



CITY OF MANZANITA

P.O. Box 129, Manzanita, OR 97130-0129
Phone (503) 368-5343 | Fax (503) 368-4145 | TTY Dial 711
ci.manzanita.or.us

BEFORE THE PLANNING COMMISSION OF THE CITY OF MANZANITA ORDER

APPLICANT: Harder Holdings Coastal, LLC.
LOCATION: 220 Laneda (Township 3 North; Range 10 West; Section 29BD; Tax Lot #18100).
ZONING: Commercial (C-1).
REQUEST: Design Review approval to construct commercial retail space and 3-unit Hotel.

The above-named applicant SUBMITTED a Design Review application to the City to construction a commercial retail space and a 3-unit hotel. Public hearings on the above request were held before the Planning Commission on September 19 and October 17, 2022.

THE PLANNING COMMISSION OF THE CITY OF MANZANITA HEREBY ORDERS that the Design Review request be APPROVED and adopts the findings of fact and conditions of approval in Exhibit A, attached hereto and in support of the decision.

This ORDER may be appealed to the City Council by an affected party by filing an appeal with the City Manager within 20 days of the date specified below. A request for appeal, either as a de novo review or review on the record, must contain the items listed in City Ordinance 95-4, Section 10.160 and may only be filed concerning criteria that were addressed at the initial public hearing. The complete case is available for review at the office of the City Recorder, 543 Laneda Avenue, Manzanita, Oregon.

Date: 10-18-2022

City of Manzanita Planning Commission

Karen Reddick-Yurka, Chair

EXHIBIT A

I. BACKGROUND

- A. APPLICANT: Harder Holdings Coastal, LLC.
- B. PROPERTY LOCATION: The subject site is located on the southside of Laneda Avenue, approximately 150-feet west of the South 3rd Street intersection. The property address is 220 Laneda and the Assessor map places the property within Township 3 North; Range 10 West; Section 29BD; Tax Lot #18100. The site is also identified as the Manzanita Beach Subdivision, Block 14, Lot 4.
- C. PARCEL SIZE: The subject site contains 5,000 square feet.
- D. EXISTING DEVELOPMENT: The vacant lot fronts a public street and is served by public sewer.
- E. ZONING: The parcel is zoned Commercial (C-1).
- F. ADJACENT ZONING AND LAND USE: Property to the west, north and east is also zoned C-1 and includes a mix of commercial businesses. Land to the south is zoned High Density Residential/Limited Commercial (R-4) and will be developed with a single-family subdivision (Merton Lane subdivision).
- G. REQUEST: The applicant is requesting Design Review approval to construct a commercial retail space and three-unit hotel.
- H. DECISION CRITERIA: This application will be evaluated against the design review standards listed in Sections 4.080, 4.090 and 4.137 through 4.156 of Ordinance 95-4, and the standards for the Commercial (C-1) zone listed in Section 3.040 of Ordinance 95-4.

II. APPLICATION SUMMARY

- A. The subject Tax Lot is part of the Manzanita Beach Subdivision. It is composed of Lot 3 and Lot 4 of Block 14. The applicant submitted two project applications, one for each subdivision lot. As this is a recorded subdivision, these lots are still discrete properties and may be developed independently from each other. This application focuses on the development of Lot 4.
- B. Regarding Lot 4, the applicant wishes to construct a commercial building on the site that will feature the following:
 - 1. The proposed building will include a street-facing retail business space with secondary lodging at the rear of the property.

2. The 960 square foot retail business fronts on Laneda Avenue, opening out onto a lowered courtyard. A small rooftop garden and seating area sits above the commercial space and is accessed by an exterior stairway. The applicant intends to establish a video game arcade in the retail space.
 3. The hotel will include three units – two studio units and one two-bedroom. Each level will contain a single studio unit while the two-bedroom unit occupies both levels. The lower studio unit is ADA accessible. Lodging access is achieved by a path from the NW corner of the site that leads through the courtyard.
 4. The primary exterior finish is vertical red cedar siding, with ancillary metal and glass trim. The structure is topped with a seamed metal roof.
 5. A driveway straddling the property line is dedicated by easement for maintenance access to the utility services at the rear of the adjacent lot and for reaching the dedicated lodging parking lot.
 6. Both this site and the adjacent lot are being designed at the same time and by the same design and construction teams. However, each project is reviewed independently as the projects are located on separate lots.
- C. The applicant provided additional information regarding the project in a letter dated October 4, 2022:
1. Vertical red cedar siding would be clear sealed and maintained per manufacturer's recommendations.
 2. Stained glass decorative panel designs will be traditional and geometric in pattern.
 - a. The panels will be designed and built by an experienced stained-glass craftsman.
 - b. Stained glass panels will not have integrated internal or external lighting. The panels will be naturally and ambiently illuminated by the interior space.
 3. Signage placement for the arcade space will be at the northwest corner of the building and illuminated by direct lights from shielded light sources above the sign. Final designs shall be submitted along with the sign permit application and shall comply with the allowable signage area maximum of 24 square feet per City of Manzanita Zoning Ordinance #95-4 4.070.b(2).
- D. In addition, the October 4, letter also included the following additional information on hotel operations:

1. *Hotel Management Overview*
 - a. Owner Entity: Harder Holdings Coastal, Inc.
 - b. Manager Entity: Experienced off-site local manager. Available all hours.
 - c. Number of units: 3 total units provided.
 - (1) ground floor accessible studio unit
 - (1) upper-level studio unit.
 - (1) 2-bedroom unit.
 - d. Guest access: Keyless entry by means of dedicated lockbox at each unit.
 - e. Reservations: Made directly online through website or through online booking platform. No on-site reservations will be permitted.

2. *Hotel Maintenance & Housekeeping*
 - a. Laundry Facilities
 - i. There is in on-site laundry and supplies located in utility room on lower level. This facility is accessed independently from the outside of the units.
 - ii. The 2-bedroom unit will also have its own washer and dryer on the lower level, accessed from within the unit.
 - b. Trash Facilities
 - i. On-site trash area is located at the southeast corner of site, facing the parking lot. It is screened from view of street and neighboring properties.
 - c. Housekeeping Scheduling
 - i. Housekeeping visits will be scheduled based on guest check-out and check-in times, to ensure visits occur in between guest stays.

E. The City sent notice of this application to area property owners and affected agencies. No comments were received at the time of the October report.

F. Per Section 3.040(1)(b), the C-1 zone permits retail activities with subsection (i) permits hotels and motels. Further, Section 4.152.2, requires a Design Review for all new construction. This action is subject to a public hearing and review by the Planning Commission.

G. The original site plan was somewhat confusing as Sheet C9.00A lists one of the units as an "Air BnB". Further, the narrative identifies the development as a "mixed use" project, which by code, entails both residential and commercial development. In a subsequent email, the applicant's architect clarified the proposal is a 3-unit hotel. The hearing also identified additional confusing notations. The applicant submitted modified plans with the following changes:

- Pages 7,8,10, & 12 - Changed the words "Air B&B" to "Hotel".
- Page 14 - Changed the words "Rental Garden" to "Hotel Garden".
- Page 22 - Identifies the placement of the sign.

- H. The Planning Commission originally reviewed this request at their September 19, 2022, meeting. At the conclusion of the meeting, the Commission voted to continue the hearing until the October 17 meeting, allowing the applicant to provide additional information including such items as signs and operations.

III. CRITERIA AND FINDINGS –DESIGN REVIEW

- A. Section 3.040(3) of Ordinance 95-4 contains the development requirements for the C-1 zone. The following summarizes items applicable to the request:

1. The proposed building meets the minimum setback requirements of 10-feet for the front yard, and 5-feet for the remaining yards.
2. The City Building Official determined the building does not exceed the maximum 28-feet 6-inch height limitation of the zone.
3. At least 10% of the 5,000 square foot site must be landscaped, or a minimum of 500 square feet. The site plan shows 801 square feet of landscaping with an additional 390 square feet of improved open space (walkways, patios, etc.).
4. Signs, awnings, marquees, and sidewalk coverings shall extend not more than 10-feet from a building or more than 5 feet over a sidewalk, whichever is less. No part of the building violates these limitations.
5. Submitted material includes a storm water plan and calculations. Site improvements work with the existing terrain directing stormwater to the south where landscape infiltration planters coupled with permeable pavers in the driveway manage stormwater. The plans also appear to direct some drainage toward an existing storm drainage improvement in Laneda Avenue.
6. The Ordinance requires a design review which is addressed in the following sections of this report.
7. The Floor Area Ratio of this project is 0.639. This ratio does not exceed the 0.65 limit for the C-1 zone.
8. Signs must conform to Ordinance requirements. The applicant subsequently identified the location of the sign. The sign will be 24-square feet in area and illuminated by a shielded light located above the sign.

Based on the above findings, the building conforms to the basic development provisions of the C-1 zone.

