



STAFF REPORT

TO: Manzanita Planning Commission
FROM: Walt Wendolowski, Contract Planner
SUBJECT: Manzanita Lofts Planned Unit Development – Continuation Staff Report
DATE: May 9, 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 3.83 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).
- 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 HISTORY

- A. The Planning Commission originally reviewed this request at their March 21, 2002 meeting. At the conclusion of the meeting, the Commission voted to continue the matter until the April 18 hearing, allowing the applicant to provide additional information regarding, traffic, wetlands and open space.
- B. The applicant was unable to submit the requested information to City staff to meet the April hearing deadline. To ensure a complete and proper review of the material, the applicant request the Commission continue the matter to the May 16, 2022, Commission meeting. The Commission approved the continuation.
- C. The applicant submitted additional material. Given the scope of the application, this this document is effectively a new report that incorporates the original material and well as the material recently submitted.

III. APPLICATION SUMMARY

- A. The applicant wishes to create a 34-unit hotel complex on the subject property that will feature a combination of loft units, and, large and small cabins. The project includes the following:
 - 1. The north end of the site will contain 19 studio hotel rooms, each designed to contain approximately 350 square feet in area. There will be a total of 11 buildings with eight designed to contain two units and three single units. The hotel design is attached as “Manzanita Hotel”.
 - 2. The second component is a community building for meetings or gatherings. This building is located directly south of the 19 hotel units. For the record, this building will not contain a restaurant. The building design is attached as “Community Building”.
 - 3. South of the community building are nine additional rental units. These are one- and two-story structures each contain approximately 1,000 square feet. This report includes three alternate building designs attached as “Manzanita Cabin A, B and C”.
 - 4. As the south end of the site are six, single-story cabins, identified as micro-cabins. These A-frame cabins surround a shared open space. The design is included as “Manzanita Micro Cabins”.
 - 5. The site plan identifies 43 parking spaces with 12 spaces near the 19-unit hotel; 10 spaces next to the community building; 14 spaces opposite the

nine large cabins; and, 7 spaces adjacent to the six mini-cabins. The plan also identifies 14,800 square feet of open space.

6. A private roadway will run along the east side of the site, serving the entire site. Required public facilities will also be located within this roadway.
- B. Section 3.030(2)(h) permits a “motel, hotels, including an eating and drinking establishment therewith” in the Special Residential/Recreation Zone. The proposed hotel complex is therefore allowed. In addition, Subsection (4)(c) requires the Planning Commission to use the Planned Unit Development procedures in Section 4.136 when evaluating an application.
- C. This application and review are considering the planned development layout, specifically the building and open space locations, roadway and parking provisions. This application does not include a design review for any of the structures. While Section 4.150 requires a design review for all new construction, this requirement is limited only to the C-1, LC and R-4 zones. Design review does not apply to SR-R zone. Regardless, 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. 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.

IV. 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 36-unit hotel, a previously identified allowed use 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 of objectives of development which the proposal will satisfy to warrant a departure from the standard ordinance requirements.

FINDINGS: While particularly steep slopes border the east side of the site, 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 is an identified allowed use in the implementing SR-R zone.

- (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 along with the golf course located to the west. Site topography places most of the structures below residential uses to the east thereby limiting visual impacts. The golf course tree canopy to the west provides additional separation and screening. Further, as a hotel with a limited number of units, the use is generally residential in nature which also promotes compatibility with the area. Again, the zone specifically lists hotels as a permitted use along with residential development.

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

FINDINGS: 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. At the March hearing, neighboring owners raised concerns regarding traffic and the driveway intersection with Dorcas Lane. At the request

of the Commission, the applicant submitted a traffic study from MacKenzie Engineering addressing the raised concerns. The report is attached and provides the following summary:

“The addition of trips from the proposed Manzanita Lofts PUD will have a small impact on the existing roadways in the area, with operation remaining at a level of service “A” with low delays. Sight distances can be met and there are no noted safety deficiencies in the area based on a review of available crash data.”

This report was forwarded to the City’s contract traffic engineer – Lancaster Engineering - for review (also attached). The contract engineer agreed with the assessment and conclusion of MacKenzie Engineering. Lancaster Engineering recommended additional vegetation clearance at the intersection and the installation of new roadway striping as part of the Dorcas Lane/Classic Street roadway improvement project.

Finally, 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 20-feet with paving improvements 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 (Nehalem Bay Wastewater), 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 approved, which is the purpose of the current hearing.

- (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: As noted, design review provisions in Section 4.150 do not apply to the SR-R zone. However, the submitted material identifies the location of the various hotel units, cottages, parking and open space areas as well as the general design features of the proposed buildings. It is therefore appropriate to condition the decision to require conformance with the layout and improvements, as well as the generally uniform design of the structures. Therefore, the project must conform to this proposed layout and design unless otherwise modified by the Planning Commission.

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% +/- . Areas containing steep slopes are not developed but will have a vegetative cover.

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.

In a similar vein, comments at the March raised the issue of possible wetlands on the property. A limited wetlands study was conducted in 2017

which concluded the subject area did not contain wetlands. This analysis was approved by the Department of State Lands. A subsequent survey was conducted over the site that included the entire area under consideration for development. The survey by NW Regolith (attached) found no wetlands on the proposed development or any portion of the subject property. Like the previous survey, staff recommends this analysis be reviewed and approved by the DSL prior to development.

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.

The subject area contains two parcels. While under common ownership, staff recommends their consolidation prior to development.

