



## STAFF REPORT

**TO:** Manzanita Planning Commission  
**FROM:** Walt Wendolowski, Contract Planner  
**SUBJECT:** Manzanita Lofts Planned Unit Development – Staff Report  
**DATE:** March 10, 2022

### I. BACKGROUND

- A. **APPLICANT:** Vito Cerelli.
- B. **PROPERTY LOCATION:** The property is located at the approximate southwest corner of Dorcas Lane and Classic Street. Classic Street borders the property along the east. The site address is 698 Dorcas Lane and the County Assessor places the property within Township 3 North; Range 10 West; Section 29D; Tax Lot #2100; and, Township 3 North; Range 10 West; Section 29DA; Tax Lot #2600.
- C. **MAPPED AREA:** Tax Lot #2100 – 3.42 acres; Tax Lot #2600 – 0.41 acres for 3.81 total acres.
- D. **EXISTING DEVELOPMENT:** The vacant subject area fronts two public streets and public services are available.
- E. **ZONING:** The property is zoned Special Residential/Recreation Zone (SR-R) and located within the Dune Overlay.
- F. **ADJACENT ZONING AND LAND USE:** Property to the north is zoned High Density Residential (R-3) and contains a mix of single-family homes. All remaining adjacent land is zoned SR-R and includes a golf course and residences to the west and south, and, residential development to the east.
- G. **REQUEST:** The applicant is requesting approval of a Planned Unit Development to construct a hotel complex.
- H. **DECISION CRITERIA:** This application will be evaluated against the Planned Unit Development criteria listed in Ordinance 95-4 Section 4.136; and, the Special Residential/Recreational Zone standards in Ordinance 95-4 Section 3.030.

## II. APPLICATION SUMMARY

- A. The applicant wishes to create a hotel complex on the subject property that will feature a combination of loft units, and, large and small cabins. The project will be developed over three phases:
1. Phase 1 is located at the north end of the site and will total 19 studio hotel rooms within a two-story structure, each approximately 350 square feet in area. This Phase also includes an event gathering space with amenities, including a restaurant.
  2. Phase 2 will be located to the south of Phase 1, containing 9 hotel cabins, each approximately 1,000 square feet in area. These will be unattached and run perpendicular to the adjacent roadway.
  3. Phase 3 will be at the south end of the site and contain 6 small cottages, each approximately 350 square feet in area.
  4. A private roadway will run along the east side of the site, serving all three Phases. Required public facilities will also be located within this roadway. Appropriate levels of parking will be included for each Phase.
- B. Section 3.030(2)(h) permits a “motel, hotels, including an eating and drinking establishment therewith” in the Special Residential/Recreation Zone. In addition, Subsection (4)(c) requires the Planning Commission to use the Planned Development procedures in Section 4.136 when evaluating an application.
- C. This application and review are only considering the planned development layout, and not the individual buildings. While the applicant submitted photos and schematics identifying potential designs, this application does not include a design review for any structure. However, the layout does contain proposed building locations, and if approved, the Commission has the authority to condition their decision on the final layout substantially conforming to the proposal, including the relative size, position and design of the buildings.
- D. Two items for clarification:
1. The zoning map on the City’s website identifies a right-of-way where the subject property is located. This is in error. The County Assessor maps clearly show the two tax lots without an intervening right-of-way.
  2. Phase 2 includes the 1,000 square foot cottages. The submitted plan includes possible property lines (dashed lines) for a possible future

partitioning of the property. That option is not under consideration with the current proposal. Again, the request is to development site for a hotel complex with a restaurant.

### III. PLANNED UNIT DEVELOPMENT PROVISIONS

A. Planned unit development procedures in Section 4.136 are used to evaluate development proposals in the SR-R zone. Applicable provisions are reviewed in the following subsections:

1. Section 4.136.1., reviews the purpose of a planned development. Briefly, a "planned development" permits the application of greater freedom of design in land development than may be possible under a strict interpretation of the provisions of this Ordinance.

FINDINGS: Generally, this is not applicable to the request as this is a straight commercial project that will not incorporate modifications to the applicable design standards. The planned unit development approach is a requirement, but not a necessity to achieve the project's objective.

