

APPLICATION FOR:
Howard Hall Demolition



Submitted by:
Cynthia Wagner, Director of Facilities
Salem Hospital
890 Oak Street, S.E.
Salem, OR 97301

TAB 1

Transmittal Letter



Salem Hospital
A part of Salem Health

Salem Hospital
P.O. Box 14001
Salem, Oregon 97309-5014
503-561-5200
salemhospital.org

April 4, 2014

Kimberli Fitzgerald, Senior Historic Preservation Planner
Planning Division, Room 305
555 Liberty Street, SE
Salem, OR 97301

Re: Howard Hall: Historic Landmark Commission Review, Major Case

Dear Ms. Fitzgerald,

On behalf of Salem Hospital I am pleased to present this application for Historic Review for the purpose of demolishing Howard Hall. The letter authorizing submittal of this application is under Tab 3.

Our team has worked diligently to develop a plan that both respects and commemorates the history of the Oregon School for the Blind (OSB) and Howard Hall and that provides a garden space which enhances our ability to serve patients working on essential skills yet can be enjoyed by all. We have spent many productive hours reaching out and listening to neighborhood residents, to former students of OSB, and to the blind community. Consequently, we believe that our proposal will create an asset that will serve Salem very well for many years.

We believe that our application fully satisfies the approval criteria in SRC 230. We have demonstrated that no prudent and feasible alternative exists to rehabilitate and reuse Howard Hall in its present location; that we have made a good faith effort to sell or relocate the building; that Howard Hall is not capable of generating a reasonable economic return; and that the value of the proposed Commemorative Garden to the community outweighs the value of retaining the building on the present site.

We look forward to working with you and the members of the Historic Landmark Commission. Please do not hesitate to contact me if you have any questions regarding this application.

Respectfully

Cynthia Wagner, Director of Facilities
Salem Hospital

TAB 2

Application Forms and Checklists

HISTORIC REVIEW PROCESS APPLICATION FORM – PUBLIC MAJOR

1. GENERAL DATA REQUIRED (to be completed by the applicant)

650-700 Church Street, S.E.
 (Address of SUBJECT PROPERTY)
Salem Hospital, A.H.N. Cynthia Wagner
 (Name of Applicant)
890 Oak St, SE, Salem 97201 503.561.2601
 (Applicant's Mailing Address with ZIP Code) (Day-time Phone / Cell Phone)
CYNTHIA.WAGNER@salemhealth.com
 (Applicant's E-mail Address) (Fax Number)
VACANT CSE PE
 (Existing Use of Subject Property) (Comp Plan Designation) (Zoning)

➤ **Has contact been made with the Neighborhood Association?** Yes No

➤ **Owner's Representative** or Design Professional to be contacted regarding matters on this application, if other than applicant:

ALDEN KASIEWICZ SCOTT EDWARDS ARCHITECTURE, LLP
 (Name) (Mailing Address with ZIP Code)
ALDEN@SEALLP.COM 2525 E. BURNSIDE, PORTLAND, OR 97214
 (E-Mail Address) (Phone / Cell / Fax)
503.226.3617 / 503.226.3715

2. SIGNATURES OF ALL PROPERTY OWNERS and/or contract purchasers are required:

SEE ATTACHED AUTHORIZATION
 (Mailing Address with ZIP Code)
TAB 3
 (Mailing Address with ZIP Code)

3. SUBMITTAL FEES

Application Fee..... \$ 554.00
 Processing Fee.....\$ 12.50
 Automation Fee..... \$ 5.00
 Notification Fee..... \$ 17.00
Total..... \$ 588.50

WORK PROPOSED

Commercial District _____
 Individual Resource _____
 Public District ✓
 Residential District _____

Note: There is an additional Archiving Fee of \$.50 per page, charged at time of submission. This fee is waived if electronic versions of all materials are also submitted.

FOR STAFF USE ONLY		
RECEIVED BY _____	DATE _____	RECEIPT NO. _____
N.A. _____	WARD NO. _____	ZONE MAP NO. _____
Adjacent N.A. _____	PRE-APPLICATION FILE NO. _____	
CASE NO. _____		

Historic Alteration Review - Public Resource Worksheet

Site Address: 650-700 Church St. SE Resource Status: Contributing
 Non- Contributing

Type of Work: Activity Proposed

Major Minor DEMOLITION **New Construction:**

Replacement, Alteration, Restoration or Addition of:

Architectural Feature:

- Awning
- Door
- Exterior Trim, Lintel
- Other architectural feature
- Roof/Cornice
- Masonry/Siding
- Storefront
- Window(s) Number of windows: _____

Landscape Feature:

- Fence
- Streetscape
- Other Site feature (describe) _____

New:

- Addition
- New Accessory Structure
- Sign
- Mural
- Accessibility Ramp
- Energy Improvements
- Mechanical Equipment

Will the proposed alteration be visible from any public right-of-way? YES NO

Project's Existing Material: BRICK Project's New Material: COMMEMORATIVE GARDEN

Project Description

Briefly provide an overview of the type of work proposed. Describe how it meets the applicable design criteria in SRC Chapter 230. Please attach any additional information (i.e., product specification sheets) that will help staff and the HLC clearly understand the proposed work:

THE APPLICANT PROPOSES TO DEMOLISH HOWARD HALL AND REPLACE IT WITH A COMMEMORATIVE GARDEN WHICH WILL HONOR THE HISTORY OF THE OREGON SCHOOL FOR THE BLIND & PROVIDE A PLACE FOR CHILDREN'S REHAB THERAPY. THE VALUE OF BUILDING THE NEW OUTWEIGHS THE VALUE OF RETAINING THE VACANT BUILDING. SEE ATTACHED APPLICATION MATERIALS.

Checklist for Alteration Review of Historic Resources

Major Case Review

The Salem Historic Landmarks Commission meets on the *third Thursday* in Council Chambers, Room 240, City Hall. The applicant must submit the following information no later than 30 days prior to the Commission meeting.

- COMPLETED APPLICATION FORM WITH SIGNATURES OF ALL OWNERS
- RECORDED DEED/LAND AND SALES CONTRACT WITH LEGAL DESCRIPTION
A copy of the recorded deed/land sales contract of the total contiguous ownership of the applicant must accompany an application. If the land use request is only for a portion of the total ownership, include a second recorded deed/sales contract with the legal description for that portion which is to be reviewed with the application.
- ASSESSOR'S MAP - EXHIBIT D
Attach an official copy of the County Tax Assessor's Map showing the subject site described by the legal description as well as the adjacent properties. (Note: The Notification Area will include the property abutting all boundaries of the subject property, including those properties that would be abutting if there were no intervening streets.)
- PROJECT PLAN SUBMITTAL (Format should be no larger than 11x17 inches, unless noted otherwise)
 - a. Elevation and plan drawings of the existing exterior (All sides affected by alteration)
 - b. Elevation and plan drawings of the proposed exterior (All sides affected by alteration)
 - c. Description/Plans noting the materials to be used (windows, siding, roofing, etc.)
 - d. Photographs (historic, if available) of the existing structure, sufficient to show affected areas (No larger than 8x10, multiple photos per page encouraged)
 - e. Site plan indicating contributing features, such as landscaping, when applicable
- SUBMISSION MATERIALS should be in the following formats:
 - a. One (1) set of original drawings, description, and photographs
 - b. Twelve (12) review sets of the drawings (no larger than 11x7 inches), description, and photographs (copies from original prints)
 - c. Electronic versions of Submitted Materials, whenever possible. Archiving fees of \$.50 per page will be charged if electronic versions are not provided.
- COMPLETED PROJECT WORKSHEET
- APPLICATION FEES
- SUBMIT APPLICATION TO: Kimberli Fitzgerald, Senior Historic Planner
Planning Division, Room 305
555 Liberty Street SE, Salem OR 97301
kfitzgerald@cityofsalem.net
(503)588.6173 ext 7597

TAB 3

Authorization Letter

KEITH J. BAUER, PC
BILLY M. SIME
ROBERT L. WINKLER
MICHAEL D. FERNETY
JONATHAN H. BAUER
MICHAEL J. WALKER
JEREMY C. RICE

PARKS, BAUER, SIME, WINKLER & FERNETY LLP
ATTORNEYS AT LAW
570 LIBERTY STREET SE, SUITE 200
SALEM, OREGON 97301-3492

(503) 371-3502
FAX (503) 371-0429

January 27, 2014

Delivered via Email and Regular Mail

Kimberli Fitzgerald
Senior Historic Planner
City of Salem
555 Liberty St SE
Salem OR 97301-3513

RE: Howard Hall Demolition
700 Church St SE, Salem Oregon
Our File No. 14325

Dear Ms. Fitzgerald:

I am the attorney for Salem Health, Salem Hospital and its Board of Trustees. Norman F. Gruber is the Chief Executive Officer and President of Salem Hospital and has the authority to sign on behalf of Salem Hospital relating to the above-entitled matter.

Very truly yours,

PARKS, BAUER, SIME,
WINKLER & FERNETY, LLP

By:



Keith J. Bauer

KJB:lw

cc: Norman F. Gruber, CEO/President
Salem Health

TAB 4

Howard Hall Demolition Narrative

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I. APPLICATION NARRATIVE

Salem Hospital, owner, seeks demolition approval of Howard Hall, consistent with Salem Revised Code (SRC) 230.090.

A. Land Use Application Status

In early 2011, Salem Hospital filed an application to demolish Howard Hall including a request for Stage 1 and Stage 2 review. Stage 1 includes an inquiry of whether the building could be relocated to another site. The Salem Community Development Department required the applicant to proceed with Stage 2 demolition review before the Salem Historic Landmarks Commission (HLC). (See Appendix A.) The HLC conducted a public hearing on the proposed Stage 2 permit (File HIS 11-03) on February 17, 2011. The City staff recommended approval of the request but the HLC, after deliberations, voted to deny the application. Thereafter, Salem Hospital withdrew its application for Stage 2 demolition review.

Hearing neighbor and HLC concerns, the Salem Hospital went back and doubled its efforts. First, it attempted to remarket the property issuing a request for proposals that extended through the summer of 2013. Then it retained a landscape architect to design a Commemorative Garden and playground that would not only memorialize the School for the Blind and those children, now adults, who attended, but it will cater to disabled children into the future. With these additional efforts in hand, the Salem Hospital returns now seeking a Historic Resource Demolition Stage 2 approval. The Stage 1 demolition permit decision remains in effect.

B. Local Historic Resource Designation

On April 10, 1990 the Salem City Council, consistent with its statutory responsibilities under Statewide Land Use Goal 5, designated Howard Hall as a City of Salem Local Historic Resource, over the objection of the building owner at the time, the Oregon Department of Education.^{1 2} (Appendix B.)

Designation of Howard Hall was accomplished upon a finding that the building was significant under one or more of the following criteria:

¹ City of Salem Ordinance No. 38-90.

² See, Letter from Ralph Burnley, Director Business Services, Oregon Department of Education to Salem Historic Preservation Office, August 1989, "The Department of Education request a deferral on the designation of Howard Hall... as an historic building." See also, Letter from Ralph Burnley, Director Business Services, Oregon Department of Education to Salem Community Development Department, January 29, 1009, "We would prefer it [Howard Hall] not be included on the register of historic buildings."

1. Significance of the resource as an example of a particular architectural style, building type, or method of construction.
2. Historic association with the life or activities of a person, group, organization or institution that has made a significant contribution to the local community.
3. The quality, quantity and location of the building and building type relative to other designated historic structures.
4. The social and economic consequences associated with the building designation and the preservation of the historic use. (SRC 56.410, 1990 version.)

Howard Hall was one building among 14 unrelated structures designated for the Salem local inventory in 1990. As such, the record documenting reasons for inclusion is not lengthy. It appears that the decision relied entirely on a Salem Historic Landmarks Commission Primary Resource Review (Fall 1989) inventory form. (Appendix B.) The Resource Review Form mirrors the four approval criteria for local resource designation quoted above including: Architecture, Historic Association, Quality/Quantity, and Social/Economic Considerations. According to the Resource Review Form Howard Hall exhibited some unique architectural elements, was associated with the School for the Blind, was the oldest structure on the site but had a newer wing; and continues to serve as a school for the blind.³ The Resource Review Form found that the newer addition was not compatible with the original structure but did not detract from the historic value of the building. Based on these identified elements, the Resource Review Form findings conclude that *“Howard Hall is significant for its association with the School for the Blind.”*

Prior to the public hearing on historic designation the property owner, the Oregon Department of Education, objected to the designation. (Appendix C.) The HLC provided the City Council with a written response to the public comments received during their hearing. The Commission commented on the owner’s concern relating to the added expense designation might for repair of the roof, but went on to state that the *“School for the Blind is a unique institution in Oregon and has a long history in Salem.”*

On April 10, 1990, the Salem City Council approved designation of Howard Hall as a Salem Local Historic Resource because of its association with the School for the Blind and the important role the institution played within the City. No other buildings associated with the Oregon School for the Blind

³ Howard Hall is not the oldest building on the OSB campus; the Boiler building pre-dates Howard Hall by 3 years.

(OSB) were or are listed as Salem Local Historic Resources suggesting that Howard Hall was representative of an “institution that made a significant contribution to the local community,” (approval criterion subsection 2). There is no finding that the building had any particular significant architectural merit (approval criteria 1), there is no mention of a particular design style, architect, or that the building was of a quality, quantity and location relative to other designated structures (approval criteria 3). The City Council adopted the Findings of the HLC as contained in the Primary Resource Review forms. The basis for designating Howard Hall is its significance for *“its association with the School for the Blind”* and the newer addition does not detract from the historic ‘value’ of the building in that the enlarged building continued to serve blind children.

Howard Hall is a local historic resource because it is associated with an institution, the Oregon School for the Blind, which made a significant contribution to the local community (approval criteria #2). These findings suggest that in 1990, the City of Salem determined that the building was not architecturally significant. Rather, the designation was rooted in approval criteria nos.2 and 4 (historic association with an institution and the social and economic consequences associated the preservation of the historic use) because at the time of the designation, OSB still operated and because Howard Hall continued to be in use as a component of the OSB campus.

The OSB campus is not listed as a Salem Local Historic Resource. Howard Hall might be eligible for listing in the National Register of Historic Places as a contributing element of an historic district.⁴

Although the Oregon School for the Blind was a significant institution in the history of Salem and Oregon, it no longer exists. The campus at the corner of Mission and Church Streets no longer serves its historic purpose. Howard Hall no longer serves any use related to the OSB. Therefore, the only remaining basis for Local Historic Resources designation is its association with the historic OSB.

The heart of this request is whether the memory of the Oregon School for the Blind is better served by a single dormitory building that no longer serves the blind community or by the proposal advanced by Salem Hospital to remove the building and reactivate the corner through the development of a Commemorative Garden including a playground serving disabled children.

⁴ Oregon State Historic Preservation Office, Oregon Historic Data Base, http://heritagedata.prd.state.or.us/historic/index.cfm?do=v.dsp_main

C. Building History

The Oregon State School for the Blind (OSB) campus, south of downtown Salem, is 8.12 acres and is bounded by neighboring Pringle Creek, Salem Hospital, Bush's Pasture Park, and residential neighborhoods. The state sponsored school opened on February 26, 1873 serving six students. In 1883, the school moved to the Snowden Building on 12th Street. The school returned to the Church Street location in 1895.⁵ The OSB closed operations in 2009.

The OSB campus consisted of a conglomerate of eleven separate buildings constructed and altered over ninety years in response to the ever-evolving mission of the residential institution. The buildings include an administrative complex including infirmary and dining wings, two dormitories, a classroom building, a gymnasium with pool and bowling alley additions, a boiler building, two WWII Era houses, and a maintenance building.

Howard Hall was named after Jerome Howard who served as the headmaster from 1919 to 1931. The building, the first expansion of the OSB in twenty-two years, originally served as the boy's dormitory for the Oregon School for the Blind. The building appears to be intentionally designed with no special consideration for the sightless condition of the students. Students were provided with 'real life' experiences including stairs to navigate, standard bathrooms and facilities, and group sleeping quarters. The students learned communication skills, to be self-reliant in a sighted world so as to give life purpose, and received fundamental academic training.⁶

In 1934 the administration completed Irvine Hall and Howard Hall became the girl's dormitory when the boys moved to the new building. In 1958 the administration remodeled the interior of Howard Hall, adding classroom spaces in the basement and the west end addition to meet the growing demand for living and learning spaces. As public schools began to integrate blind students into mainstream school systems, enrollment at the OSB declined. Dormitory space was no longer in demand and the OSB Administration elected to use Howard Hall as a storage facility.

Howard Hall is a single story rectangular building with basement constructed in 1923 in the southwest corner of the OSB campus. The building was constructed with load bearing masonry walls and was capped with a clay-tile hip roof. Cast stone quoins embellish the corners. The building was originally

⁵ City of Salem, Exhibit C, Ordinance 38-90, page 66.

⁶ "General information, Oregon School for the Blind, Information for Parents and Friends of Blind and Partially Blind Children." (Salem, OR, State Printing Department, 1927).

symmetrical with identical wings flanking a central arched opening that faces north towards the center of the OSB campus and away from the street. The primary entry has a projecting gable roof, arched entry porch, and wooden door surrounded by side lights and fan. The wooden windows throughout the building are typically single or paired with a small upper hopper.



Howard Hall North Elevation

The south elevation, the back of Howard Hall, faces Mission Street. A central bay that originally served as a fountain backdrop projects from the center of the building. On either side of the projecting bay is a brick arcade with shed roof covering porches. These porches are the most iconic architectural elements visible from the public right-of-way. The west end of Howard Hall received a brick addition in 1958 that is not architecturally compatible with the original building.



Howard Hall South Elevation

Architectural styles represented on the OSB campus include Italian Renaissance, Georgian Revival, International, WWII Era Cottage and Minimal Traditional.⁷ Howard Hall, because it employs architectural stylistics from different revival palettes, has been described as being in the Mediterranean or Georgian style. The 2009 SHPO database describes the primary style as Renaissance Revival.