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 throughout.

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

FINDINGS: The property depth exceeds 1100 feet.

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: The 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 for the hotel, community building and cabins is 10-feet while the mini-cabins are at least 20-feet.

The combined property is effectively a corner lot as Dorcas Lane fronts on the north end and Classic Street along the east side. All structures exceed the minimum 12-foot corner lot setback along Classic Street.

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: The applicant did not request a variance to modify this requirement. Compliance with this provision will be determined when building plans are submitted for the individual structures.

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

FINDINGS: There minimum rear yard setback (mini-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.

- F. The planned unit development provisions do not specifically address parking requirements as these are usually considered as development progresses (e.g., a residential planned development). This is a unified project and it is appropriate to address parking at this juncture.

Hotel requirements are found in Section 4.090(3)(a) and require 1 space for each unit of 350 square feet or less, if that unit has only one bedroom; 1.25 spaces per unit for all other units; and, 2 spaces for the manager. The Ordinance does not establish a separate parking requirement for the community building as it is part of the hotel complex and it is reasonable to assume there will be some overlap between the guests and the use of the facility. The total for the 19-unit hotel area is 19 spaces; 2 spaces for the manager; 11.25 spaces for the larger cabins ($9 \times 1.25 = 11.25$) and 6 spaces for the mini-cabins. The site contains 43 spaces which exceeds the 34.25 spaces required by Ordinance. While specific information on the number of bedrooms for the smaller units was not provided, even if each unit contains more than one bedroom, this would only require an additional 4.75 spaces for a total of 39. Again, the proposed 43 spaces exceed this total. Compliance with parking requirements can be continually evaluated as building plans are reviewed.

- G. Based on the submitted material, the proposed use is allowed in the zone and the buildings meet or exceed setback requirements. The applicant also submitted reasonably detailed elevation drawings of the proposed buildings. As a planned development, the Commission is granted authority to consider the entire project and not just the layout. Subjectively, the buildings appear commensurate with the purpose of the project and are of generally uniform design. As noted, it is suggested any decision to approve include the submitted design proposals.
- H. Finally, 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. It is suggested the developer submit building plans within two years of the final decision on this case and that all building plans for the project be submitted within five years of the final decision. A one-year extension may be granted by the Commission.

V. RECOMMENDATION AND CONDITIONS OF APPROVAL

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

- A. The approval shall be limited to the submitted layout, including roadway, parking location and landscaping. Further, this approval shall extend to the elevation drawings submitted for the buildings and identified as: “Manzanita Hotel”, “Community Building”, “Manzanita Cabin A”, “Manzanita Cabin B”, “Manzanita Cabin C”, and “Manzanita Mini-Cabins”. Modifications involving a change in proposed use, increasing the proposed building footprints by more than 5%, reducing identified landscaped areas by more than 5%, substantial revisions to the building design or similar modifications shall require approval by the Planning Commission to proceed.
- B. The developer shall submit engineering plans to the City of Manzanita addressing water, storm water, street improvements and similar private facility improvements. Sanitary sewer plans shall also be submitted the Nehalem Bay Wastewater Agency (NBWA). These plans shall be reviewed and approved by the City and NBWA prior to construction. The applicant shall have the option of installing public and private facility improvements for the entire project or only to meet the obligations of buildings under construction. Unless otherwise modified by City of Manzanita Public Works, the minimum improved roadway width serving the development shall be 20-feet.
- C. The applicant shall submit building plans for the individual structures. The plans shall substantially conform to the approved layout as to location, orientation and building design. Building plans shall conform to applicable construction and fire code requirements. While building plans may be simultaneously submitted with engineering plans, building permits shall not be issued until all engineering plans are reviewed and approved.
- D. The following additional requirements shall apply:
 1. Prior to commencing construction, the applicant shall submit evidence of the consolidation of the two parcels (Township 3 North; Range 10 West; Section 29D; Tax Lot #2100; Township 3 North; Range 10 West; Section 29DA; Tax Lot #2600) into a consolidated parcel.
 2. Prior to beginning construction, the applicant shall submit the current wetland analysis to the Department of State Lands (DSL) for review and approval. If the DSL requires changes to the layout, these revisions shall require review and approval by the Planning Commission.

3. The site shall contain 43 vehicle parking spaces as identified on the site plan. Sufficient parking shall be required throughout the development commensurate with the requirements in Ordinance 95-4, Section 4.090.
 4. The applicant shall comply with the two roadway improvement recommendations identified by the firm Lancaster Mobley Engineering in a letter dated May 6, 2022. The City Department of Public Works shall determine the appropriate timing of these improvements.
 5. The applicant shall have the option of developing the project in phases. Initial building and engineering plans shall be submitted within two years of the date of final approval of this application. Associated building submittals for the remainder of the project shall be submitted within five years from the date of final approval of this application.
- E. Prior to occupancy of any structure, the developer shall complete the following:
1. Install and/or extend necessary public facility improvements, consistent with City and/or NBWA approved engineering plans.
 2. Install parking improvements consistent with approved building and engineering plans.
- F. Unless otherwise specifically modified by this decision, development of the site shall continually comply with applicable provisions in Ordinance 95-4 including building height, setbacks, parking lot coverage and other applicable provisions.
- G. Compliance with these conditions, the requirements of the Manzanita Zoning Ordinance, Nehalem Bay Wastewater Agency, Nehalem Bay Fire & Rescue and applicable building code provisions shall be the sole responsibility of the developer.

VI. 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.