2. Section 4.136.2., establishes the following standards and requirements:
  - (a) A planned development may include any uses and conditional uses permitted in any underlying zone. Standards governing area, density, yards, off-street parking, or other requirements shall be guided by the standards that most nearly portray the character of the zone in which the greatest percentage of the planned development is proposed.
  - (b) The developer may aggregate the dwellings in this zone in "cluster" or multiple- dwelling structures so long as it does not exceed the density limits of the Comprehensive Plan.
  - (c) Assurances such as a bond or work agreement with the City may be required to ensure that a development proposal as submitted is completed within the time limit agreed upon by the developer and the commission.

FINDINGS: In compliance with item "(a)" above, the proposal would establish a hotel with a supporting restaurant, previously identified uses in the zone. The request does not involve dwellings so that provisions in item "(b)" do not apply. Bonding, per item "(c)" is an option available to the City to ensure development of the site.

C. Section 4.136.3, addresses the Planned Unit Development Procedure. The following procedures shall be observed in applying for and acting on a planned development:

- (a) An applicant shall submit 10 copies of a preliminary development plan to the Planning Commission and notify all property owners within 250 feet of the proposed development by mail.

FINDINGS: The material submitted as part of the application complies with the provisions in this Section. Notice was also provided to area property owners per provisions in this Section.

- (b) Prior to discussion of the plan at a public hearing, the City Manager shall distribute copies of the proposal to appropriate City agencies or staff for study and comment.

FINDINGS: Per this item, said plans were distributed prior to the meeting.

- (c) The Planning Commission shall consider the preliminary development plan at a meeting, at which time the comments of persons receiving the plan for study shall be reviewed. In considering the plan, the Planning Commission shall seek to determine that:

- (1) There are special physical conditions or objectives of development which the proposal will satisfy to warrant a departure from the standard ordinance requirements.

FINDINGS: In reviewing the layout, staff determined the applicant is not departing from the standard ordinance requirements. Compliance with these provisions is reviewed in item "D.", below.

- (2) Resulting development will not be inconsistent with the Comprehensive Plan provisions or zoning objectives of the area, particularly with regard to dune stabilization, geologic hazards and storm drainage.

FINDINGS: Ordinance 95-4 implements the City's Plan and appropriately zoned the site for residential uses along with other compatible commercial activities. The hotel and restaurant are consistent with this intended use.

- (3) The area around the development can be planned to be in substantial harmony with the proposed plan.

FINDINGS: Single-family residential development is the primary development activity in the vicinity as is the golf course located to the west. Topography of the site places most of the structures below residential uses to the east thereby limiting impacts. As a primarily a hotel complex, the use is generally compatible with area residential development, noting the zone lists hotels as a permitted use along with residential development.

- (4) The plan can be completed within a reasonable period of time.

FINDINGS: The project will be developed in phases. The Commission has the authority to place reasonable constraints on the timing of activities.

- (5) The streets are adequate to support the anticipated traffic and the development will not overload the streets outside the planned area.

FINDINGS: There will be a single private driveway servicing the site. Neither Ordinance 95-4 or Ordinance 95-5 (Land Divisions) contains minimum driveway width and improvement requirements. To ensure two traffic lanes it is recommended the minimum width be 22-feet with paving acceptable to the Department of Public Works.

- (6) Proposed utility and drainage facilities are adequate for the population densities and type of development proposed.

FINDINGS: Compliance with this provision will be determined when engineering plans are submitted. For the record, development cannot proceed unless the submitted engineering plans comply with City, and affected agency, engineering standards.

- (d) The Planning Commission shall notify the applicant whether, in its opinion, the foregoing provisions have been satisfied and, if not, whether they can be satisfied with further plan revision.

FINDINGS: This is a procedural requirement, whereby the decision and any conditions of approval are determined at the Commission hearing and the applicant is formally notified by the City.

- (e) Following this preliminary meeting, the applicant may proceed with his request for approval of the planned development by filing an application for an amendment to this Ordinance.

FINDINGS: It appears the purpose of this provision is to identify the site as a planned development on the City's zoning map (see item "(g)" below). In effect, this requires an approved tentative plan to be submitted, reviewed and eventually recorded.

- (f) In addition to the requirements of this section, the Planning Commission may attach conditions it finds are necessary to carry out the purposes of this Ordinance.

FINDINGS: Ultimately this is the Commission's decision. If so approved, staff provided a list of recommended conditions at the end of this report.