The Oregon architect John V. Bennes designed Howard Hall in 1923. Bennes, originally from Baker City, Oregon, designed several buildings that have become icons in their community, such as the Grand Geiser Hotel in Baker City, the Hollywood Theater in Portland, and the Liberty Theater in Astoria. Between 1907 and 1941, Bennes designed more than thirty five (35) new buildings for Oregon State University (OSU).⁸ Regardless of the accomplishments of Mr. Bennes elsewhere, in 1990, at the time Howard Hall was included in the local inventory, the City of Salem found nothing significant about the architectural style of Howard Hall and made no reference to Mr. Bennes' design.

⁷ [file:///C:/E2%20Land%20Use/ACTIVE%20E2%20CLIENTS/Howard%20Hall/Howard%20Hall/Howard%20Hall,%20Oregon%20State%20School%20for%20the%20Blind%20\(Salem,%20Oregon\)%3B%20Oregon%20State%20School%20for%20the%20Blind%20\(Salem,%20Oregon\).htm](file:///C:/E2%20Land%20Use/ACTIVE%20E2%20CLIENTS/Howard%20Hall/Howard%20Hall/Howard%20Hall,%20Oregon%20State%20School%20for%20the%20Blind%20(Salem,%20Oregon)%3B%20Oregon%20State%20School%20for%20the%20Blind%20(Salem,%20Oregon).htm)

⁸ "John Bennes and OSU's Architectural Legacy, 1907 – 1941" by Lawrence Landis, <https://ir.library.oregonstate.edu/xmlui/handle/1957/7760?show=full>



Bennes Design: OSU Women's Building circa 1927



Bennes Design: OSU Men's Dormitory circa 1934

II. LAND USE CRITERIA

Salem Hospital (the Applicant) proposes to demolish Howard Hall and replace it with a Commemorative Garden as part of its comprehensive plan for redevelopment of the 8.12 acre site. (See Appendix D, Commemorative Garden Site Plan.) Salem Revised Code (SRC), Chapter 230 regulates historic resources in the City of Salem. Alteration or demolition of a Local Historic Resource is subject to review by the HLC. The purpose of this section of the narrative is to respond to the submittal and approval criteria in SRC Chapter 230 relating to this request to demolish Howard Hall.

A. Relevant Land Use Facts

Location	700 Church Street, S.E.; Tax lots 300 and 500, Township 7 South, 3 West, Section 27 NW ¼, Marion County, Account Nos. R95148 and 95149
Area	8.12 acres (total site)
Zoning	Public and Private Education (PE)
Permitted uses	Health, education and social services; parking is permitted in support or ancillary to the primary use
Public Access	Winter Street, SE on the east
Utilities	Water, sewer, electrical, telephone, gas and fiber optic to the site (building currently served with water and sewer)
Howard Hall square footage (s.f.)	12,900 s.f. 4,800 s.f. original building 3,300 s.f. addition 4,800 s.f. basement (1,500 s.f. unfinished)

B. Review Process

Historic resource demolition permit approval is a two stage process, SRC 230.090(a).

Stage 1. The Building Official will review the proposal to determine whether the building can be reasonably moved. If the building or structure can be moved, “Stage 1” requires review to certify the relocation of the building or resource.

Stage 2. If the building or resource cannot be moved, or no suitable location can be found, the Historic Landmarks Commission, through a Type III quasi-judicial review, will determine whether the building or resource should be demolished.

Stage 1 Review

Historic Resource Demolition Permit Stage 1 (SRC 230.090(c)).

The applicant submitted a request for Stage 1 Historic Resource Demolition Permit. On February 9, 2011 the Salem Community Development Department, Building and Safety Administrator, determined that a Historic Resource Demolition Permit (Stage 1) could not be granted and directed the applicant to proceed with Stage 2 demolition review before the HLC. (Appendix A).

(1) An application for Historic Resource Demolition Permit Stage 1 shall include a report from a structural engineer as to the soundness of the structure and the feasibility of transporting the building or resource on public right-of-way.

Response

The 2011 application contained a report from BMGP Engineers, Inc. (BMGP) relating to the structural soundness of Howard Hall and the feasibility of relocating the building safely. See Appendix E.

(2) Criteria. Historic Resource Demolition Permit Stage 1 shall be granted if the applicant demonstrates that the structural integrity of the building or resource retains sufficient integrity that transporting the building or resource upon public right-of-way would not present a reasonable likelihood of collapse, or would not otherwise endanger public health, safety and welfare. Should the permit be granted, the applicant shall proceed with a Relocation Permit Application. Should the permit not be granted, the applicant shall proceed with Stage 2 demolition review before the Historic Landmarks Commission.

Response

The Applicant contracted with BMGP to evaluate the structural integrity of the building and the possibility of the building being moved. BMGP concluded that there are several integral components of the building that have severely damaged the structural integrity of the building and severely limit the potential of the building being safely relocated. The western porch on the south facade is detaching from the main building allowing water to penetrate the building and rot the wood framing; water damage has eroded the original mortar; and the brick arches along the porch areas are weathered resulting in advanced deterioration of the colonnade mortar joints. Consequently, BMGP concluded that the structural integrity of the building is such that the building cannot be safely relocated as one unit without reasonable likelihood of collapse.

Although the building cannot be moved as a single unit, it could conceivably be dismantled and moved as multiple segments. Dismembering the building into units that retain some semblance of historic authenticity (the main pile and brick colonnade) would result in pieces exceeding 200,000 pounds, which would broach “the practical limits of transport equipment”. More importantly, because of the significant loss of mortar integrity, BMGP determined that dismantling and relocation would result in irreversible loss of historic integrity. Although Howard Hall is not listed as a Salem Local Historic Resource because of its architectural interest, the brick colonnade and the north-facing façade are commonly thought of as the character defining features of the building. Relocation of the brick colonnade as a cohesive whole is not possible; therefore, the building would suffer irrevocable loss of integrity if the brick colonnades are lost.

(3) Relocation Permit Application. If the building or resource can be moved, the applicant shall make a reasonable attempt to relocate the building or resource. The applicant shall notify the Director of the new location of the building. If the original requirements relating to integrity under SRC 230.030 are met, the building or resource shall retain its designation on the new site. If the original requirements relating to integrity are not met, the building or resource shall have its designation removed pursuant to SRC 230.010. Should the applicant be unable to find a suitable site for relocation, the applicant may proceed to Stage 2 Historic Resource Demolition Review.

Response

BMGP has concluded that the building cannot be safely relocated without jeopardizing the physical integrity of the structure. The applicant asks that the review body remove the historic designation consistent SRC 230.010. The Applicant requests Stage Two review.

(4) Appeals of Building Official’s Decision. Appeals of the Building Official’s decision shall be made according to the procedures for contested case proceedings under SRC Chapter 20J.

Response

During the City’s previous review of this matter, the Building Official determined that Howard Hall could not be relocated. This Stage 1 determination was not further appealed and only the Stage 2 portion of the application was withdrawn. Thus, the Stage 1 approval remains in place. In the event the City determines that the Stage 1 determination is no longer valid, the Applicant has determined that the building cannot be reasonably moved and requests Stage 2 review and approval.

Stage 2 Review

Historic Resource Demolition Stage 2 (SRC 230.090(d)).

(1) Submittal Requirements. In addition to the submittal requirements for a Type III application under SRC Chapter 300, an application for Historic Resource Demolition Stage 2 shall include:

(A) Statement of the historic value and significance of the building or resource to the community, taking into consideration its designation as a local landmark, individually listed historic contributing building on the National Register or its location within a National Register Historic District;

Response

The Salem City Council designated Howard Hall a Salem Local Historic Resource on April 20, 1990.⁹ The inventory report for Howard Hall used to designate the property states, *“Howard Hall is a two-story brick structure which houses Oregon Rehabilitation Center for the blind operations and dorm and classroom facilities for deaf/blind youngsters. The east wing was constructed in 1925 with an addition constructed in 1950. The building covers 11,722 square feet total. The structure is located on the southwest portion of the State Blind School.”*

The designation report briefly describes the history of the “Blind School” and states that Howard Hall is the oldest structure on site.¹⁰ The report describes that Howard Hall is documented in photographs dating to 1927 and was then identified as primarily a dormitory for boys. The report also states that “Other building additions were added on at a later date.”

The Local Historic Resource report for Howard Hall does not describe any additional character defining features, a particular building style, nor does it identify the architect. The staff report, dated February 12, 1990, prepared by then Community Development Director Robert Briscoe, provides additional information regarding the rationale for designating Howard Hall as a Local Historic Resource.¹¹ The staff report stated that the Oregon Department of Education (the then-current building owner) raised concerns that historic designation might make the potential repairs to the tile roof more expensive. The only other statement regarding the rationale for historic designation is the statement, *“Howard*

⁹ Ordinance 38-90.

¹⁰ As noted above, this report perpetuates the initial inventory designation error that Howard Hall is not the oldest building on the OSB campus; the Boiler building pre-dates Howard Hall by 3 years.

¹¹ Memorandum, from Robert Briscoe, Director of Community Development, to Mayor and City Council, “Local Historic Building Designation”, for Council meeting of February 12, 1990.

Hall does have a non-compatible addition; however, the addition does not detract from the historic significance of the building. The School for the Blind is a unique institution in Oregon and has a long history in Salem.”

The evidence in the record the City Council relied upon in 1990 for designating Howard Hall a Local Historic Resource is:

1. the building is a two story brick structure,
2. the building was built at least by 1925 and is the oldest building on the campus,
3. the building has a non-compatible addition that does not detract from the historic significance of the original building (the association of the building with the OSB),
4. the building was used as a boys dormitory for the Oregon School for the Blind, and
5. the “School for the Blind” is a unique institution in Oregon with a long history in Salem.

Nothing in the City Council minutes, hearing record, staff report, or supporting materials from the time suggests that the building qualified as a Salem Local Historic Resource for any reason other than for its age and association with the Oregon State School for the Blind. Howard Hall was designated a Salem Local Historic Resource because of its age and because of its association with the OSB, a unique institution in Oregon with a long history in Salem, and for these reasons alone.

In 1993, subsequent to the local designation, the Oregon State Historic Preservation Office (SHPO) prepared an Historic Resource Survey Form which discusses the building’s significance in terms of its association with the OSB. (Appendix F.)¹² In 2009 the Oregon State Historic Preservation Office determined that Howard Hall might be eligible for listing as a contributing element of a National Register of Historic Places district, presumably a district associated with the OSB campus. (Appendix F.) In 2010 the Oregon Department of Administrative Services, the owner of the building at that time, submitted a National Register Nomination for the Oregon School of the Blind District to the SHPO. The district has not been established to date. Regardless of the building’s National Register eligibility today, the only relevant criteria before the HLC are those finding significance based on the reasoning for Howard Hall’s initial local historic designation.

¹² The SHPO Inventory Form contains several inaccuracies: the architectural style is described as Mediterranean; Howard Hall is not the oldest building on the OSB campus, the Boiler building pre-dates Howard Hall by 3 years; the west additions was constructed in 1958 not 1950; and the small basement was enlarged for classroom space in 1950.

The “historic value and significance” of Howard Hall should not be viewed based on whether the structure would be eligible for historic overlay protection today. Rather, as the submittal criteria states, it must “take into consideration its designation as a local landmark.” Howard Hall was designated a local landmark because of its association with the OSB which made a significant contribution to the City of Salem.

(B) Statement demonstrating the property is incapable of generating a reasonable economic return, including, but not limited to:

(i) The purchase price of the building or resource;

Response

The Oregon Legislature voted to close the OSB in June 2009 and sell the entire campus. Salem Hospital acquired the entire OSB campus for \$6,000,000 in October 2010. The estimated value of Howard Hall, as a portion of the sale price is \$208,000.

(ii) The annual gross income generated from the building or resource for the last two years;

Response

The State of Oregon owned the OSB campus and decommissioned Howard Hall in August 2009. At that time the building was used for storage and was not habitable. After acquiring the campus and building in 2010 Salem Hospital has not used Howard Hall for income generating uses because the building remains uninhabitable.

(iii) Documentation of good faith efforts by the property owner, leasee or renter the building or resource [to generate a reasonable economic return];

Response

One of the four conditions in the Memorandum of Agreement between DAS and the SHPO was that DAS shall market the OSB campus clearly identifying its potential as a historic resource and encourage buyers to investigate available state and federal incentives for preservation. The sale brokers included Venerable Properties, a real estate investment and redevelopment firm known in Oregon for its commitment to adaptive reuse of historic resources. No buyers, including Venerable, came forward with a plan to preserve or adaptively reuse the historic campus. In September 2010 the SHPO

acknowledged that DAS had fulfilled its obligation under the MOA, including marketing the property as an historic resource and closed the project file.

In the summer of 2013 (July 10 through August 23, 2013) Salem Hospital solicited a Request for Proposals for the Adaptive Reuse of Howard Hall consistent with the requirements of SRC 230. (Appendix G.) They did not receive any responses.

(iv) The debt associated with the building or resource including a profit and loss statement for the two years immediately preceding the Stage 1 application for demolition; and

Response

Prior to acquisition by Salem Hospital, the building was owned by the State of Oregon. The building is currently unused. There is no profit and loss statement available.

(v) Any capital expenditures associated with the building or structure during the two years immediately preceding the Stage 1 application for demolition.

Response

When Salem Hospital acquired the OSB campus from the State of Oregon, Howard Hall, was and is not habitable. The building does not have an active HVAC system, the plumbing system is compromised and inoperable, and the electrical system does not meet current life safety codes and was seriously compromised when the State of Oregon conducted a hazardous materials investigation prior to putting the campus on the market. The “as is” condition of the building and its systems will not support occupancy without substantial improvements, such as repairs, renovation, seismic upgrades, utilities extensions, and system upgrades and replacement. Consequently, the property owner, Salem Hospital, is unable to put the building to income generating use.

In an effort to stabilize and preserve the building Salem Hospital:

- Reattached gutters and downspouts,
- Cleaned roof and gutters,
- Removed window A/C units and reinstalled glass,
- Reattached and replaced soffit boards and corbels,

- Asbestos abatement, and
- Reinstalled guard rails.

(C) Statement demonstrating good faith efforts of property owner to sell or relocate the building or resource, including, but not limited to:

(i) Real estate taxes for the two years immediately preceding the application;

Response

Marion County does not segregate property tax assessment for Howard Hall alone. The property taxes paid on 650-700 Church Street, SE Salem OR 97301, the entire 8.12 acre hospital property, Account number R95148 are as follows:

- Tax Year 2011 (July 1, 2011 – June 30, 2012) = \$73,813.65
- Tax Year 2012 (July 1, 2012 – June 30, 2013) = \$75,867.66
- Tax Year 2013 (July 1, 2013 – June 30, 2014) = \$77,749.21

(ii) Assessed value for the two years immediately preceding the application;

Response

In 2011 the assessed value of the entire 8.12 acre campus was \$11,992,060 of which \$6,800,340 was estimated for the land value and \$5,191,720 was estimated for the improvements. Marion County does not retain any separate valuation records for Howard Hall individually.

(iii) Current fair market value of building or resource as determined by appraiser;

Response

Sperry Van Ness estimated the value of Howard Hall (with market necessary improvements) to be \$833,000. The current fair market value of Howard Hall, as an uninhabitable building is \$208,000. (Appendix H.)

(iv) All listings for building or resource for past two years including prices asked/offers received; and

Response

In the summer of 2013 (July 10 through August 23, 2013) Salem Hospital solicited a Request for Proposals for the Adaptive Reuse of Howard Hall consistent with the requirements of SRC 230. They received no responses.

- (v) Documentation of all attempts to relocate the building or resource.

Response

BMGP determined, and the Salem Building and Safety Division found, that Howard Hall cannot be moved safely without compromising the integrity of the building. (Appendices A and E.) Nevertheless, from July 10, 2013 through August 23, 2013, Salem Hospital solicited proposals from qualified parties to rehabilitate or relocate the building. (Appendix G.) The request for proposal resulted in no interest in relocation.

- (D) Analysis of the proposed adaptive reuse of the building or resource, including, but not limited to:

- (i) Report from structural engineer on the condition of building or resource;

Response

BGMP evaluated the structural integrity of Howard Hall and concluded that principal concern is the ability of the unreinforced masonry wall to withstand anticipated moderate to high seismic events. To make the building habitable and compliant with applicable City seismic regulations, BMGP concluded that the building would require a seismic retrofit. In addition BMGP determined that the southern porches, the most iconic element of the structure when viewed from the public right-of-way, are separating from the building.

- (ii) Estimate of cost for rehabilitation of building or resource with an existing use;

Response

Howard Hall does not have an existing use. The condition of the building is not compliant with City life safety regulations and is not habitable. Therefore, this criterion is not applicable.

- (iii) Report from real estate or other market professional identifying potential alternative uses allowed for development of the building or resource with existing zoning. The report should

include a market analysis evaluating need for alternative uses as well as the number of existing alternative uses already present within the zone;

Response

See report from Speery Van Ness. (Appendix H.)

(iv) Estimate of cost for rehabilitation of building or resource for at least two other identified uses; and

Response

In 2010 Salem Hospital asked Turner Construction, a company with extensive historic renovation projects, including the Governor Hotel in Salem, to evaluate the cost of renovating Howard Hall into a stand-alone medical clinic. Including the cost of required seismic retrofit, ADA compliance, meeting energy performance standards, modern infrastructure, reconfiguration of the rooms to ensure patient privacy, and design improvements, the estimated cost of renovating Howard Hall for outpatient medical use was \$470 per square foot. Comparatively, the estimated cost in 2010 for new ground up construction of outpatient medical space was approximately \$350 per square foot.

Then, in 2013 Salem Hospital asked Turner Construction to reevaluate Howard Hall for conversion into a modern day care facility. The total estimated project costs for this renovation, again addressing seismic retrofit, ADA compliance, energy performance standards, modern infrastructure needs, reconfiguration of the rooms and design improvements came in at \$276 per square foot. In 2013, RSMeans, a national cost index tracking entity, identified that the average cost for construction of a new, single story day care facility in the Portland, OR area was approximately \$173 per square foot.¹³

In both the 2010 and 2013 estimating studies, the cost to renovate Howard Hall into a modern facility substantially exceeded the cost to build a new ground up facility of the same use. For this reason, neither of the proposed uses explored by Salem Hospital were deemed financially viable.

