the **Kinsman Foundation** and a grant from **Oregon Heritage**, Oregon Parks and Recreation Department.

The findings included in the report are solely those of the authors.