- (g) An approved planned development shall be identified on the zoning map with the letters PD in addition to the abbreviated designation of the existing zoning.

FINDINGS: The City assumes this responsibility if the request is approved and the plat recorded.

- (h) Building permits in a planned development shall be issued only on a basis of the approved plan. Any changes in the approved plan shall be submitted to the Planning Commission for processing as an amendment to this Ordinance.

FINDINGS: The request does not include specific design standards that would apply to any building permit requirements. However, the layout identifies the location of the various hotel units, cottages and amenities. The project must conform to this layout unless otherwise modified by the Planning Commission. Further, design review approval is required to establish each structure. Compliance with parking requirements is determined at that time.

- D. Development standards in the SR-R zone are found in Section 3.030(4). Each item is reviewed below:

- 1. (4)(a) - Overall density for the SR-R zone is 6.5 dwelling units per gross acre. Dwellings may be clustered on one portion of a site within the SR-R zone and achieve a maximum density of 13 dwellings per acre where at least 40% of the total lot or parcel area is reserved or dedicated as permanent open space as a public or private park area or golf course. The open space shall be so indicated on the Plan and zoning map, and deed restrictions to that effect shall be filed with the City.

FINDINGS: This item does not apply as this is a commercial project and does not include residential development.

2. (4)(b) - Standards other than density in the SR-R zone shall conform to those established in the R-3 zone (Section 3.020) except that the Planning Commission may authorize relaxation of these standards to permit flexibility in design such as cluster development, with respect to lot size, setbacks and lot coverage, but not use.

FINDINGS: Compliance with applicable provisions in the R-3 zone is reviewed in item "E.", below. For the purpose of this criterion, the layout meets or exceeds the minimum standards.

3. (4)(c) - The Planning Commission shall use the procedure set forth in Section 4.136 of this Ordinance (Planned Development) in order to evaluate development proposals in this area.

FINDINGS: This report and Commission review comply with requirement.

4. (4)(d) - The maximum lot coverage in the SR-R zone shall not exceed 40%. Less lot coverage may be required in steeply sloping areas or areas with drainage-problems. In all cases the property owner must provide the City with a storm drainage plan which conducts storm runoff into adequately sized storm drains or approved natural drainage as approved by the Public Works Director.

FINDINGS: Based on the applicant's calculations, the lot coverage will not exceed 33% +/- . Compliance with this provision can be continually evaluated as the site develops.

5. (4)(e) - In areas without a high-water table, a dry well capable of absorbing the storm runoff shall be provided in accordance with City standards.

FINDINGS: Compliance with this requirement can be addressed when engineering plans are submitted.

- E. Applicable development standards in the R-3 zone are found in Section 3.020(3). Each item is reviewed below:

1. (3)(a) - The minimum lot size shall be 5,000 square feet for single family or duplexes, plus 2,500 square feet for each additional dwelling unit.

FINDINGS: There are no minimum area requirement for non-residential uses. However, at 3.83 acres, the project greatly exceeds the identified minimum parcel size requirement.

2. (3)(b) - The minimum lot width shall be 40 feet, except on a corner lot it shall be 60 feet.

FINDINGS: The parcel maintains 90-feet of frontage on Dorcas Lane and in no case falls below 60-feet in width.

3. (3)(c) - The minimum lot depth shall be 90 feet.

FINDINGS: The subject area exceeds 1100 feet in depth.

4. (3)(d) - The minimum front yard shall be 20 feet, or the average setback of buildings within 100 feet of both sides of the proposed building on the same side of the street, whichever is less. For purposes of determining the average setback of buildings, vacant lots within 100 feet of both sides of the proposed building on the same side of the street shall be included and shall be assumed to have a building placed 20 feet from the front lot line to the nearest part of the building. In no case shall the front yard setbacks be less than 12 feet.

FINDINGS: There minimum front yard depth is approximately 80-feet.

5. (3)(e) - The minimum side yard setback shall be 5 feet for the portion of the building at the setback line up to 10 feet in height as measured vertically from average finished grade to the highest point of that portion of the building and shall be 8 feet for any portion of the building where this height is exceeded; except that a roof with a pitch of less than or equal to 8 in 12 may extend upward from the 5-foot setback line to the 8-foot setback line. The street side yard setback of a corner lot shall be 12 feet.