(v) Report identifying available economic incentives for adaptive reuse of the building or resource, including any federal tax credits available for rehabilitation of National Register properties.

¹³ <http://www.reedconstructiondata.com/market-intelligence/articles/rsmeans-dollar-per-square-foot-construction-costs-for-four-small-commercial>

Response

There are no known City of Salem economic incentives for the adaptive reuse of the building. To be eligible for the 20% Federal Historic Preservation Tax Incentive for rehabilitation of the building or for the Oregon State Historic Property Tax Special Assessment, a building must be listed or eligible for listing on the National Register of Historic Places. Howard Hall is a Salem Local Historic Resource and is listed in the Marion County Inventory of Historic Properties. It is currently not listed in the National Register of Historic Places (NRHP) but the SHPO has determined that Howard Hall may be a contributing building within a potential NRHP district associated with the OSB. Salem Hospital is a non-profit corporation and does not pay income taxes. Therefore, rehabilitation efforts would not be eligible for the 20% Federal Historic Preservation Tax Incentive.

(E) A proposed plan for redevelopment of the site on which the building or resource is located.

Response

See the site plan for the proposed Commemorative Garden. (Appendix D.)

(2) Criteria. An application for a Historic Resource Demolition permit shall be granted if the following criteria are met:

(A)The value to the community of the proposed use of the property outweighs the value of retaining the designated historic resource on the present site.

Response

The value of this building, as Commissioner Sears correctly noted during the HLC's previous review, is as the last remaining part of the Blind School. Although that is true, Howard Hall in its current state, or if adaptively reused, does not represent the Blind School or the blind community in any way. The building was used as storage for the last 20 years of OSB operation and has sat vacant for the subsequent 10 years. There is nothing about the outside structure to indicate that it served the blind community.

Howard Hall stands as a memorial to the blind community and how the State of Oregon served that community at a time when the disabled population had very few opportunities to learn to live in a sighted world. Early 21st century protocols for the education or training of sightless or disabled persons are far different from those employed when Howard Hall was constructed. Today, as a

society, we embrace assimilation over isolation. Howard Hall will never again serve the Oregon School for the Blind or the blind community.

Salem Hospital - Commemorative Garden Narrative (DRAFT)

The applicant proposes to replace Howard Hall with a Commemorative Garden which will honor the sites historic association with the OSB and will serve as a therapy area and playground for children being treated in Salem Hospital's Rehabilitation Center. The proposed commemorative garden is designed to be a project that honors the work that was done at the Oregon School for the Blind as well as provide a safe, outdoor recreation and therapy space for children, adults and the general public. The project has three primary goals:

- 1) Commemoration of the history of the Oregon School for the Blind (OSB) and the form and materials of Howard Hall;
- 2) Development of an outdoor garden space that can be enjoyed by all, but is specifically designed to enhance therapy services for patients working on ability to go safely outdoors; and
- 3) Development of adaptive/inclusive playground designed for both therapy and general play for our pediatric patients.

Commemoration of the OSB

The commemoration of the OSB and Howard Hall is being approached in four separate ways within the Commemorative Garden design:

- 1) Inclusion of design features that support blind and low vision users
- 2) Reuse of materials from Howard Hall
- 3) Inclusion of interpretive walls that tell the history of the OSB
- 4) Denoting the original footprint of Howard Hall within the garden plan

Design Features – Supportive features designed into the garden include a water fountain with integral service dog watering dish, dedicated grass area for service dogs to use as a bathroom, a nearly continuous walking path with raised walking edge and handrail to help facilitate use by low vision and

blind users, a variety of plantings offering several unique aromas and textures and multiple textural installations designed to be touched and explored with the hands.

Reuse of Materials – Bricks will be salvaged from Howard Hall during demolition and reused as a ground material in the Adult Therapy garden to help patients relearn how to move across challenging ground surfaces.

Interpretive History Walls – The two main entries into the garden will be flanked by medium height walls that feature the written history of the OSB. The effort to document this history is envisioned as a collaboration between Salem Hospital Staff and the OSB Alumni Association.

Footprint of Howard Hall – The footprint of Howard Hall will be noted in the ground plane of the new Commemorative Garden with a unique material. Key locations on the building, like the entry and the brick arches, will feature a commemorative plaque describing the building element that stood formerly at that location.

Therapy Garden

Exceptional rehabilitation is measured by what a person is able to do following a life altering illness, injury or chronic disabling condition. Therefore, a person's exceptional rehabilitative treatment is designed with tools which emulate the activities that a person wants or needs to perform. Their ability to perform these activities is how they measure the quality of their life. There are very few things more debilitating than physical, emotional or cognitive barriers preventing a person from doing what they enjoy or require.

Creating an outdoor area that provides an opportunity for a person who uses a wheelchair to navigate common obstacles, such as gravel, sand, uneven terrain, curbs etc. can open doors into an entire new level of independence. A well planned outdoor environment becomes a therapeutic media by which any clinician can engage all ages of patients and their families in physical, cognitive and psychological therapy to promote and succeed with their rehabilitation goals. Whether it be watering a garden, planting a seed, walking on the dirt, picking a tomato, smelling a flower or herb, pulling a weed or raking the leaves a therapeutic outdoor environment is essential to an excellent rehabilitation program.

The primary functional component of the Therapy Garden is the continuous "Therapy Loop" around the perimeter of the garden. The path features several challenges to be experienced by rehab patients

including changes in elevation via single stair, multiple stairs, shallow ramps and steep ramp, changes in surface material pattern, form and texture, areas intentionally devoid of common disability support elements like handrails or curb cuts and areas designed for practice of typical work activities like digging with a shovel or pushing a wheelbarrow. In addition, the therapy loop has celebratory elements integrated into the layout to inspire users to work through their therapy sessions. Features include a slide for pediatric patients at the top of a ramp and raised garden planters at a more remote part of the garden where patients can grow flowers and vegetables should they choose to venture there.

Adaptive Playground

The goal of the adaptive playground is to break down barriers for pediatric rehab patients and help them understand that their disabilities don't need to drive their lives. Often times, families with disabled or injured children avoid standard playgrounds because they're overwhelming or unsafe and their child has difficulty using the equipment. Play is critical to a child's development and the adaptive playground seeks to combat these issues and provide an environment where any kid can be a kid.

The Salem Hospital adaptive playground will feature multiple pieces of accessible playground equipment that can be used by all children regardless of their limitations. In addition, the garden is designed so that every child can go anywhere further reinforcing the "I can do it too" attitude. Breaking down common barriers and making the playground accessible to all builds confidence, provides a sense of inclusion and helps validate the energy the children are putting into their rehab. In addition, the pediatric therapists will be able to use the playground as an incentive during their indoor therapy sessions.

Evaluating the Historic Significance of Howard Hall

If the Salem Landmarks Commission considered Howard Hall for designation as a Local Historic Resource today, it would evaluate the application based upon the criteria for designating an historic resource set forth in SRC 230.010(e), criteria that are different from those in place in 1990. Obviously, much more is known about the building today and trends in historic preservation have changed as well. However, decisions about historic value and significance are to be based on a building's "designation as a local landmark," as set out in SRC 230.090(D)(1)(A), which includes consideration of the record created for designation in 1990.

Howard Hall qualified as Salem Local Historic Resource because of (1) its age (more than 50 years), (2) human significance (is associated with an institution, the Oregon State School for the Blind that made a significant contribution to the community) and possibly (4) the social and cultural consequences of preserving the historic use. However there is no evidence in the record to support a finding that the building was deemed to be architecturally significant; it is merely a brick building with an incompatible addition. The record contains no discussion relating to craftsmanship, the architect, original design characteristics, or example of architectural period, style, or building type.

Compliance with this criterion requires a finding that the value of the proposed use of the property outweighs the historic value of the resource. The value of Howard Hall must be viewed from the significance given to the structure when the structure was designated rather than creating a new statement of significance now based on additional information or a deeper understanding and appreciation of John Bennes' architectural works. To enhance this buildings' significance beyond what was established when the building was designated in 1990 would result in a de facto amendment of the City's historic resource inventory and can only be accomplished through compliance with SRC 230.010.

When the City amended its historic resource inventory under Goal 5 to include Howard Hall it determined that the property was "significant" because of its human or cultural connection to a particular use. To change that significance determination to include architecture now would be a de-facto amendment of the inventory. Any amendment to the City's local historic resource inventory requires compliance with SRC 230.010, designating a local historic resource, in the first instance. In other words, the buildings are designated based on their significance for a particular purpose or reason. These purposes and reasons cannot be changed without first going through the applicable process. The "value of retaining the designated historic resource" must relate to the "significance of the building" as that significance was identified when the property was designated. In order to change the "significance" to include the architecture requires a formal amendment to the inventory to state as much.

For these reasons, allowing for removal of Howard Hall to accommodate a Commemorative Garden and a children's therapeutic play area that will sensitively honor the memory of those who attended the school far outweighs the value of retaining Howard Hall, as homage to a use that no longer exists and whose connection to the blind community exists in name only. Therefore, the community value of

the proposed Commemorative Garden outweighs the value of retaining the designated historic resource on the present site.

(B) The designated historic resource is not capable of generating a reasonable economic return and the demolition is economically necessary.

Response

The 2011 Sperry Van Ness economic Viability analysis concluded that Howard Hall was not capable of providing a reasonable economic return. (Appendix H.) In December 2013 Salem Hospital revisited the Turner Construction rehabilitation cost analysis and concluded that due to the lack of building's seismic stability, energy performance, lack of necessary infrastructure, interior configuration, overall cost per square foot, and other factors that renovation of Howard Hall for use as a medical facility was not a reasonable alternative. (Appendix J.) In 2013 Salem Hospital, consistent with Salem regulations, solicited a Request for Proposal for adaptive reuse of Howard Hall. (Appendix G.) No proposals were returned. Consequently, the Applicant concludes that Howard Hall is not capable of generating a reasonable economic return, nor did it do so when owned by the State of Oregon, and the demolition is economically necessary

(C) The owner has made a good faith effort to sell or relocate the designated resource.

Response

On July 10, 2013, Salem Hospital issued a request for proposals from qualified organizations interested in adaptive reuse of a historic property – Howard Hall – located on the Salem Hospital campus. The Howard Hall RFP was publicized as follows:

- Posted on Salem Hospital's website,
- Mailed / emailed to Howard Hall interested parties, including organizations representing the blind community,
- Distributed through Salem's historic preservation office list serves to interested groups in Salem and statewide,
- Display ad and public notice placed in the *Statesman Journal*, and
- Public notice published in business / development trade publications in Portland and Seattle.

The thirteen-page RFP included background on Salem Hospital and Howard Hall, zoning designation, legal description and tax ID information, the building's historic landmark status, a structural assessment, and proposed terms and conditions. Salem Hospital clarified its intention to retain ownership of the site, making Howard Hall and the associated land (approximately 0.5 acres) available for lease. The structure was offered in "as is" condition, with the successful proposer to be responsible for the cost of any further studies, utility extensions and systems upgrades, design and construction.

RFP respondents were requested to identify their development team and qualifications, and submit preliminary plans including a financial plan. A non-mandatory Howard Hall site tour was offered for interested parties on July 31. The deadline for proposals allowed six weeks for site tour, questions and submission of proposals.

Salem Hospital's objectives for adaptive reuse of Howard Hall included:

1. Solicit proposals for retaining this building at its present site.
2. Explore opportunities to sell and relocate Howard Hall to preserve this structure if feasible.
3. Ensure reuse of Howard Hall will be compatible with the character of the surrounding Gaiety Hill Historic District, South Central Area Neighborhood (SCAN), and also compatible with hospital operations.

Salem Hospital received no proposals by the August 23 deadline. The hospital's representatives then de-briefed with architects, developers and other adaptive reuse specialists who reviewed the RFP. Those contacts confirmed that Howard Hall is not a good candidate for adaptive reuse. The experts' specific feedback highlighted these points:

- The zoning restricts the site to health, education and social services uses.
- The 1958 addition is not historically compatible. Most preservationists would want to remove the addition, leaving only a 5,000 sf building (omitting the basement) – too small for many uses and not feasible for adaptive reuse. "Small projects don't pencil."
- The design is challenging. The building is divided into many small spaces. The double-loaded residential corridor limits the potential for interior modifications.

- The un-reinforced masonry building would not be feasible to move. Seismic upgrade costs would run \$30 to 40 per square foot.

For these reasons the Applicant has made a good faith effort to sell or relocate the resource.

(D) No prudent and feasible alternative exists to rehabilitate and reuse the designated resource in its present location.

Response

The Applicant conducted a structural evaluation of the resource which identified the significant but necessary costs associated with bringing the building up to contemporary seismic and life safety code compliance. The Applicant conducted a rehabilitation analysis to consider the potential reuse of the building on site. The Applicant also conducted a well-advertised RFP process offering the building for lease to qualified developers – none responded. Therefore, the Applicant concludes that the facts that rehabilitation of the building is cost prohibitive and that no qualified parties responded to the RFP process is evidence that the rehabilitation and reuse of Howard Hall on-site is neither prudent nor feasible.

300.210. Application Submittal.

(a) Land use applications shall be submitted on forms prescribed by the Planning Administrator. A land use application shall not be accepted in partial submittals. All of the following must be submitted to initiate completeness review under SRC 300.220. All information supplied on the application form and accompanying the application shall be complete and correct as to the applicable facts.

(1) A completed application form. The application form shall contain, at a minimum, the following information:

(A) The names and addresses of the applicant(s), the owner(s) of the subject property, and any authorized representative(s) thereof;

(B) The address or location of the subject property and its assessor's map and tax lot number;

(C) The size of the subject property;

(D) The comprehensive plan designation and zoning of the subject property;

(E) The type of application(s);

(F) A brief description of the proposal; and

(G) Signatures of the applicant(s), owner(s) of the subject property, and/or the duly authorized representative(s) thereof authorizing the filing of the application(s).

Response

See Tab 3 for the required application forms and checklist.

(2) Recorded deed/land sales contract with legal description;

Response

See Appendix I for Title report, deed and tax records.

(3) Any information that would give rise to an actual or potential conflict of interest under State or local ethics laws for any member of a Review Authority that will or could make a decision on the application;

Response

Chris Morris of C|B Two Architects, a member of the Salem Historic Landmarks Commission, has worked for Salem Hospital on this and other projects in the past. McRae Carmichael was the Project Coordinator for the City of Salem on the 'Building A' Patient Care Tower. The Applicant is not aware of additional actual or potential conflicts of interest.

(4) Pre-application conference written summary, if a pre-application conference was required under SRC 300.310(a) and Table 300-100-2; or copy of the approved pre-application conference waiver, if such approval was granted pursuant to SRC 300.310(b);

Response

A Type III request to demolish an historic building does not require a pre-application conference. SRC Table 300-2: Land Use Applications by Procedure Type.

(5) A statement as to whether any City-recognized neighborhood associations whose boundaries include, or are adjacent to, the subject property were contacted in advance of

filing the application and, if so, a summary of the contact. The summary shall include the date when contact was made, the form of the contact and who it was with (e.g. phone conversation with neighborhood association chairperson, meeting with land use committee, presentation at neighborhood association meeting), and the result;

Response

Salem Hospital has actively involved neighbors and other interested groups in decisions on how to develop the Church Street property. Since the hospital acquired the site in 2010, site neighbors, the blind community, and others have been deeply interested in how the site would be developed. (Appendix M.)

The hospital's facilities team consulted with the City of Salem, SCAN (South Central Area Neighborhood) and SCAN's Land Use Committee to develop a community engagement process that would ensure authentic public participation in planning for the Church Street site. Participation was excellent, with nearly every immediate neighbor attending, along with many other area residents.

Outreach activities notably included attendance and presentations at SCAN meetings (Board, general membership, Land Use Committee). SCAN leadership adopted a list of six redevelopment goals for the hospital to consider in planning for the Church Street site:

1. No Church Street driveways,
2. Building heights stepped-down toward Church Street and residential neighborhood,
3. Greenway path from Bush Park,
4. Pringle Creek Watershed protected,
5. Mature trees preserved, and
6. Historic preservation of Howard Hall.

Salem Hospital also hosted a series of four public open houses in August 2013 to seek input on the preliminary design concept for the rehabilitation center, hospitality house and remainder of the Church Street site.

The open houses were well publicized through area-wide mailings to neighbors, notices sent to an interested parties list, and also through SCAN's distribution channels. Attendees offered useful input that resulted in a number of changes in the site design:

- The rehabilitation center set back from the street and neighborhood; mature existing trees along Church Street preserved
- A landscaped berm to further buffer the neighborhood from the new facilities
- The building designs more residential in scale, with the height stepped down as a transition between the hospital campus and the residential neighborhood
- A widened path along Church Street integrated with the new landscape and site design
- The building and parking areas reconfigured to preserve native white oak trees wherever possible
- A portion of the hospital grounds retained as open space and accessible to neighbors
- The new buildings sited away from Pringle Creek, and the riparian area protected
- Hospital access to / from Church Street closed with no plans to reopen
- Lighting designed to guard against glare

The City of Salem, site neighbors, SCAN, the blind community, historic preservation advocates and others also expressed continuing interest in Howard Hall. The hospital informed and involved these interested parties in the Howard Hall adaptive reuse RFP process, with some groups scheduling presentations, visiting the website, downloading or requesting RFP packets, and attending the site tour.

At SCAN's suggestion, the highly successful August 2013 open houses were repeated twice on January 28, 2014 to gather feedback on the architects' designs for the new facilities and grounds. Again, the combined meeting attendance was good and participants offered additional feedback on the hospital's plans for the Church Street property.

At SCAN's February general membership meeting, leaders announced that the hospital's revised design had met five of their six redevelopment goals for the Church Street site.

In addition to coordinating with SCAN and hosting the open houses, Salem Hospital also reached out to contact other potentially interested parties to seek their input:

- Lord & Schryver Conservancy,
- Blind community: including Oregon Commission for the Blind, Oregon School for the Blind alumni, and others,
- Historic preservation advocates,
- Outpatient rehab professionals, patients and their families, and
- Parents of disabled children interested in accessible playgrounds.