- B. Sections 4.080 establishes the City's parking requirements. It specifically notes that "(A)t the time a new structure is erected, or the use of an existing structure is changed or enlarged, off-street parking spaces, loading areas and access thereto shall be provided as set forth in this section unless greater requirements are otherwise established." Further, Section 4.090 establishes the City's parking standards. Subsection "2." states: "Development of no more than two (2) retail, restaurant or office spaces on lots of 5,000 square feet or less in the C-1 or L-C zones will require no parking spaces in excess of that required by the Americans

with Disabilities Act [ADA] or required by Section 4.090(3)(b) below.

FINDINGS: The subject lot will contain a single commercial space (the hotel is excluded per Code) and the site contains no more than 5,000 square feet in area. Therefore, parking is not required for the commercial space.

An easement will be granted on Lot 3 for the purpose of providing parking for the hotel project on Lot 4. There are three parking spaces – one ADA van space and two regular spaces. The City contacted Northwest Code Professionals (consultants for commercial building inspection) regarding ADA requirements in Section 4.090.2. The Building Code requires one ADA van space for developments with 1 to 25 vehicle parking spaces. To determine applicable ADA parking for this (and the adjacent lot), staff combined the parking requirements for all businesses on both lots, without consideration of the 5,000 square foot limitation. The result:

Use	Measurement	Use Size	Required Spaces
Restaurant	1 per 400 square feet	3,198	8
Retail	1 per 400 square feet	2,167	6
Hotel	1 per 400 sf room 1.25 for >400 sf room 2 for manager office	2 units 1 unit	2.00 1.25* (1.00) 2.00 <i>5 Total Spaces</i>
		TOTAL	19

*Per Section 4.080, this can be rounded down to 1.00 space

As less than 25 spaces would be needed, only one ADA van space is required. Since parking is not required for the retail space, or restaurant on Lot 3, (based on lot size), only parking is required for the hotel, in this case 5 spaces. Lot 3 identifies three spaces, including one ADA van space. Therefore, two additional parking spaces are required to meet Ordinance requirements for the hotel. Provisions in Section 4.080 allow additional parking to be provided within 500-feet of the site. This can be placed as an approval condition.

The applicant submitted additional comments regarding parking:

- a. All parking shall be provided for units as required by Manzanita City Ordinance #95-4, sections 4.080 & 4.090. (3.25 total, rounded to 3 per Section 4.090.1).
 - i. Each unit will be allocated one parking space only. Potential guests will be notified of this through the website or online booking platform prior to booking.
 - ii. Each parking space will have visible marking or signage dedicating it to a single unit's use. This will prevent guests from taking multiple or incorrect spaces.
 - iii. The accessible parking space will be dedicated to the accessible unit on site.

- b. Section 4.090.3(c) notes the requirement of 2 spaces for a *manager's unit*. No manager's unit is provided on-site; therefore, the 2 spaces are not required.
 - i. An on-site manager's unit is not a requirement in local or state ordinances and regulations for hotels.
 - ii. An off-site manager will be used to maintain operations and will be based locally.
- c. Accessible parking space provided, meeting OSSC & ADA requirements.
- d. Housekeeping will visit between guest stays and not intermittently during a guest's stay. This will avoid overlap with guests and allow the housekeeper to park in the appropriate space to service the unit in question easily.
- e. Improper parking will result in the vehicle being towed.

Whether the state does not require manager parking for hotels is immaterial – it is a standard adopted by the City when parking requirements were established. The difference between staff's interpretation and the applicant's revolves around the two spaces for a manager's unit. Note that in a previous review of a motel with the same operational plan, the Commission incorporated the two-space requirement for a manager's office in assessing parking. The Commission also finds a dedicated space(s) is appropriate in the event on an emergency at the facility.

The applicant is willing to install covered, outdoor bicycle parking for employees at 220 Laneda Avenue, recognizing the on-going issue of downtown parking. However, the Commission cannot establish conditions requiring improvements on land not part of the current application.

- C. Provisions in Sections 4.137 to 4.142 address site plan reviews (4.137), the use of fill for structural elevation (4.138), parking structures in the front yard (4.141) and matters regarding trees (4.142).

FINDINGS: This application and process are consistent with provisions in Section 4.137 which describe the submittal requirements. Significant fill is not required to construct the building (Section 4.138). Proposed parking spaces are in the rear yard of the adjacent property while the front yard contains vegetation and landscaping material (Section 4.141). There are no existing trees on site. However, additional plantings (Oregon grape, sword fern, wild ginger, dogwood, and other shrubs) will be placed along the perimeter (Section 4.142).