FINDINGS: There minimum side yard setback for structures within Phase 1 and Phase 2 is 10-feet. Cabins in Phase 3 are at least 20-feet. Greater setbacks may be required when development plans are submitted.

6. (3)(f) - The maximum building or structure height shall be 28 feet, 6 inches. However, if more than one-half of the roof area has a roof pitch of less than 3 in 12, the building or structure height shall not exceed 24 feet. The height of a stepped or terraced building shall be the maximum height of any segment of the building or structure.



FINDINGS: Compliance with this provision will be determined during design review for the individual structures.

7. (3)(g) - The minimum rear yard setback shall be 10 feet.

FINDINGS: There minimum rear yard setback (Phase 3 cottages) is approximately 120-feet.

8. (3)(h) - The maximum lot coverage in the R-3 zone shall not exceed 55%. Less lot coverage may be required in steeply sloping areas or areas with drainage problems. In all cases, the property owner must provide the City with a storm drainage plan which conducts storm runoff into adequately sized storm drains or approved natural drainage as approved by the Public Works Director.

FINDINGS: Per requirements of the SR-R zone, the lot coverage limitation is 40%. Based on the applicant's calculations, the lot coverage will not exceed 33% +/- . Compliance with this provision can be continually evaluated as the site develops.

9. (3)(i) - In areas of the City without a high-water table, a dry well capable of absorbing the storm runoff of the impervious surfaces of the property shall be provided in accordance with City standards.

FINDINGS: As noted, compliance with this requirement can be addressed when engineering plans are submitted.

#### V. SUMMARY COMMENTS

- A. Under consideration is a basic layout that establishes the framework for future development. That is driven, in part, by the SR-R requirement that all new projects in the zone must be processed as a planned development. Based on the submitted material and layout, the proposed use is allowed and the buildings meet or exceed setback requirements. Compliance with provisions such as FAR requirements, building height, parking and so forth will be reviewed when design review applications are made for individual buildings, or group of buildings. The design review applications however, must be consistent with the layout submitted as part of this application.
- B. As actual development details are not finalized, the location and level of public facility improvements cannot be determined to any degree, other than services can be extended to the site. It is anticipated the development of the initial phase will trigger specific facility requirements and improvements. For this reason, staff

suggests submittal of engineering plans be delayed until the development of Phase 1 proceeds.

- C. Finally, this is not a subdivision but a commercial project covering three distinct phases. The planned development provisions in Section 4.136 do not establish any time limits for the project, just that the project will be completed within a reasonable amount of time. Given the phasing, it is suggested the developer begin the design review process for Phase 1 within two years of the final decision on this case. Further, applications for improvements for the remaining two phases be submitted within five years from the approval of design review of Phase 1.

#### VI. RECOMMENDATION AND CONDITIONS OF APPROVAL

City staff finds the proposal complies with the applicable Planned Development criteria and recommends the Planning Commission approve the application subject to the following Conditions:

- A. The approval shall be limited to the layout submitted and approved as part of this application. Any modification involving altering the phase boundaries, a change in proposed uses, increasing the proposed building footprints by more than 10% or similar modifications shall require a new application and review to proceed.
- B. Construction for individual buildings shall require a design review application and approval. The applicant has the option of submitting a design review application for each building, for a group of similar buildings or for all the buildings within a Phase.
- C. Engineering plans for the entire development will be submitted as part of the development of the Phase 1. The applicant shall have the option of installing public facility improvements for the entire project or only for each Phase. Unless otherwise modified by City Public Works, the minimum improved roadway width serving the development shall be 22-feet.
- D. Design review applications, and associated engineering plans, for Phase 1 shall be submitted within two years of the date of final approval of this application. Associated submittals for the remaining phases shall be submitted within five years from the date of final approval of the design review of Phase 1. Modification to the Phasing or time extensions shall require the review and approval of the Planning Commission.
- E. Compliance with the Conditions of Approval shall be the sole responsibility of the applicant.

#### VII. PLANNING COMMISSION ACTION

- A. The Planning Commission has the following options:
  - 1. Approve the application, adopting findings and conditions contained in the staff report;

2. Approve the application, adopting modified findings and/or conditions;
  3. Deny the application, establishing findings as to why the application fails to comply with the decision criteria.
- B. Staff will prepare the appropriate document for the Chair's signature.