(6) A statement as to whether the Salem-Keizer Transit District was contacted in advance of filing the application; and if so, a summary of the contact. The summary shall include the date when contact was made, the form of the contact, who it was with, and the result;

Response

The applicant has not contacted the Salem-Keizer Transit District in advance of filing this application.

(7) A written statement addressing each applicable approval criterion and standard;

Response

The application narrative addresses all applicable approval criteria.

(8) Any additional information required under the Salem Revised Code UDC for the specific land use action sought;

Response

No additional information is required.

(9) Any additional information, as determined by the Planning Administrator, that may be required by another provision, or for any other permit elsewhere, in the Salem Revised Code UDC, and any other information that may be required to adequately review and analyze the proposed development plan as to its conformance to the applicable criteria;

Response

The Planning Administrator has not requested any additional information yet.

(10) Payment of the applicable application fee(s) pursuant to SRC 300.240110.090.

Response

The application includes the required fees.

(b) The Planning Administrator may waive any submittal requirement if the Planning Administrator determines that the specific requirement would not provide evidence needed to satisfy any of the applicable criteria.

Response

The applicant is not requesting waiver of any submittal requirements.

(c) Each application, when received, shall be date-stamped with the date the application was received, and designated with a receipt number and a notation of the staff person who received the application. (Ord No. 1-10; Ord No. 12-12)

Response

This requirement applies to a City function, not a requirement the Applicant must fulfill.

CONCLUSIONS

In 1990, over the objection of the then owner, the City of Salem designated Howard Hall as a Salem Local Historic Resource. The basis of the designation was that the building was associated with the Oregon School for the Blind, an institution that was significant in the history of Oregon and Salem. The City Council did not find that the building possessed architectural significance. Although the Oregon SHPO has determined that Howard Hall may qualify as a contributing building in a potential Oregon School for the Blind National Register Historic District, National Register eligibility is not a determinative criterion for evaluating whether the proposed demolition of Howard Hall is consistent with SRC 300.220.

The Applicant has demonstrated no prudent and feasible alternative exists to rehabilitate and reuse Howard Hall in its present location; that it has made a good faith effort to sell or relocate the building; that Howard Hall is not capable of generating a reasonable economic return; and that the value of the proposed Commemorative Garden to the community outweighs the value of retaining the building on the present site. The Applicant is not a public agency, as defined by SRC 230.005(a)(20), Salem Hospital proposes to voluntarily provide Level Three mitigation consistent with SRC 230.082, including: photo documentation of the exterior and interior of Howard Hall prior or to commencement of demolition and development of on-site educational materials. As described in detail in this narrative, the Commemorative Garden will include both standalone educational materials and physical building materials designed to meaningfully educate the public about the Oregon School for the Blind and Howard Hall's contribution to the OSB.

Therefore, we ask that the City approve this request for demolition of Howard Hall, on the condition that the Applicant constructs the Commemorative Garden in a manner that is substantially consistent with the Commemorative Garden site plan contained in this application.

Thank you.

APPENDIX A

Stage 1 Demolition Decision



BUILDING & SAFETY DIVISION * 503-588-6256
555 Liberty St. SE / Room 320 * Salem, OR 97301-3503 * Fax 503-588-6115

Kimberli Fitzgerald, MCP/CHP
Senior Historic Planner
Community Development Department
City of Salem
555 Liberty Street SE, Room 305
Salem OR 97301-3503
Phone: (503) 588-6173 Ext. 7597
Fax: (503) 588-6005

RE: Howard Hall Structural Evaluation and Relocation

Building and Safety Division reviewed BMGP engineers' opinion regarding the structure of Howard Hall and the viability of relocating or moving the building to another location. Based on the review, BMGP did not demonstrate that the building can be successfully moved, re-assembled and retained its integrity. The process of relocation of the building could damage the structure of the building or materials beyond repair. Certain parts of the existing building such as the brick porches would not survive the displacement and distress that are inherent with relocation. In addition, transporting the building upon the public right of way will raise the practical limits of transport equipment and may endanger public safety. Therefore the Historic Resource Demolition Permit (Stage 1) cannot be granted, and the applicant shall proceed with Stage 2 demolition review before the Historic Landmarks Commission.

If you have any questions or need further assistance, call me or Rebai Tamerhoulet, PE; SE at (503) 540-2447.

Thomas J. Phillips
Building & Safety Administrator
Community Development Department
503-588-6256 Ext. 7401
tphillips@cityofsalem.net

2/09/2011

APPENDIX B

Howard Hall 1990 Designation

HOWARD HALL, OREGON STATE SCHOOL FOR THE BLIND
1925



Howard Hall is a two-story brick structure which houses Oregon Rehabilitation Center for the blind operations and dorm and classroom facilities for deaf/blind youngsters. The east wing was constructed in 1925 with an addition constructed in 1950. The building covers 11,722 square feet total. The structure is located on the southwest portion of the State Blind School site.

While Howard Hall is the oldest structure on the site, the history of the Blind School goes back further. On October 24, 1872, by the urging of a young blind lady, Miss Nellie Simpson, and others, the State Legislature passed an act to "appropriate money (\$4,000) for the education of the blind of the State and to provide for the same." Mr. and Mrs. William Nesbitt were contracted to provide board, lodging, and general care of pupils at their residence. The school opened on February 26, 1873, with Miss Simpson as teacher for six students. In 1883, the school was moved to the Snowden Building on 12th Street near Ferry, and it was not until 1895 that the school was moved to its present seven-acre site.

According to the Oregon State School for the Blind area plan (page 65), historical information about the Oregon State School for the Blind is not consolidated in any one work. Most information is available from superintendents' reports and other sources.

The Howard Hall building is documented in photographs as early as 1927, when it was identified as primarily the boys' dormitory at that time. Other building additions were added on at a later date.

HOWARD HALL, OREGON STATE SCHOOL FOR THE BLIND (continued)

The Oregon State Master Plan for the Blind School recommends the continued usage of the building and allows appropriate development of the Blind School in a manner compatible with surrounding land uses and neighbors.

Source:

Oregon State School for the Blind Plan.

A/0407w/0005w

FOR COUNCIL MEETING OF: February 12, 1990

AGENDA ITEM NO.: . C

TO: MAYOR AND CITY COUNCIL
THRU: GARY A. EIDE *Gary Eide*
CITY MANAGER
Robt Briscoe
FROM: ROBERT BRISCOE
DIRECTOR OF COMMUNITY DEVELOPMENT
SUBJECT: LOCAL HISTORIC BUILDING DESIGNATIONS

ISSUE:

City Council designation of local historic buildings, structures, and sites to comply with State Land Use Goal 5.

POLICY DECISION:

City Council must make official determinations on previously identified primary historic resources to meet the minimum requirements of state administrative rules.

BACKGROUND:

In order to comply with Goal 5 in the periodic review of Salem's Comprehensive Plan, the City has completed two tasks which include: 1) revision of the Historic Preservation Ordinance (SRC Chapter 56), and 2) designation of 73 local historic buildings, structures, and sites. The third and final step requires the review and determination of 37 remaining properties.

To initiate the process, property owners were notified in July of 1989 regarding the proposed changes to the Historic Preservation Ordinance and the potential designation of their property. They were provided an opportunity to comment on the changes and/or request a further review of their property by the Historic Landmarks Commission.

A total of 37 properties were identified by the owner and/or the Commission for further review. A public hearing was conducted on these properties on January 8, 1990. During the subsequent deliberation, 16 properties were approved for designation, 6 were determined not to meet the criteria for designation, and 15 properties were set for a second public hearing. (Attachment C)

4. Howard Hall

The primary concern of the Oregon Department of Education regarding the designation of Howard Hall is the potential expense of replacing the tile roof.

Review of an exterior alteration to a local historic structure is performed only when a building permit is required. Permits are required for reroofing of non-residential structures. Accordingly, the Commission would be required to review the building plans prior to permit issuance. The Commission may recommend use of certain materials and can suggest materials which while similar in appearance would be less expensive than an identical replacement.

Howard Hall does have a non-compatible addition, however, the addition does not detract from the historic significance of the building. The School for the Blind is a unique institution in Oregon and has a long history in Salem.

Attachment C

Properties to be Considered for Local Historic Designation

February 12, 1990

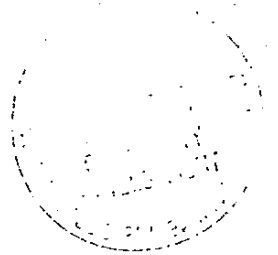
Property Address

1915 Berry Street SE
802 Capitol Street NE - Parrish Middle School
109 Commercial Street NE - Pioneer Trust
129 Commercial Street NE - Globe Travel Building
240 Commercial Street NE - Greenbaum Fabric Building
1625 Commercial Street SE - Adolph Residence
1795 Cottage Street SE
465 Leffelle Street S - Conde McCullough House
379-83 State Street - Pomeroy Building
1143 2nd Street NW
1117 3rd Street NW - Old West Salem Elementary School
Southern Pacific Railroad Station and Freight Depot
Southern Pacific Willamette Bridge
Oregon State Hospital "J" Building - 2600 Center St. NE
Oregon State School for the Blind, Howard Hall

APPENDIX C

Letter objecting to historic designation

JOHN W. ERICKSON
State Superintendent
of Public Instruction



OREGON DEPARTMENT OF EDUCATION
700 PRINGLE PARKWAY SE, SALEM, OREGON 97310-0290 PHONE (503) 378-3569

January 29, 1990

City of Salem
Community Development Department
Urban Development Division
Room 310, City Hall
555 Liberty Street SE
Salem, OR 97301

ATTN: Alicia Fowler

We are pleased that the City Council is taking a second look at the inclusion of Howard Hall, located on the School for the Blind campus.

The basic construction of the building is no different than most other buildings constructed in that era. The tile roof is its distinguishing mark, but the roof will soon need to be replaced because of the increasing number of leaks. We do not think we could afford to replace the roof with another of similar material.

The building was referred to as the "Girls Dormitory" until 1969, when the name was changed to Howard Hall, in remembrance of J. W. Howard, who was superintendent of the school from 1919 to 1931.

As noted above, the tile roof has deteriorated significantly in the 60-something years it has been in place and will soon need to be replaced. The non-compatible addition further detracts from the esthetics of the original building. The building could use substantial interior remodeling to make it fully functional.

All in all, we look at Howard Hall as an old building with many needs. We use it because it is what we have available. We see no benefit to OSB, or the City, by inclusion of this facility on the list of Historic Buildings. We would prefer it not be included on the register of historic buildings.

Sincerely,

Ralph W. Burnley
Director
Business Services

BUS10840/ja
cc: Don Edwards

VERNE A. DUNCAN
State Superintendent
of Public Instruction



OREGON DEPARTMENT OF EDUCATION
700 PRINGLE PARKWAY SE, SALEM, OREGON 97310 PHONE (503) 378-3569

August 18, 1989

Historic Preservation Office
Community Development Department
Room 310
555 Liberty Street SE
Salem, OR 97301

The Department of Education requests a deferral on the designation of Howard Hall, on the School for the Blind Campus, as an historic building.

The building has no significant historic value, it is just getting old. Also, a wing was added during the 50's that detracts from any historical value it might have, if it were a more suitable structure.

Sincerely,

Ralph W. Burnley
Director
Business Services
(503) 378-5810

/ja
cc: Don Edwards

APPENDIX D

Commemorative Garden Plan

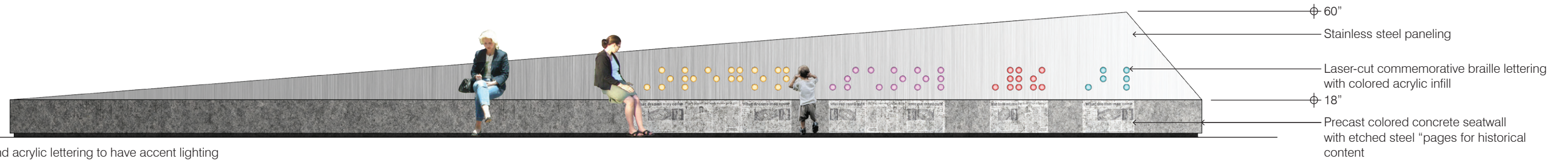
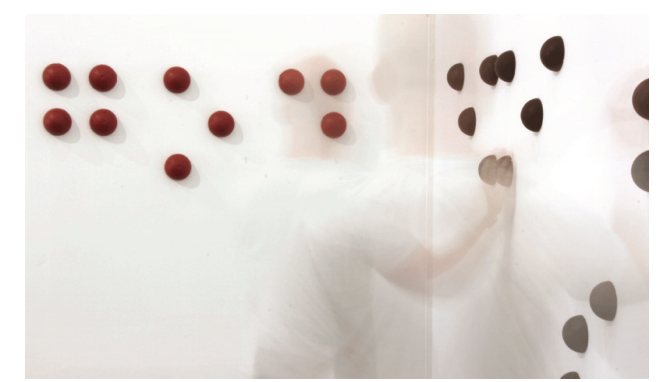


Mission St





View at Commemorative Plaza



*Seatwall and acrylic lettering to have accent lighting

Commemorative Wall/Seating Elevation

Insert two 11x17" pages here.

APPENDIX E

BMGP Structural Analysis

The following evaluation was prepared by *BMGP Engineers, Inc.* Excerpts of this evaluation are included as part of the application package.



CONSULTING STRUCTURAL ENGINEERS

January 14, 2011

CBTwo Architects
Chris Morris
500 Liberty St SE, Ste 100
Salem, OR 97301

RE: Salem Hospital
Howard Hall – School for the Blind
Structural Evaluation

Dear Chris,

On January 3, 2011, Doug Meltzer conducted a site visit with you to visually assess Howard Hall on the campus of the previous Oregon School for the Blind. The property is currently owned by Salem Hospital and our services are rendered exclusive to their intended use. We were asked to offer our professional opinion regarding the structure and the viability of relocating or transporting the building.

Building Description

The subject building is the original 1920s vintage Howard Hall, not the adjoining wing constructed in 1958. The building is rectangular oriented east to west. East and West of a central core are dormitory wings that are 53'4" by 39'6" with arched porch covers on the south side of each wing. The structure is comprised of a conventional wood framed hipped gable roof with 2x8 rafters purlin braced off ceiling joists spanning from the corridor to the exterior walls. The existing roofing is an aged composite shingle but it is our understanding that the original roofing was a concrete tile.

The roofing is aged with heavy moss growth and prolonged water intrusion and degradation on the perimeter. The majority of the fascia board and gutters were sagging due to pronounced degradation to the rafter tails. A plywood soffit has been added to cover and enclose the original sculpted rafter tails, compounding the impact of water damage to the wood framing.

The exterior wall system is comprised of load bearing unreinforced masonry walls. The multi-wythe brick walls appear to be sound and plumb, although the mortar is past due for re-pointing to prevent further erosion and weathering. The principle concern structurally is the well documented fragility of urm buildings in regions of moderate to high seismicity. It is only in the past couple of decades that the State of Oregon has been recognized as having a viable seismic risk. This revelation is now codified in the State building code. If the building is moved or a change-in-use is instituted, the current building code mandates that the structure would have to be retrofitted to address seismic instability. This nature of upgrade for a building constructed from urm bearing walls will generally cost \$75 to \$100 per square foot. This expense, in addition to other improvements to electrical, mechanical, energy code, ADA, fire and life safety and abatement costs are prohibitive to restoration efforts.

The floor structure is comprised of wood flooring over wood joists resting on wood girders and posts on concrete pad footings in the crawlspace. The wood joists are fire blocked into the perimeter brick walls with no lateral seismic ties. The perimeter brick walls rest on 4 foot tall by 12" thick concrete perimeter stem walls on a 24" wide continuous footing.

In 1950, the crawlspace under 2/3rds of the building was excavated inside the perimeter walls of the crawlspace and extended by new concrete walls to accommodate an 8'6" tall basement occupancy. The newly formed basement has a 4" concrete slab with new concrete columns and pad footings replacing the original wood posts on the interior.

A brick fireplace is situated in the living room on the upper level with a brick chimney extending above the roof. The original mechanical and plumbing systems were centralized with a concrete tunnel accessed off the northeast corner. Concrete stairs extend from the exterior grade up the main floor level and down into the basement. No elevator or ramp exists currently for accessibility.

The porch covers on the south side of each wing are roughly 29 feet long and protrude 9 feet off the exterior face of the building. The roof structure is a wood framed rake extending off the top of the exterior wall of the main building. The west porch roof structure has become detached from the main building allowing water to penetrate the roof and rot out the framing. The roof of the porch now sags in both directions as a reflection of this degradation.

The south wall of the porch has five brick arches with an arch on the east and west ends. The brick has been weathered extensively resulting in advanced deterioration of the mortar joints. In several cases, the keystone brick at the top of the arches has actually broken loose and partially disengaged rendering the arch unstable without a timely repair effort. The legs of the arches rest on individual concrete piers. The floor of the porches is now comprised of a monolithic concrete slab but it appears that this was a later dated modification. The concrete slab has been undermined by erosion as the roof downspouts splash drain on the ground adjacent to the basement walls. The brick coursing of the porches is not toothed into the exterior brick wall of the main building nor do the brick courses align horizontally with the wall face. It appears to be a vertical construction joint. The porches are constructed in a manner consistent with an addition or late alteration of the building.

Conclusion

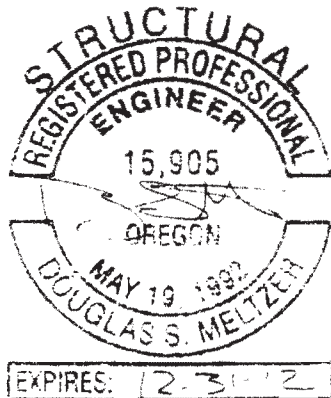
The overall size of this building is too large and heavy to move as a single unit. We envision that the only practical approach to moving this building would entail splitting the building into five (5) 27 foot by 40 foot segments. It also is not practical to remove the entire concrete basement walls, we envision this would be achieved by a horizontal saw cut joint roughly four feet below the main floor level. This would allow transport of the main floor, wall and roof structure. Even this portion of the building would weigh nearly

200,000 lbs. breaching the practical limits of transport equipment. Extraordinary efforts would be required to prevent crumbling the fragile brick walls during erection or transport. Even the most conscientious contractor, almost certainly will not guarantee the building can be successfully moved and re-assembled. Despite extraordinary measures, it is possible that the process of relocation could damage the existing building or materials beyond repair. In our experience this risk will have to be borne by the owner and the inherent risk acknowledged and accepted contractually by the owner before the contractor would proceed. This methodology would not allow for the transporting of the brick porches. The porches would not survive the displacement and distress that are inherent with relocation.

In the end, even this methodology would be limited to a very near vicinity for relocation and major reconstruction efforts would be necessary to marry the building elements back together. Once the shell of the structure was restored then the process of creating a viable code compliant building would begin including an extensive seismic retrofit, new electrical, plumbing, mechanical systems, accessibility considerations, fire and life safety improvements, energy upgrades and tenant improvements.

In truth, although possible, it is impractical to move or restore this building to meet current code provisions for a compatible use of the facility. It would be far less expensive and more logical to construct a historic replication of the building than to attempt to salvage the existing Howard Hall. Similarly, the only salvage value in the existing porch structures are the bricks themselves. The remainder of the porches are degraded to an unsafe and un-salvageable condition.

We trust that this structural report clearly states our opinion regarding the viability and practicality of the relocation of this building. Please contact our office with questions or clarifications concerning this matter.



Sincerely,

A handwritten signature in black ink, appearing to read "Douglas S. Melitzer".

Douglas S. Melitzer, P.E., S.E.
BMGP Engineers, Inc.

APPENDIX F

**SHPO 1993 Historic Resource Inventory Form with incorrect photo and
SHPO Inventory Form 2009**

OREGON INVENTORY OF HISTORIC PROPERTIES
HISTORIC RESOURCE SURVEY FORM - TWO

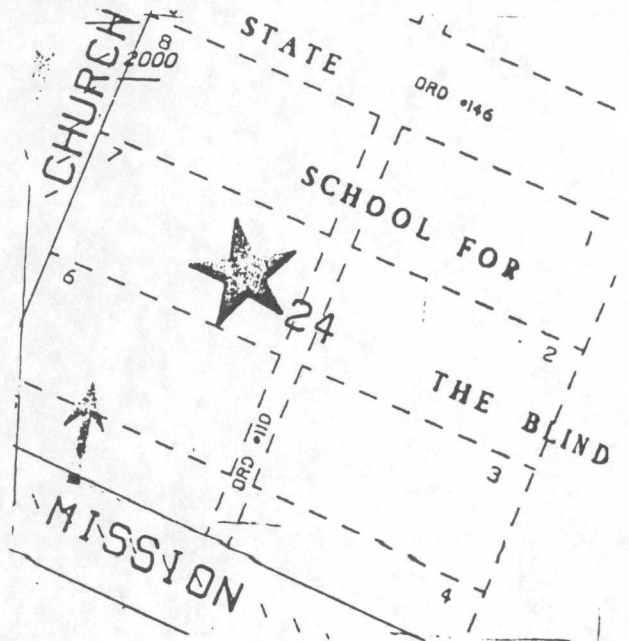
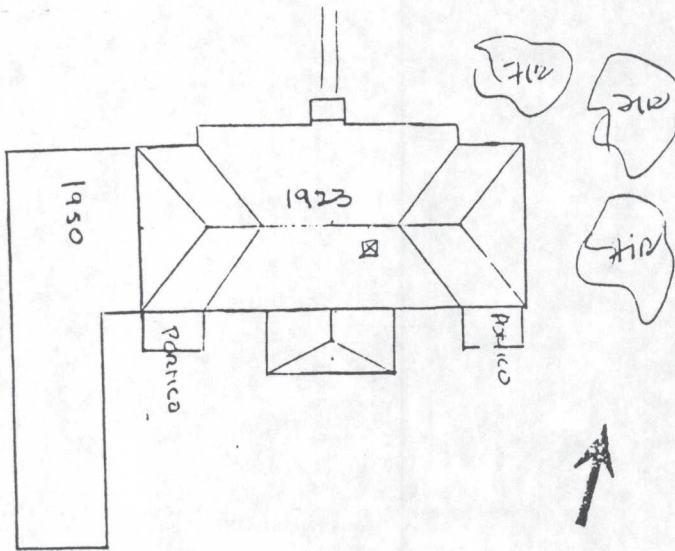
NAME: Howard Hall
ADDRESS: School for the Blind
Salem, Oregon 97302

T/R/S: 07\3W\27
MAP NO: 26DB TAX LOT:00500
QUADRANGLE: Salem



NEGATIVE NO. :

SLIDE NO. :



GRAPHIC AND PHOTO SOURCES: City of Salem, Community Development

SHPO INVENTORY NO.: ~~804~~
814

OREGON INVENTORY OF HISTORIC PROPERTIES
HISTORIC RESOURCE SURVEY FORM
COUNTY: Marion

ST. NAME: Howard Hall
COMMON NAME:
ADDRESS: Oregon State School for Blind
CITY: Salem, Oregon
OWNER: State of Oregon

DATE OF CONSTRUCTION: 1923
ORIGINAL USE: Boy's dormitory
PRESENT USE: Office space
ARCHITECT: John Bennes
BUILDER:
THEME: Architecture
STYLE: Mediterranean

T/R/S: 07\3W\27
MAP NO: 27DB TAX LOT: 00500
ADDITION: University
BLOCK: 23&24 LOT: 3-7 QUAD: Salem
TAX ACCOUNT NUMBER: 85801-470

BLDG: X STRUC: DIST: SITE OBJ:

PLAN TYPE/SHAPE: rectangular with wings
FOUNDATION MATERIAL: concrete
ROOF FORM & MATERIALS: hipped
WALL CONSTRUCTION: brick bearing walls
PRIMARY WINDOW TYPE: awning with fixed upper light and metal frame
NO. OF STORIES: one
BASEMENT (Y/N): yes
red clay tile
STRUCTURAL FRAME: brick

EXTERIOR SURFACING MATERIALS: brick

DECORATIVE FEATURES: open eaves with carved rafter ends and frieze board; cast stone quoins and keystones; gabled double entry with returns and arched openings, outer entry with cast stone keystone, inner entry with Palladian window and sidelights; arcades on rear of building at east and west ends with arched openings; center wing with hipped roof.

OTHER:

CONDITION GOOD: X FAIR: POOR: MOVED: (DATE):

EXTERIOR ALTERATIONS/ADDITIONS (DATED): basement added at some point; brick addition to west end, 1950, handicapped ramp on west end
NOTEWORTHY LANDSCAPE FEATURES: naturally-landscaped grounds with mature native trees and shrubs
ASSOCIATED STRUCTURES: remaining newer structures housing school

KNOWN ARCHEOLOGICAL FEATURES:

SETTING: building faces north on intimate grouping of school buildings north of busy two-way four-lane street; quiet residential area

STATEMENT OF SIGNIFICANCE (Historical and/or architectural importance, dates events, persons, contexts)

The Oregon State School for the Blind was started in 1872 when the State allocated \$4,000 for the education of the blind. Mr. and Mrs. William Nesbitt were hired to provide for the care of the children with Miss Nellie Simpson hired to teach the first class of six children. The school was located at the Nesbitt residence. In 1883 the school was moved to the Snowden Building at 12th and Ferry and in 1895 to its present seven-acre site north of Mission Street. Howard Hall is the oldest building on the campus, built in 1923 at a cost of \$33,388.

SOURCES: Salem Inventory, 1987; Sanborn maps; Salem City Directories; Marion County Tax Assessor records; Ticor Title Company; 1936 Inventory of State Buildings

NEGATIVE NO.:

RECORDED BY: Marianne Kadas

INDEX NO.:

DATE: June 1993

SHPO INVENTORY NO.: 804

814

LOCATION AND PROPERTY NAME			
address:	700 Church St SE Salem, Marion County	historic name:	Howard Hall
assoc addresses:		current/other names:	OSB Building No. 4
location descr:		block/lot/tax lot:	/ 00500 / 73W2727DB-00500
		twshp/rng/sect/qtr sect:	7S 3W 27 DB

PROPERTY CHARACTERISTICS			
resource type:	Building	height (stories):	2.0
elig evaluation:	eligible/contributing	total elig resources:	1
prim constr date:	1923	total inelig resources:	0
		NR Status:	
		date indiv listed:	
primary orig use:	Education-Related	orig use comments:	
second orig use:		prim style comments:	
primary style:	Renaissance Revival	sec style comments:	
secondary style:	International	siding comments:	
primary siding:	Brick:Other/Undefined	architect:	Bennes, John V
secondary siding:	Concrete: Other/Undefined	builder:	
plan type:	School (General)		

comments/notes:
City of Salem Local Landmark status Tax Lot: 73W2727DB-00500 8/24/2009 - Closed by legislature 2009 Multiple buildings, eligible as historic district. Building has own folder in survey files.

GROUPINGS / ASSOCIATIONS			
Survey/Grouping Included In:	Type of Grouping	Date Listed	Date Compiled
Oregon School for the Blind Section 106 RLS 2009	Survey & Inventory Project		2009
Salem Inventory Update RLS 2009	Survey & Inventory Project		2009

Farmstead/Cluster Name: Oregon State School For Blind

SHPO INFORMATION FOR THIS PROPERTY			
NR date listed:	N/A	106 Project(s)	Special Assess Project(s): None
ILS survey date:		SHPO Case	Federal Tax Project(s): None
RLS survey date:	10/27/2010	Date	
		Agency Effect Eval	
		09-2484 12/11/2009 adverse effect	

ARCHITECTURAL / PROPERTY DESCRIPTION
(Includes expanded description of the building/property, setting, significant landscape features, outbuildings and alterations)

Howard Hall is a single-story rectangular Renaissance Revival style dormitory. It is located on the southwest corner of the property along Mission Street. It originally provided sleeping quarters, bathrooms and living rooms for resident boys. In 1934 it transitioned to house resident girls. The basement was expanded from a small room at the center of the building to include space under the entire east wing for classrooms. In 1958, in tandem with other campus modernization projects, a modern addition was attached to the west end of the building and the interior was reconfigured. The exterior walls of the original building are load-bearing masonry with a tiered hip roof, originally clay tile but reroofed in the last decade with asphalt shingles, supported by wood framing. It was originally a symmetrical design with the central entry facing the campus/north, flanked by identical dormitory wings. The primary entry is identified by a projecting gable roof, arched entry to a porch and a wood door with a large fan lite above and side lites. Windows are fixed wood with a small operable hopper above. They are typically single or paired with a concrete sill. The south elevation addresses the street with a central projecting mass featuring a brick arch with stucco infill that originally served as a backdrop to a small fountain flanked by benches. To either side of this feature is an arcade with a shed roof covering a porch. Windows at this elevation include 12-over-12 wood hung and large fixed replacements. Additional decorative elements of the original building include a base soldier course of bricks, cast-stone quoins at corners, cast-stone keystone and spring point stones at entry arch, and exposed shaped rafter tails. The addition has brick clad concrete walls, a flat roof, and ribbons of aluminum windows, fixed over narrow awnings. The addition provided more residential space to the then girls' dormitory and an accessible entry at its connection point. Howard Hall currently retains a majority of the aspects required for good integrity. It is sited in its original location and environment and has sustained only minor alteration to its exterior design, materials, and workmanship over the past 80 years, though the interior has been remodeled and finishes updated over time. It also maintains the subjective qualities of feeling and association with early residential institutions. The 1958 west addition, while relating to the adjacent modern campus buildings, detracts from the original Bennes building design. The original building is entirely obscured from view from the southwest corner of the property. That being said, the addition was constructed in a manner and location which would permit its removal and restoration of the original west end of Howard Hall.

HISTORY
(Chronological, descriptive history of the property from its construction through at least the historic period - preferably to the present)

The Oregon State School for the Blind was started in 1872 when the State allocated \$4,000 for the education of the blind. Mr. and Mrs. William Nesbitt were hired to provide for the care of the children with Miss Nellie Simpson hired to teach the first class of six

children. The school was located at the Nesbitt residence. In 1883 the school was moved to the Snowden Building at 12th and Ferry and in 1895 to its present 8 acre site. After twenty-five years of operating primarily out of the original 1895 school building, the campus finally expanded in 1923 onto the former School for the Deaf site constructing a boys' dormitory. The building was designed by prominent architect John V. Bennes and touted as a new "fireproof" structure in response to circulating concerns about the safety of the 1895 wood school building. Howard Hall is one of the oldest extant buildings on the campus, named for Superintendent Jerome Howard, and wife Helen acting as Matron, who served the school from 1919 to 1931. Howard Hall supported OSB's early growth as a residential institution, shifting to lodge girls when Irvine Hall was completed for the boys in 1934. With the modernization of the late 1950s, the interior of Howard Hall was remodeled and the addition made to the west end to accommodate the growing demand for living and learning spaces. Howard Hall was continuously used by OSB until its closure in 2009.

RESEARCH INFORMATION

Title Records	Census Records	Property Tax Records	✓ Local Histories
✓ Sanborn Maps	✓ Biographical Sources	SHPO Files	Interviews
Obituaries	✓ Newspapers	State Archives	✓ Historic Photographs
City Directories	Building Permits	State Library	

Local Library:	Salem Public Library	University Library:	
Historical Society:		Other Respository:	Original 1923 architectural drawings

Bibliography:

Salem Inventory, 1987; Sanborn maps; Salem City Directories; Marion County Tax Assessor records; Ticor Title Company; 1936 Inventory of State Buildings; Oregon Department of Education online resources; Salem Online History; "Condition Assessment for the Oregon School for the Blind Oregon School for the Deaf" by Otak Architects, Inc; "Architects of Oregon. A Biographical Dictionary of Architects Deceased - 19th and 20th Centuries" by Richard Ritz

APPENDIX G

Howard-Hall-Adaptive-Reuse-RFP



Salem Hospital

A part of Salem Health

Howard Hall Adaptive Reuse

Request for Proposals

Posted – July 10, 2013

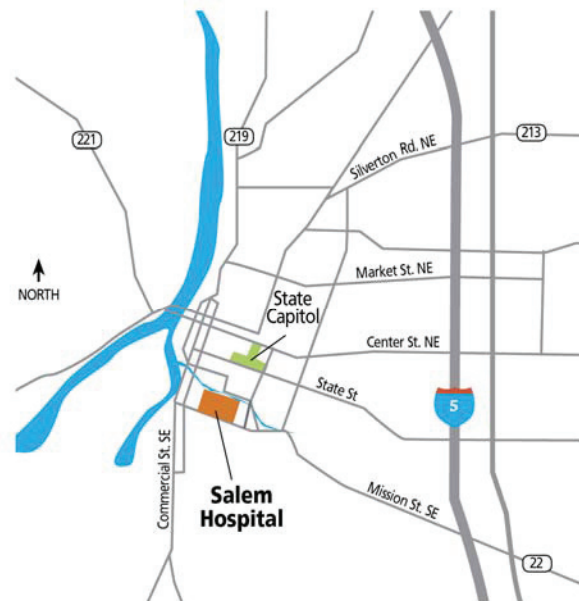
Due – August 23, 2013

Introduction / Summary

Salem Hospital, a not-for-profit health care provider based in Salem, Oregon requests proposals from qualified organizations interested in adaptive reuse of a historic property – Howard Hall – located on the Salem Hospital campus.

Built in 1923, Howard Hall is situated at the corner of Mission and Church Streets. This historic structure is south of downtown Salem, on an 8.37 acre L-shaped parcel purchased from the State of Oregon School for the Blind (OSB). Just to the south lies Salem's 90-acre Bush's Pasture Park. To the west are single family homes on typical 5,000 square foot residential parcels.

Howard Hall is a designated City of Salem Local Historic Resource. This designation means construction, alteration or demolition of the building requires review by Salem's Historic Landmark's Commission. The City Code encourages retention, relocation or adaptive reuse of landmark structures. Salem Hospital has been exploring prospect for adaptive reuse of Howard Hall, and is seeking viable proposals.



Salem Hospital Goals & Objectives

Salem Hospital is a not-for-profit, tax-exempt organization, guided by a 15-member volunteer Board of Trustees. More than 3,800 people work for Salem Hospital and Salem Health, the parent company, making it the largest private employer in the Marion-Polk County region.

Salem Hospital Mission

Improve the health and well-being of the people and communities we serve.

Vision

Exceptional Experience Every Time

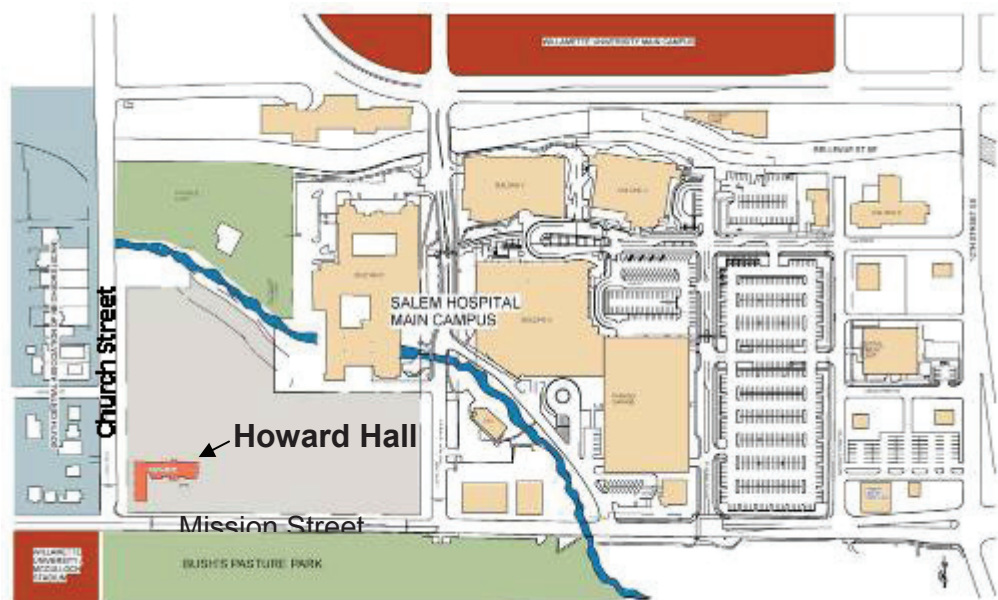
Objectives for Adaptive Reuse

Salem Hospital's objectives for adaptive reuse of Howard Hall include:

1. Solicit proposals for retaining this building at its present site.
2. Explore opportunities to sell and relocate Howard Hall to preserve this structure if feasible.
3. Ensure reuse of Howard Hall will be compatible with the character of the surrounding Gaiety Hill Historic District, South Central Area Neighborhood (SCAN), and also compatible with hospital operations.

Background: Howard Hall

Howard Hall is near the southern edge of the property, and faces south onto Mission Street. Named for OSB Superintendent Jerome Howard, it was built in 1923, designed by architect John V. Bennes in the Italian Renaissance style. In this era, Bennes also designed the Geyser Grand Hotel in Baker City and more than 40 buildings at Oregon State University.



Salem Hospital campus and Howard Hall

Howard Hall is a one-story, red-brick building with load-bearing masonry, a tiered hip roof, and cast-stone quoins and keystones. The south elevation features a brick archway that originally served as a backdrop to a small fountain flanked by benches. The primary entry on the north elevation includes a projecting gable roof, and arched entry to a porch.

Originally built as a boys dormitory for Oregon School for the Blind, it later became a girls dorm. A basement was excavated for classrooms in 1950, and the building's interior was reconfigured. In 1958, a modern addition was extended along Church Street, with brick clad concrete walls, a flat roof, and aluminum windows in a style that does not match the original structure. The interiors of Howard Hall have been modernized over time, but the building's exterior is largely intact and retains its historic integrity.



Howard Hall was built in 1923 as a dormitory for Oregon School for the Blind.



This arched porch is visible from Mission Street.



Asbestos and lead paint abatement work was completed in 2012.

Howard Hall – Chronology

1881-1883	Church Street Property donated for education of the deaf and blind to by Henry Failing and Ashael Bush
1895	Oregon School for the Blind (OSB) moved to this site from the Snowden Building at 12 th and Ferry: enrollment 25 students
1923	Howard Hall designed by architect John V. Bennes; constructed as boys dormitory
1934	Howard Hall converted to girls dormitory: OSB enrollment 75 students
1950	Basement excavated
1958	Addition to Howard Hall designed by Jacobberger, Stanton, Franks & Norman Architects
1970s	Howard Hall converted for storage OSB enrollment declined
1990	Howard Hall designated as a historic resource under the City of Salem’s Goal 5 process
2009	Howard Hall decommissioned by State of Oregon Structure deemed eligible for the National Register of Historic Places
2010	Church Street property purchased by Salem Hospital for hospital expansion for \$6 million
2011	Structural evaluation and market analysis for Howard Hall
2011	Demolition of other buildings on Church Street property
2012	Preservation/abatement of Howard Hall

Property Summary

Zoning and Existing Conditions

Zoning

The entire 8.37 acre Church Street Property, including the Howard Hall site, is covered by the City of Salem’s Public and Private Education (PE) zone. Permitted uses include health, education and social service uses. Parking is permitted in this zone in support or ancillary to the primary use.

This site is also designated as a City of Salem Local Historic Resource, under Chapter 230.010 of Salem Revised Code. This designation means construction, alteration or demolition of the building is under the purview of Salem’s Historic Landmark Commission. Portions of the Church

Street Property are located within the floodway area or 100-year floodplain. (A map is available.) These designations do not affect development in the Howard Hall portion of the site.

Howard Hall – Existing Condition

The current condition of Howard Hall is rated as “fair”. It should be noted, however, that the building has not been occupied as a residence hall for 40 years or longer, and was used only for storage for many years until its 2009 decommissioning. The “as is” condition of the building and its systems will not support occupancy without substantial improvements, such as repairs, renovation, seismic upgrades, utilities extensions, and system upgrades and replacement.

In 2009, the State of Oregon commissioned PBS Engineering & Environmental to perform a comprehensive asbestos and limited lead paint survey on Howard Hall among 11 OSB buildings. The abatement work indicated in the survey has been completed by the State of Oregon and Salem Hospital.

Further work completed by Salem Hospital to protect and preserve the structure:

- Reattaching gutters and downspouts
- Cleaning roof and gutters
- Removing window A/C units and reinstalling glass
- Reattaching and replacing soffit boards and corbels
- Reinstalling guard rails

The building was originally roofed in clay tile, but was reroofed in the last decade with asphalt shingles.

Relocation of Howard Hall

A structural review by BMGP engineers determined the structure cannot be feasibly relocated, reassembled and maintain its integrity. Specific concerns stated in a preliminary review by the City of Salem’s Building & Safety Division:

- Due to the fragility of unreinforced masonry, the process of relocating the building could damage the structure of the building or materials beyond repair.
- Certain parts of the building such as the brick porches would not survive the displacement and distress that are inherent with relocation.
- Transporting the building in the public right-of-way would test the practical limits of transport equipment and might endanger utilities and public safety.

Nevertheless, proposers interested in relocating Howard Hall are invited to submit plans and a feasibility analysis, and identify a relocation site.

Facts and Figures—Church Street Property

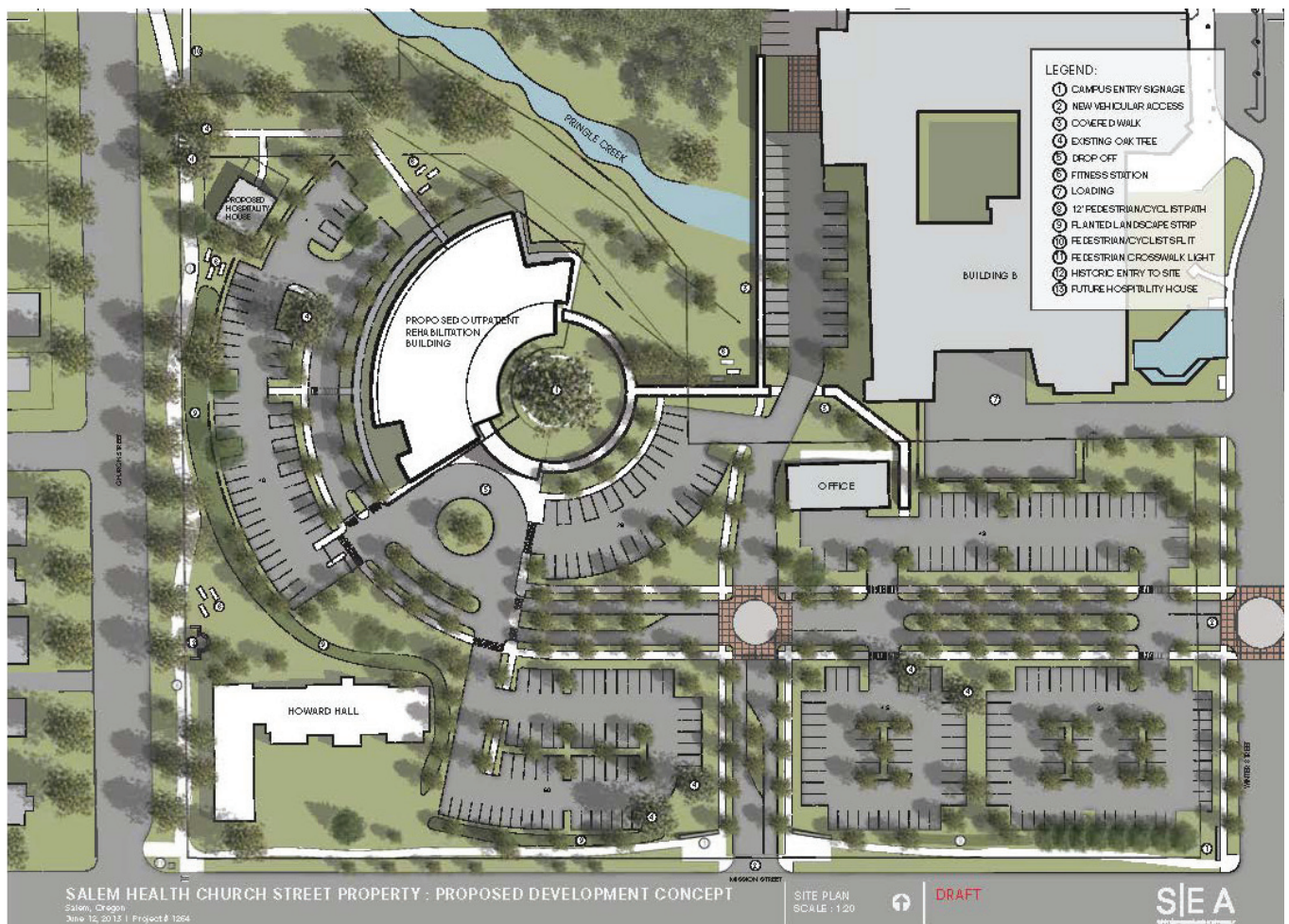
Address:	650-700 Church Street SE, Salem, OR 97301
Location:	North side of Mission Street SE, east of Church Street SE, west of Winter Street SE, and south of Pringle Creek
Marion County Tax ID:	073W27DB-00500
Site Size:	8.37 acres gross land area in two parcels
Terrain:	Generally level, with mature trees and landscaping
Floodway Area:	0.3± acres; no-build zone
100-yr Floodplain:	1.7± acres; development limitations
Building Size: (approximate)	<u>12,900 sf (square feet)</u> 4,800 sf original building 3,300 sf addition 4,800 sf basement (1,500 sf unfinished)
Zoning:	Public and Private Education (PE) Permitted uses: health, education and social services Parking is permitted in support or ancillary to the primary use Local Historic Resource (230.010)
Access:	Current access to the site is from Winter Street SE on the east
Utilities:	Water, sewer, electrical, telephone, gas and fiber optic to the site (Building currently served with water and sewer)
Tax Lot:	Tax lots 300 and 500, Township 7 South, 3 West, Section 27 Northwest Quarter, Marion County, Account Nos. R95148 and 95149
Legal Description:	(Excerpted from ALTA Survey) Parcel I: All of Block 23 and 24 and Lots 3, 4, 5, 6 and 7, Block 25, UNIVERSITY ADDITION, Marion County, Oregon (Recorded in Volume 1, Page 27, Record of Town Plats for Marion County, Oregon.) TOGETHER WITH that portion of vacated Leslie Street, Cottage Street and alleys, that would inure to the subject property by operation of law. PARCEL II: Beginning at a point on the Westerly extension of the South line of Lot 2, Block 25, UNIVERSITY ADDITION, City of Salem, Marion County, Oregon, said point being Westerly 8.25 feet, and parallel with the West line of Lots 1 and 2, of said Block 25, a distance of 124 feet to the South bank of Pringle Creek; thence Southeasterly, along the South bank of said Pringle Creek, 216.00 feet, more or less, to a point on the Easterly extension of the South line of said Lot 2, said point being Easterly 2.83 feet from the Southeast corner of said Lot 2; thence Westerly 177 feet to the point of beginnings.
Ownership:	Salem Hospital, Inc., a not-for-profit corporation

Site Planning Context

Rehabilitation Center

Salem Hospital desires a single location where outpatient rehabilitation services can be coordinated with inpatient rehab, offering improved patient access to the best physical, occupational and speech therapists in the region.

A 32,000 sf Rehabilitation Center is planned for development on the Church Street Property. This new facility will provide a full complement of outpatient rehabilitation services: for pediatric therapy, neuromuscular therapy, neuropsychology, orthopedic and aquatic therapy, and work injury management. The Center will reflect a healing environment where patients are empowered to improve their quality of life by maximizing their functional abilities at home, work and in the community. The project will also include a therapy garden that contributes to exceptional rehabilitation and is accessible to patients and family members of all ages and persons using wheelchairs.



The Rehabilitation Center will provide a single coordinated location for rehabilitation services.

Benefits of the Rehabilitation Center's coordinated approach include:

- Single coordinated location for rehabilitation services
- Clinic areas provide high quality care and enhanced patient experience
- Improved convenience for patients
- Improved efficiency for physicians and rehab specialists
- Fully accessible facilities
- Enhanced inter-disciplinary team collaboration

New construction also provides the opportunity to incorporate contemporary principles of sustainability into the design. Salem Hospital's architects will design the site and buildings to minimize energy and water use, control light pollution, preserve and restore native landscaping, and retain and treat stormwater on-site. The Rehabilitation Center will be designed to meet LEED (Leadership in Energy and Environmental Design) standards, though there are currently no plans to certify the building.

Construction of the Rehabilitation Center is anticipated to begin in February 2014.

Hospitality House

Salem Hospital will also develop a 4,000 sf guest house for overnight stays by out-of-town patients who are receiving treatment, along with their families. Guests will have easy 24-hour access to hospital facilities while staying in a family-friendly residence that is situated in a park-like setting.

Other Development

Other development envisioned for the Church Street property includes:

- *A landscaped buffer* that separates and screens the site from the residential neighborhood to the west, and provides a wide path along Church Street for bicyclists and pedestrians.
- *Interpretive displays* for the Oregon School for the Blind, which moved to the site in 1895 and remained for over a century.
- *Surface parking* (approximately 290 spaces) to meet the immediate and long-term needs for the Rehabilitation Center, guest house and hospital.

Vehicle access to all buildings and lots will be from Winter and Mission Streets. The network of internal streets and circulation patterns will keep most traffic away from the Church Street side of the property and residential neighbors.

Terms and Conditions

The following Terms and Conditions will apply to Howard Hall adaptive reuse. Salem Hospital may, at its sole discretion, and at any time during this RFP solicitation, amend these terms and conditions or adopt additional ones.

1. Salem Hospital will retain ownership of the subject site. Howard Hall and the land in the southwest corner of the Church Street property that is associated with Howard Hall (approximately 0.5 acres) will be made available for lease.

2. Additional land for parking will be provided sufficient to meet any pertinent City of Salem requirements, and to ensure that overflow parking does not impact streets in the residential neighborhood.
3. The rates and terms for the lease are subject to negotiation. However, the lease will contain certain non-negotiable restrictive covenants, including a noncompetition clause relating to use of the building. The initial term and price of the leasing agreement will be determined during negotiations between the successful proposer and Salem Hospital.
4. The structure—Howard Hall—is offered in “as is” condition. Salem Hospital will not be responsible for the cost of any further structural investigations, studies, utility extensions, seismic or systems upgrades, or design and/or construction of any further improvements to the structure.
5. Salem Hospital is prepared to participate in improvements to the grounds surrounding Howard Hall, to ensure the landscape and site design are compatible with redevelopment of the Church Street property and will complement the adjacent residential neighborhood.
6. Salem Hospital is a not-for-profit organization that does not incur property tax liability for medical related uses on the hospital campus. Any tax liability incurred through unrelated business income derived from the lease of Howard Hall and grounds will be the responsibility of the Howard Hall lessee. Likewise, any tax incentives which may accrue through adaptive reuse of Howard Hall and do not benefit Salem Hospital may be available to the lessee.
7. The successful lessee must warrant that the lessee, its board, officers, agents and employees are not on the Office of Inspector General (OIG) Exclusion List.
8. The final agreement between the successful lessee and Salem Hospital must be reviewed and approved by Salem Hospital’s legal counsel.
9. Either party may terminate negotiations of the lease agreement at any time without penalty. If negotiations aren’t concluded within 120 days of award, Salem Hospital and its Selection Committee may reconsider its initial selection, and terminate negotiations, and may award the project to another proposer or conclude there is no qualified proposal that merits selection.

Submittal Requirements

Interested proposers must submit all of the following information in the prescribed format. Proposers are encouraged to be clear and concise in their responses.

- Section 1: Name of entity / individual submitting proposal
- Detailed contact information: contact person, mailing address, telephone, fax, email
- Section 2: Detailed description of proposed use; compliance with Salem’s historic preservation code; consistency with City of Salem zoning; compatibility with Salem Hospital’s proposed uses of Church Street property
- Proposed development schedule
- Proposers wishing to relocate the building must also submit plans and a feasibility analysis, and identify a relocation site.

- Section 3: Preliminary space plan: space allocations for all proposed uses; space plan or sketch of proposed layout; any special facility requirements
- Section 4: Preliminary operations plan: days/hours of operation; anticipated staff and visitor occupancy
- Section 5: Preliminary financial plan: estimated project cost; committed and proposed funding source(s); proposed lease terms
- Section 6: Compatibility with residential neighborhood
- Section 7: Qualifications of proposer's team for adaptive reuse; examples of successful projects completed/ operated; list of team members and a summary of their qualifications
- Section 8: Supplemental information (optional)
- Detailed plans for Howard Hall adaptive reuse; architectural renderings
 - Detailed cost estimates
 - Financial proforma or detailed financial statement
 - Additional qualifications; professional references

There is no expressed or implied obligation for Salem Hospital to reimburse interested proposers for any expense incurred in preparing and /or submitting proposals in response to this RFP.

Schedule / Submittal Deadline

To be considered, proposals must be submitted complete, in the required format, **no later than 4:00 p.m. on Friday, August 23, 2013**. The timeline for the Howard Hall adaptive reuse RFP solicitation and selection is shown below.

A tour of Howard Hall and the Church Street site will be held: Wednesday, July 31, 2:00 p.m., Salem Hospital Facilities Department. (Turn into driveway south of hospital Building B, on west side of Winter Street—follow signs to parking.)

The tour is optional; interested proposers may participate at their discretion. No RSVP is necessary and hard hats and protective gear will not be required.

July 10, 2013	Request for Proposals issued by Salem Hospital*
July 31	Howard Hall site tour (2:00 p.m.)
August 7	Due date for proposer questions
August 14	Salem Hospital will circulate proposer questions and answers*
August 23	Due date for proposals
August 28	Selection Committee evaluates proposals
August 29	Proposers notified of interview schedule (if required)
September 5	Interviews (if required)
September 9	Award to successful proposer

September-October	Final negotiations
October	Final agreement submitted for Salem Hospital legal counsel's review and execution
November-December	Lease signed/leasee possession of Howard Hall
February 2014	Rehabilitation Center construction begins

*To receive updates, interested proposers must register by email to cr@salemhealth.org with subject line: Howard Hall RFP.

Updates will also be posted at www.salemhealth.org/HowardHall

Submittal Instructions

Interested proposers must submit proposals and supporting information by mail or delivery to:

Mail	Cynthia Wagner Director, Facilities Salem Hospital P.O. Box 14001 Salem, OR 97309-5014	Delivery	Cynthia Wagner Director, Facilities Salem Hospital 698 12 th St. SE Salem, OR 97301
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Proposals must **include two printed copies with a CD or flash drive that contains the complete proposals and supporting information.**

Proposals should be clear and concise, but must also be complete and include all of the information listed above under Submittal Requirements.

Proposers should understand that all proposals may be subject to public review through the City of Salem's Historic Landmarks Commission.

Evaluation Process

Selection Committee

A Selection Committee to be appointed by Salem Hospital will evaluate submitted proposals. The Selection Committee's evaluation criteria are based on the information requested in the Submittal Requirements section of this document.

The Selection Committee will review and evaluate proposals and at its discretion, choose to schedule interviews with one or more proposers. Interviews, if held, will be at Salem Hospital campus and are tentatively set for September 5-6.

Criteria

The Selection Committee will use the following criteria to evaluate proposals.

	Criteria
Section 1: Name of entity / individual submitting proposal	Not scored
Section 2: Detailed descriptions of proposed use & compatibility; proposed development schedule; relocation feasibility analysis	20
Section 3: Preliminary space plan	10
Section 4: Preliminary operations plan	10
Section 5: Preliminary financial plan; proposed lease terms	20
Section 6: Compatibility with residential neighborhood	20
Section 7: Qualifications of team for adaptive reuse	30
Section 8: Supplemental information (optional)	Not scored
Total	110

Final Decision

The Selection Committee may select a successful proposer based on the above criteria or additional criteria established by the Committee. At its discretion, the Selection Committee may also determine there is no qualified proposal for Howard Hall adaptive reuse that warrants selection.

Documents Available

The following documents are available for review by proposers. These documents may be accessed at www.salemhealth.org/HowardHall

Howard Hall Evaluation, CB Two Architects, 2011

Oregon School for the Blind: Development Framework, Historic Regulations, Review and Incentives, Heritage Consulting Group, 2010

Maps:

- Oregon School for the Blind: Site Utility Map
- Church Street Property: Floodway and 100-Year Floodplain
- South Central Area Neighborhood
- Gaiety Hill Historic District

Point of Contact

Interested proposers **must use a single point of contact** to communicate with Salem Hospital about the Howard Hall Request for Proposals. Questions must be submitted in writing to:

Cynthia Wagner
Director, Facilities
Salem Hospital
cr@salemhealth.org

All proposer questions will be answered in writing, with questions and answers distributed to all interested proposers who have registered. Salem Hospital will not respond to telephone inquiries.

About Salem Health

Salem Health is the premier health care provider for Oregon's Willamette Valley. Made up of Salem Hospital, West Valley Hospital and Willamette Health Partners we've provided pioneering medicine since 1896.

Learn more at www.salemhealth.org

APPENDIX H

Sperry Van Ness Economic Viability Analysis

APPENDIX H

Economic Viability Analysis

The following evaluation was prepared by *Sperry Van Ness, Commercial Real Estate Advisors*. Excerpts of this evaluation are included as part of the application package.



SPERRY VAN NESS COMMERCIAL ADVISORS, LLC
1665 Liberty St. SE, Suite 200
Salem, OR 97302
P (503) 588-0400
F (503) 588-7312
curt.arthur@svn.com

January 12, 2011

John Bauer
Parks, Bauer, Sime, Winkler & Fernety LLP
570 Liberty St. SE, Suite 200
Salem, OR 97301

Re: *Economic Viability Analysis*
Howard Hall
Former Oregon School for the Blind

Dear John:

The following report details our company's conclusions regarding the economic and financial analysis of Howard Hall located on the campus of the former Oregon School for the Blind located north of Mission Street and situated between Church Street SE to the west, and Winter Street SE to the east. The subject property is located at the corner of Church and Mission Streets. This analysis is based on estimated costs of improvements provided to us from third party sources, our extensive tour of the subject property, combined with our knowledge of the local commercial real estate market.

For purposes of this report, we assume you will address significant narrative to the history of the Oregon School for the Blind, any historical ramifications of the campus buildings and this property's placement within it so we will not address this within our report.

Based on the surrounding uses (Salem Hospital, Bush Park, McCulloch Stadium, and the Gaiety Hill/Bush's Pasture Park Historic District), the current PE zoning of the property, or an extension of the PH zone, the highest and best use would be as medical office use providing complimentary services to Salem Hospital. Mixed use that could provide a more residential buffer to the Gaiety Hill District also seems sensible.

Using historical market data, and cost improvements provided by Turner Construction, we have performed the following economic analysis which details total estimated costs to improve the existing structure, and what the current market would expect to return to the ownership. Turner Construction has estimated construction costs in both keeping the 1958 addition and demolishing the addition. For purposes of this analysis we assume the 1958 addition would remain only

because the economic feasibility, as you will see, does not significantly change by eliminating the addition.

Our Qualifications

Sperry Van Ness Commercial Advisors, LLC is a full-service commercial real estate brokerage and advisory company formed in 2007. The six advisors within the company have more than 100 years of combined commercial real estate experience. Each advisor within the company is a specialist in a particular sector of the market (retail, office/industrial, multi-family and investment) with encyclopedic knowledge of properties, tenants and transactions. We are the only firm in the market who has accredited members of CCIM (Certified Commercial Investment Member), SIOR (Society of Industrial and Office Realtors®) and of NAIOP (National Association of Industrial and Office Parks) within the same office.

Curt Arthur, SIOR is the Managing Director and owner of Sperry Van Ness Commercial Advisors, LLC. In his twenty-one years in the industry, Mr. Arthur has almost 1,000 closed real estate transactions and is a successful consulted on development, market factors, and economic feasibility analysis. He is the recipient of the Realtor of the Year and Commercial Realtor of the year through the Salem Association of Realtors and in 2008 was on one of 35 National Merit Award winners through the commercial alliance of the National Association of Realtors for her service to his industry. In 1999, Mr. Arthur founded the Willamette Valley Commercial Realtors, the commercial umbrella of the Salem Association of Realtors.

Property History

The Oregon School for the Blind was established in 1872 and moved to this site in 1895. Howard Hall, the subject property, was originally constructed in 1923 at a cost of \$33,388. During our tour of the property, and referencing documents provided to us by the State of Oregon, there was a basement added to the main building sometime in the 1950's and brick addition was added to the west side of the building in approximately 1958.

By legislative decree, the Department of Administrative Services placed the property on the open market in 2010, using Norris & Stevens out of Portland, and sold the 8.22 +/- acre site to the Salem Hospital October 19, 2010 for \$6,000,000.

The building is only one of approximately nine buildings on the campus site. In its current shape and size, would not be attractive to any commercial user.

Improvement and Cost Analysis

This office has used third party reports provided to us by Turner Construction, as well as annual reports our office conducts on office rents and vacancy in the Salem market to perform our analysis.

For the sake of acquisition costs, to be able to calculate total investment, we used a proportionate amount of the acquisition price paid by Salem Hospital to the land which Howard Hall currently sits on and would be needed for redevelopment. It is widely understood within development that for a one or two story development, you would need four (4) times as much land as building size to accommodate plans for landscaping, ingress/egress and parking. Since Howard Hall is currently measured at 12,500 square feet, we are proportioning 50,000 square feet (12,500 x 4) as necessary to support the redevelopment of this property.

As noted herein, Salem Hospital acquired the site for \$6,000,000, or, \$16.66 per square foot based on a total land size of approximately 360,000 square feet.

For purposes of this analysis, we then calculated the 50,000 square feet of land needed for redevelopment of the subject property and multiplied that by the acquisition price per square foot (\$16.66) to come up with the acquisition cost for the subject property of \$833,333.

Improvement and Cost Analysis

1. Proportioned Cost for Howard Hall	\$833,333
2. Construction Costs Excluding Seismic	\$3,146,279
3. Soft Costs (Precon, Permitting, FF&E, etc.)	\$1,451,341
4. Allowance – Seismic Upgrades	\$325,000
Total Estimated Costs (1-4)	\$5,755,953 (\$460.48/SF)

Note: Turner Construction also estimated rehabilitation costs demolishing the 1958 addition totaling \$3,695,392. Lowering the proportioned acquisition cost to take into consideration the small footprint of the building, the estimated total project cost is \$4,228,512 , or, \$528.56 per square foot.

Rent Approach. Medical office development has been one of the most successful forms of development in the Salem/Keizer market for decades. We have conducted office market rent and vacancy studies within the market since 1993 and the medical office sub-market has a long track record of some of the lowest vacancy rates, and the highest rents, in our study. The top end of the medical market rent scale is currently in the **\$1.75 to \$2.00 per square foot, per month, triple net.** This is the net amount that would be paid to a Landlord, or developer, for finished product. The Tenant would be responsible for their proportionate share of all operating expenses, and utilities, above this amount.

Cost Approach. From a construction or sales analysis, **Cascade Cardiology** paid approximately \$1,700,000 for 9,936 square feet at 777 Liberty Street SE in The Meridian development and is expected to put another \$1,000,000 into improvements within the space. **This total investment of \$2,700,000 is approximately \$271.74 per square foot which is comparable to the market for medical office development.** Non-medical Class “A” office development is currently running \$180 to \$220 per square foot, including land.

Development Approach. Most developers look to provide a 10 – 15% return on their overall investment to justify using their time, capital and bank guarantees to make a commercial office development happen. Using the construction numbers herein, any individual or group who might look to redevelop the subject property would need to find a Tenant willing to pay **not less than \$47,958.33 per month, plus operating expenses**, for any developer to consider taking on this project.

Market and Financial Analysis

Total Estimated Cost Basis (page 2 chart)	\$5,755,953
Total Estimated Cost Basis Per Square Foot	\$460.48
Net Income Needed For A 10 - 15% Return on Cost	\$575,500 to \$863,250
Monthly Rent/SF Needed to Obtain Income	\$3.84 to \$5.76
Average Salem Medical Office Rent	\$1.75 to \$2.00
Rent Differential Per Square Foot, Per Month	(\$1.84 to \$4.01)

Based on the construction numbers provided, any ownership group would need to attract a medical office user willing to pay **\$3.84 to \$5.76 per rentable square foot, per month, triple net** to make sense for improving the existing structure. To our knowledge, no current office or medical user within the market pays more than \$2.00 per square foot.

Conclusions

The comparative market analysis clearly shows no financial landscape which can justify retaining the existing improvements. There is no use for this building which is economically viable to the owners. Using the revised construction numbers showing the demolition of the 1958 addition does not improve the financial viability.

The highest and best market rents for the property would be to allow for demolition of all on site improvements to make way for a comprehensive development suited to the site. It is our understanding that Salem Hospital has the right, and the intent, to demolish all of the other on site buildings since they will not be utilized and create a long-term liability and maintenance hazard. To retain Howard Hall, which is functionally obsolescent, and financial infeasible to redevelop, makes no sense and we feel approval should be given to demolish the building.

We should feel fortunate that Salem Hospital was the successful Buyer for the Oregon School for the Blind. Salem Hospital has a vested interest to make sure any redevelopment of this campus is a long-term benefit for the community. For more than 100 years, they have a track record of being great stewards of the land they develop to serve the medical needs of our citizens.

Should you have any questions regarding this information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt Arthur', written in a cursive style.

Curt Arthur
Managing Director
Sperry Van Ness Commercial Advisors, LLC

APPENDIX I

Tax Assessors Map, Recorded Deed, Tax Records, and Title Report

SF
①

AMARITILE
2008 7 2008 7 2008 7 2008 7

Space above this line for Recorder's use.

After recording, return to:	Until a change is requested, send tax statements to:
<u>Salem Hospital</u>	<u>(same)</u>
<u>ATTN: Norman F. Gruber, President/CEO</u>	
<u>P.O. Box 14001</u>	
<u>Salem, OR 97309-5014</u>	

Tax Account Nos.: R95148 and R95149

BARGAIN AND SALE DEED

The State of Oregon, acting by and through the Department of Administrative Services, Grantor, conveys to Salem Hospital, an Oregon non-profit corporation, Grantee, the following described real property (the "Property"):

PARCEL I:

All of Block 23 and 24 and Lots 3, 4, 5, 6 and 7, Block 25, UNIVERSITY ADDITION, Marion County, Oregon. (Recorded In Volume 1, Page 27, Record of Town Plats for Marion County, Oregon)
TOGETHER WITH that portion of vacated Leslie Street, Cottage Street and alleys, that would inure to the subject property by operation of law.

PARCEL II:

Beginning at a point on the Westerly extension of the South line of Lot 2, Block 25, UNIVERSITY ADDITION, City of Salem, Marion County, Oregon, said point being Westerly 8.25 feet from the Southwest corner of said Lot 2; thence Northerly and parallel with the West line of Lots 1 and 2, of said Block 25, a distance of 124 feet to the South bank of Pringle Creek; thence Southeasterly, along the South bank of said Pringle Creek, 216.00 feet, more or less, to a point on the Easterly extension of the South line of said Lot 2, said point being Easterly 2.63 feet from the Southeast corner of said Lot 2; thence Westerly 177 feet to the point of beginning.

The true and actual consideration for the conveyance is \$6,000,000.00.

Grantee acknowledges that it has examined the above described Property to its own satisfaction and has formed its own opinion as to its condition (including environmental condition) and value. Grantee has not relied on any statements or representations from Grantor or any person acting on behalf of Grantor, other than those set forth in Grantee's ALTA extended coverage owner's policy of title insurance, concerning any of the following:

- a) the size or area of the Property;
- b) the location of corners or boundaries of the Property;
- c) any governmental permits or approvals obtained or to be obtained in connection with Grantee's use of the Property;

① R95148
073W27DB-
00500
3225-0404
1729-0404

② R95149
073W27DB-
00300

3225-0404
0557-0268

All

See Prior

A.T.S.

10.19.10

03

3225-405

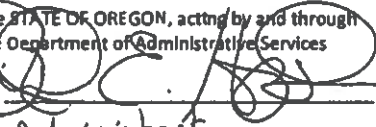
- d) the applicable zoning, building, housing and other ordinances, restrictions, laws and regulations affecting the Property;
- e) the condition of the Property, including environmental condition above or below the surface of the Property or compliance with environmental laws and other governmental requirements;
- f) the availability of services to the Property;
- g) the ability of Grantee to use the Property or any portion of it for any intended purpose; or
- h) any other matter affecting or relating to the Property or any portion of it.

Grantee is acquiring the Property, both above surface and below surface, in the condition existing at the time of Closing, AS IS, with all defects, if any. Grantee waives, releases and forever discharges Grantor of and from all claims, actions, causes of action, fines, penalties, damages (including consequential, incidental and special damages), costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Property, including surface or subsurface condition, or any law, rule or regulation applicable to the Property.

These provisions are binding on Grantee and Grantee's successors and assigns.

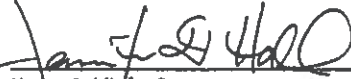
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

IN WITNESS WHEREOF, Grantor has executed this instrument this 19th day of October, 2010.

The STATE OF OREGON, acting by and through
the Department of Administrative Services
By: 
As: Administration

STATE OF OREGON)
)
County of Marlon)

This Instrument was acknowledged before me on this 19 day of October, 2010, by Robin Harper as the Administrator and authorized representative of the Oregon Department of Administrative Services, acting under authority granted to him/her by the Department of Administrative Services.



Notary Public for Oregon
My Commission expires: 4-6-12



7/1/13-6/30/14 REAL PROPERTY TAX STATEMENT

ACCOUNT NO.: R95148

MARION COUNTY, OREGON - 1115 COMMERCIAL ST NE - SALEM, OR 97301

PROPERTY DESCRIPTION
650-700 CHURCH ST SE
SALEM, OR 97301

LAST YEAR'S TAX 78,214.08

See back for explanation of taxes marked with (*)

ACRES: 8.12
MAP: 073W27DB00500
CODE: 92401000

REC'D IN A/P

OCT 21 2013

SALEM HOSPITAL
PO BOX 14001
SALEM, OR 97309

THIS YEAR'S TAX

EDUCATION:
SALEM-KEIZER SCHOOL 18,216.49
WILLAMETTE REG ESD 1,196.77
CHEMEKETA COM COL 2,523.26
EDUCATION TOTAL: 21,936.52

VALUES:	LAST YEAR	THIS YEAR
MARKET VALUES:		
LAND	6,973,440	6,973,440
IMPROVEMENT	48,200	49,140
TOTAL VALUE	7,021,640	7,022,580
TAXABLE VALUES:		
ASSESSED	4,115,880	4,239,350

GENERAL GOVERNMENT:
MARION COUNTY 12,138.95
SALEM 23,497.02
MARION SOIL & WTR 202.22
REGIONAL LIBRARY 331.09
SALEM MASS TRANSIT 3,066.75
SALEM UR SPECIAL LEVY 1,609.26
SALEM URBAN RENEWAL AG 3,568.69
GENERAL GOVERNMENT TOTAL 44,413.98

NET TAXABLE: 4,115,880 4,239,350

If a mortgage company pays your taxes,
This statement is for your records only.

EXCLUDE FROM LIMIT:
SALEM BOND (2) 4,028.65
SALEM-KEIZER SCHOOL 5,371.26
CHEMEKETA COM COL 321.34
SALEM-KEIZER SCHOOL, BO 3,440.66
CHEMEKETA COM COL BOND 641.41

EXCLUDE FROM
LIMIT TOTAL: 13,803.32

TAX TOTALS 80,153.82

Full Payment with 3% Discount	2/3 Payment with 2% Discount	1/3 Payment No Discount
77,749.21	52,367.16	26,717.94

TOTAL TAX (After Discount) 77,749.21

7/1/12-6/30/13 REAL PROPERTY TAX STATEMENT

ACCOUNT NO.: R95148

MARION COUNTY, OREGON - 1115 COMMERCIAL ST NE - SALEM, OR 97301

PROPERTY DESCRIPTION
650-700 CHURCH ST SE

LAST YEAR'S TAX 74,831.09

SALEM, OR 97301
ACRES: 8.12
MAP: 073W27DB00500
CODE: 92401000

See back for explanation of taxes marked with (*)

SALEM HOSPITAL
PO BOX 14001
SALEM, OR 97309

REC'D IN A/P
OCT 22 2012

THIS YEAR'S TAX

VALUES:	LAST YEAR	THIS YEAR
MARKET VALUES:		
LAND	5,953,440	6,973,440
IMPROVEMENT	46,560	48,200
TOTAL VALUE	6,000,000	7,021,640
TAXABLE VALUES:		
ASSESSED	3,996,000	4,115,880
NET TAXABLE:	3,996,000	4,115,880

EDUCATION:	
SALEM-KEIZER SCHOOL	17,617.20
WILLAMETTE REG ESD	1,157.39
CHEMEKETA COM COL	2,440.31
EDUCATION TOTAL:	21,214.90
GENERAL GOVERNMENT:	
MARION COUNTY	11,726.97
SALEM	22,723.77
MARION SOIL & WTR	194.68
REGIONAL LIBRARY	320.63
SALEM MASS TRANSIT	2,966.31
SALEM UR SPECIAL LEVY	1,580.50
SALEM URBAN RENEWAL AG	3,917.09
GENERAL GOVERNMENT TOTAL	43,429.95

EXCLUDE FROM LIMIT:	
SALEM BOND (2)	3,961.53
SALEM-KEIZER SCHOOL	5,615.71
CHEMEKETA COM COL	332.56
SALEM-KEIZER SCHOOL, BO	2,908.69
CHEMEKETA COM COL, BON	750.74

EXCLUDE FROM LIMIT TOTAL: 13,569.23

TAX TOTALS 78,214.08

TOTAL TAX (After Discount) 75,867.66

If a mortgage company pays your taxes,
This statement is for your records only.

Full Payment with 3% Discount	2/3 Payment with 2% Discount	1/3 Payment No Discount
75,867.66	51,099.87	26,071.36

9120-80945



Ticor Title Insurance Company

200 Hawthorne Ave., Ste. A-100, Salem, OR 97301
FAX

PRELIMINARY REPORT

TITLE OFFICER: Patty Smith

ORDER NO.: 471809003841-TTMIDWIL18

CUSTOMER NO.:

TO: STATE OF OREGON
Attn: Fred Lord / DAS Facilities
1225 FERRY ST SE U100
SALEM, OR 97310

OWNER/SELLER: State of Oregon

BUYER/BORROWER: To Come

PROPERTY ADDRESS: 650 - 700 Church St SE
Salem, Oregon 97301

EFFECTIVE DATE: July 21, 2009, 08:00 AM

1. THE POLICY AND ENDORSEMENTS TO BE ISSUED AND THE RELATED CHARGES ARE:

	<u>AMOUNT</u>	<u>PREMIUM</u>
Owner's Standard-Amount to come		
Governmental Service Fee		\$ 60.00

2. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

3. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

The State of Oregon, which acquired title via various deeds as The State of Oregon, The State of Oregon, acting by and through the Oregon State Board of Control and The Board of Directors of the Oregon School for the Education of Deaf Mutes

4. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE CITY OF SALEM IN THE COUNTY OF MARION, STATE OF OREGON, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

PRELIMINARY REPORT
(Continued)

Order No.: 471809003841-TTMIDWIL18

EXHIBIT "ONE"

PARCEL I:

All of Block 23 and 24 and Lots 3, 4, 5, 6 and 7, Block 25, UNIVERSITY ADDITION, Marion County, Oregon. (Recorded in Volume 1, Page 27, Record of Town Plats for Marion County, Oregon.)

TOGETHER WITH that portion of vacated Leslie Street, Cottage Street and alleys, that would inure to the subject property by operation of law.

PARCEL II:

Beginning at a point on the Westerly extension of the South line of Lot 2, Block 25, UNIVERSITY ADDITION, City of Salem, Marion County, Oregon, said point being Westerly 8.25 feet from the Southwest corner of said Lot 2; thence Northerly and parallel with the West line of Lots 1 and 2, of said Block 25, a distance of 124 feet to the South bank of Pringle Creek; thence Southeasterly, along the South bank of said Pringle Creek, 216.00 feet, more or less, to a point on the Easterly extension of the South line of said Lot 2, said point being Easterly 2.63 feet from the Southeast corner of said Lot 2; thence Westerly 177 feet to the point of beginning.

AS OF THE DATE OF THIS REPORT, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM WOULD BE AS FOLLOWS:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
5. Any lien for services, labor or material heretofore or hereafter furnished, or for contributions due to the State of Oregon for unemployment compensation or worker's compensation, imposed by law and not shown by the Public Records.

SPECIFIC ITEMS AND EXCEPTIONS:

6. Property taxes in an undetermined amount, which are a lien but not yet payable, including any assessments collected with taxes to be levied for the fiscal year 2009-2010.
7. City liens, if any, of the City of Salem. (The City of Salem charges for a lien search. To avoid excess charges we will not search the City Lien Docket until close of transaction, or upon request.)
8. Any rights, liens, claims or equities, if any, in favor of Marion Soil and Water Conservation District.
9. Rights of the public to any portion of the Land lying within the area commonly known as
Cottage Street.
Affects: Parcel II
10. Any adverse claim based upon the assertion that:
 - a) Some portion of said Land has been created by artificial means, or has accreted to such portion so created.
 - b) Some portion of said Land has been brought within the boundaries thereof by an avulsive movement of Pringle Creek or has been formed by accretion to any such portion.

Affects: Parcel II

11. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: April 13, 1962
Recording No: Volume 557, Page 215

Affects: Parcel II

12. The right, title and interest of The State of Oregon, acting by and through the Oregon Department of Education, as disclosed by numerous deeds of record.

Affects: Lots 5 and 6, Block 25 of Parcel I

END OF EXCEPTIONS

NOTES:

- A. Note: Property taxes for the fiscal year shown below are exempt due to public ownership.

Fiscal Year: 2008-2009
Levy Code: 92401000
Account No.: R95148
Map No.: 073W27DB00500

Affects: Parcel I

- B. Note: Property taxes for the fiscal year shown below are exempt due to public ownership.

Fiscal Year: 2008-2009
Levy Code: 92401000
Account No.: R95149
Map No.: 073W27DB00300

Affects: Parcel II

- C. Leases and/or Tenacies, if any.

- D. No search has been made for financing statements filed in the office of the Secretary of State, or in any county other than the county in which the herein described land is located. No liability is assumed for any financing statement filed in the office of the County Clerk (Recorder) covering timber, crops, fixtures or contracts affecting said land if said land is not described by metes and bounds, recorded lot and block or under the rectangular survey system.

- E. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

APPENDIX J

Preliminary Evaluation for Use as Standalone Medical Clinic

Howard Hall – Preliminary Evaluation for Use as Standalone Medical Clinic

December 29, 2013

- **ADA Compliance** - Existing building lacks basic ADA compliance, major deficiencies include:
 - No accessible route to the building
 - No accessible entry into the building
 - No accessible facilities within the building
 - No accessible route to the basement

The 2012 Oregon Structural Specialty Code (OSSC) requires a minimum of 25% of any building's renovation budget be allocated to addressing ADA deficiencies.

- **Existing Interior Room Configuration** - The average existing room size within the building varies between 150-250 sf. A typical medical exam room is 100 sf, a typical procedure room is 120 sf, a typical medical office is 100 sf and a typical clinical support space is approximately 80sf. Major interior wall reconfigurations would be required to create a functional clinic environment.
- **Existing Construction Methods** - Due to the building's age and construction methods, the existing interior walls and ceilings do not meet acoustical separation standards for a clinical environment. Any reused wall or ceiling would need to be acoustically retrofitted to allow for patient privacy.
- **Energy Performance** – The buildings existing exterior wall & glazing assemblies do not meet current energy performance requirements. Required upgrades will be challenging to implement while maintaining the historic character of the exterior of the building.
- **Seismic** – Due to the change in occupancy and scale of required renovation, a full seismic upgrade would be required prior to reoccupying the building.
- **Infrastructure** - The existing infrastructure serving the building is insufficient for a modern medical clinic. The building will require a new electrical service and all new mechanical and plumbing equipment.
- **Cost** – Addressing the deficiencies noted above will require a full interior gut of the facility and present some challenging construction problems. Therefore it is estimated that the cost to renovate the building for use as a medical clinic is approximately \$470 per square foot. Alternatively, the cost to build a new ground up medical clinic is approximately \$350 per square foot.

APPENDIX K

BMGP MSC Engineers Bio

Howard Hall: Statements of Professional Qualifications

Turner Construction - Conceptual cost estimates for restoration

Turner has extensive experience with historic renovation projects. In Portland, we have completed high profile historic renovations ranging from the renovation of Civic Stadium into PGE to our on-going work on the historic renovation of the Governor Hotel in downtown. In Salem, we recently completed the renovation and remodel of the historic Gray Building to accommodate the new upscale restaurant Amadeus while maintaining the building's historic status. In Seattle, we've completed high-profile historic renovations such as the Pike Place Market and several projects within the historic Pioneer Square. The benefit of Turner as a company is that we can draw from the historic renovation expertise of all of our 42 business units across the United States. This connection enables us to bring to the team "lessons learned" from historical renovation projects throughout the nation and incorporate their best practices into our local historic projects.

Sperry Van Ness – Economic viability analysis

Curt Arthur, SIOR and Jennifer Martin, CCIM are housed in the only full-service commercial real estate brokerage firm in the Willamette Valley with both a CCIM and SIOR, Sperry Van Ness Commercial Advisors, LLC. These two designations, which are advanced designations in Commercial Real Estate, give Curt and Jennifer a comprehensive set of skills under which to analyze the economic feasibility of various development and redevelopment scenarios. Additionally, Jennifer financed commercial real estate and construction for a regional lender for seven years prior to entering brokerage and Curt has an economics degree from the University of Oregon. Together, the duo has almost 40 years of real estate experience.

CB|Two Architects - Recommended historic rehabilitation measures

The recommended historic rehabilitation measures suggested in the original demo permit application were completed by Matthew Stoffregen, AIA of CB|Two Architects. Prior to 2007, Matthew worked for McCandless & Associates Architects in the Sacramento, California area on a variety of historic developments that required feasibility studies, specialized code research and coordination with the California State Historic Preservation Office and National Park Service in relation to Historic Preservation Tax Incentives. Notable projects include:

Hotel Fresno in Fresno, CA (7 stories, 111,000 sf)

- Provided assistance with generation of feasibility study & preparation of Historic Tax Incentive documentation
- Firm awarded 2008 Governor's Historic Preservation Award

Capital Hotel in Woodland, CA (3 stories, 15,000 sf)

- Provided assistance in preparation & submission of Historic Tax Incentive documentation, all three phases
- Produced construction documents for project rehabilitation & addition

BMGP Engineers – Structural Evaluation

MSC Engineers, Inc. and our predecessor firms, including BMGP Engineers, have provided professional structural consulting services since 1925. Our licensed professional staff includes professional engineers

specifically licensed to practice Structural Engineering. In the recent past, our firm has conducted seismic studies and structural renovations for the City of Salem City Hall, Marion County Courthouse Square and multiple facilities at Salem-Keizer School District, North Clackamas School District, Chemeketa Community College and Willamette University. Numerous similar efforts have been performed on behalf of local communities and industrial businesses, contractors and developers. Our seismic evaluations generally conform to the ASCE 31 and 41 National Standards for evaluation of existing buildings that manifested earlier FEMA publications and design recommendations. When pertinent, complex existing structures are modeled using a non-linear modeling software for detailed analysis and design.

11/14/13 and 1/14/14

APPENDIX L

PGP Self-Contained Appraisal Report

Insert file:
Appendix M PGP Appraisal Report
90 pages

APPENDIX M

Church St. Property Outreach Timeline

Timeline: June 2009 – April 2014

Major Events Involving Howard Hall and Church St. Property

June 2009 The Oregon Legislature votes to close the School for the Blind. Reasons for the closure include falling enrollment, high cost, lack of accreditation, and the school's facilities, which included a dorm, a gym and nine other buildings, all dilapidated, requiring the state to spend millions to bring it up to code.

August 2010 Salem Hospital purchases the property from the State of Oregon through a competitive bid process.

January 2011 Salem Hospital begins communications with South Central Neighborhood Association (SCAN) regarding their plans for redevelopment. Application to demolish Howard Hall is submitted to the City of Salem.

Spring 2011 Demolition begins for all buildings on the former School for the Blind campus except Howard Hall. The initial application to demolish Howard Hall is withdrawn after denial by the City's Historic Landmarks Commission in order to allow the Neighborhood Association, City of Salem and Salem Hospital more time to explore options.

May 2011 Salem Hospital reaches out to former School for the Blind student and owner of local business (Braille Plus) on advice for involving former students in commemorating the school.

July 2011 Salem Hospital participates in call with board of the Oregon School for the Blind Alumni Association. An agreement is reached to involve the association in commemoration planning and for them to be the primary contact for advice from former students.

February 2012 Salem Hospital revisits options to remove Howard Hall with SCAN at monthly meeting.

April 2012 The Mayor invites Salem Hospital and SCAN representatives to meet with herself and City Councilors representing areas surrounding the hospital to discuss redevelopment of the property.

Fall 2012 Salem Hospital reevaluates property and decides to relocate outpatient rehabilitation (from its Center Street location) and guest house (from its current location approximately a mile from Salem Hospital) to the Church Street property, along with additional parking.

Late 2013 A meeting with the Mayor, City Manager and City Councilors, is held to notify the city of updated plans. Based on the concerns of increased traffic from the neighborhood association and neighbors, Salem Hospital closes the Church St. entrance to the property.

Early 2013 Site plan and design development begins. Salem Hospital reviews concept for playground/therapy area for children with disabilities with president of OSB Alumni Association for further discussion with board.

June 2013 A first draft of the site plan is presented to SCAN for feedback. SCAN has concerns regarding the redevelopment of Howard Hall. In response to SCAN's concerns regarding the redevelopment of Howard Hall, Salem Hospital agrees to issue a Request for Proposal (RFP) for adaptive reuse of Howard Hall to ensure all options for the use of the building are explored.

Summer 2013 With the advice and assistance of the city of Salem's historic preservation office, Salem Hospital develops RFP and advertises it, inviting local businesses, entrepreneurs, or citizens to renovate and repurpose Howard Hall. The RFP request is published in the Statesman Journal, business trade journals, on Salem Health's website and emailed to interested stakeholders. The RFP is open for 45 days. Salem Hospital provides a tour of Howard Hall to interested parties, including neighbors. No proposals are submitted.

August 2013 Salem Hospital holds neighborhood meetings inviting additional feedback on the site plan.

September 2013 Adaptive reuse specialists who received the RFP tell Salem Hospital the building is too small and would be too costly to meet today's seismic code and renovate for adaptive reuse. These same constraints prevent Salem Hospital from reusing the building. This information is communicated to SCAN. According to minutes from the September 2013 SCAN Neighborhood Association meeting, "Mr. Tom Anderson reported that the Hospital has been very open, responsive and good neighborly."

November 2013 Salem Hospital re-evaluates options for removal of Howard Hall and begins working with stakeholders to develop a concept to commemorate the area where Howard Hall once stood if building removal is approved.

January 2014 Salem Hospital holds two follow up neighborhood meetings to review final site plan, including alternate use areas for the area where Howard Hall sits and incorporates suggestions from neighbors and the Neighborhood Association. Feedback shows a majority of attendees are supportive of the updated plans.

January 2014 Salem Hospital reviews development plans with Oregon School for the Blind Alumni Association. Alumni Association appoints a liaison to work with hospital on commemoration and development plans.

February 2014 Salem Hospital presents updated site plan and concept for Howard Hall area at SCAN meeting asking for additional input.



Late February 2014 Site visit to Oral Hull Retreat Center, an Oregon-based retreat facility specifically designed to cater to the blind and low vision community. The site visit consisted of a full campus tour with the facility's Executive Director exploring the unique features, specific to the blind community, which should be considered for inclusion in the Church Street property Commemorative Garden.

February 2014 Salem Hospital conducts first Outpatient Rehab staff commemorative garden design meeting. The design team presented initial plan for the Commemorative Garden to Outpatient Rehab staff including both adult & pediatric rehab therapists.

February 2014 Salem Hospital presents updated site plan, including the Commemorative Garden, to SCAN. With the presentation of the current design, SCAN acknowledges that Salem Hospital has successfully addressed five of the six potential concerns identified in its December 17, 2009 memo to interested parties including impact to traffic on Mission and Church St., impact to the Church St. residential neighborhood, scale and position of any onsite development, preservation of mature trees onsite and impact to Pringle Creek.

March 2014 Salem Hospital conducts second Outpatient Rehab staff commemorative garden design meeting. Landscape Architect present updated plan focusing on changes to the design in response to comments received at first design meeting in February.

March 2014 Salem Hospital organizes a shadowing session between Commemorative Garden Landscape Architects and Outpatient Rehab therapy team to help design team begin to understand how best to support therapy efforts through the design of the Commemorative Garden.

March 2014 Salem Hospital meets with local chapter of American Council of the Blind to share ideas and get input, and asks for someone from the group to participate in commemoration planning.

April 2014 Salem Hospital coordinates a working session with Outpatient Rehab pediatric patient families and full design team. This initial design meeting included a presentation and explanation of the current Commemorative Garden design concept, followed by a question and answer session and finished with group conversation about what could be modified, added or removed from the design and why.