- D. Section 4.150 identifies the purpose of the design review process:

“The purpose of Sections 4.150 through 4.158 is to provide design standards for commercial and mixed-use development in Manzanita’s commercial zones and in the High Density Residential/Limited Commercial zone. Design review provides aesthetic judgment over development projects in order to maintain the unique

character of the community by keeping buildings to human scale and reflecting the natural beauty of the city's setting, to encourage the traditional style of the Pacific Northwest, and to protect the viability of the commercial zones. The standards provide for originality, flexibility and innovation in site planning and development and encourage development where structures, use areas, artistic expression and site elements are integrated in a manner that is harmonious within the site and with adjacent properties. Design review criteria shall be applicable to all new construction, alteration of site improvements, or exterior alteration of commercial and mixed-use development in the C-1, LC, and R-4 zones."

FINDINGS: Section 4.150 seeks to determine whether the proposal maintains the unique characteristics of the community. The exterior will be primarily finished in vertical redwood siding. Trim pieces will include wood and metal features. This design will be similar to the proposed restaurant planned for Lot 3 and is somewhat similar to the commercial buildings located on Laneda. On balance, while the design is original, it generally fits into the area and certainly does not offer a finish or color scheme that significantly contrasts with other structures in the vicinity.

- E. Section 4.151 lists applicable definitions while Section 4.152 identifies when a design review is required. The definitions are applicable to the design review process but do not by themselves establish design criteria (Section 4.151). Finally, as previously noted, a design review is required as the proposal involves the construction of a new building (Section 4.152).
- G. Section 4.153 outlines the review procedures. The City held a pre-application conference occurred, and the applicant submitted the required material. Further, the City mailed notice to area property owners in compliance with applicable provisions.
- H. Section 4.154 outlines the purpose behind the design review criteria. This Section states *"(T)he design review criteria are intended to provide a frame of reference for the applicant in the development of site, building and landscape plans and to provide the city with a means of reviewing proposed plans. These criteria are not intended to be inflexible requirements nor are they intended to discourage creativity or innovation. The criteria do not intend to specify a particular architectural style."* Further: *"(T)he Design Review Board is not authorized to approve projects which do not adhere to specific development standards provided by this ordinance (e.g., building height or setbacks.)"*
- I. Section 4.155 contains the specific decision criteria; each item is reviewed below:
 - 1. In terms of setback from street or sidewalk, the design creates a visually interesting and compatible relationship between the proposed structure and the surrounding area.

FINDINGS: The structure will be setback 10-feet from the front property line, complying with the setback requirement and prioritizes pedestrian-focused space fronting Laneda Avenue. This area provides an entrance to commercial part of the building surfaced with paving stones and providing outdoor seating. Generally, the space complements the building style and proposed finish.

2. The design incorporates existing features such as rocks, slopes and vegetation.

FINDINGS: The design works with the existing natural slope of the site, meeting the street with public-facing building functions. The existing condition of this lot is largely a former driveway and has minimal naturally occurring features such as rocks or vegetation. The site will be cleared to accommodate the new structure and parking. However, new tree and shrub plantings will be installed on the perimeter of the site.

3. Where appropriate, the design relates or integrates the proposed landscaping/open space to the adjoining space in order to create pedestrian pathways and/or open system that connects other properties.

FINDINGS: The front includes a patio with plantings and allows outdoor use during favorable times of the year. This design integrates with and to the adjacent street. The pedestrian access point is located at the northwest corner of the lot where the sloping grade of Laneda is less steep and makes for more favorable and easier pedestrian access to the building. The applicant noted the front yard design is like area commercial structures, thereby enhancing this portion of the street.

4. The design gives attention to the placement of storage or mechanical equipment so as to screen it from view.

FINDINGS: Where possible, electrical, and mechanical equipment is placed in dedicated utility rooms within the building. Exterior mechanical and electrical equipment is strategically placed to not be visible from Laneda Ave or from the public areas of the building.

5. All functions, uses and improvements are arranged to reflect and harmonize with the natural characteristics and limitations of the site and adjacent properties.

FINDINGS: The site improvements work with the existing terrain to optimize the natural slope, draining stormwater to the south where landscape infiltration planters and permeable driveway pavers manage stormwater. The layout and relationship of the roof decks and patios step back to permit more daylight into the lower spaces.

J. Section 4.156 contains the decision criteria evaluating architectural and landscaping design; each item is reviewed below:

1. The design integrates and harmonizes the existing and proposed development with the existing surroundings and future allowed uses. This standard shall be applied in a manner that encourages village design and visual diversity within development projects and the surrounding area. Corrugated siding is prohibited as it does not harmonize with siding used on most existing buildings.

FINDINGS: The building is generally consistent in finish, color and style with a majority of the buildings in the vicinity. The structure utilizes a wooden exterior – as are many adjacent structures - and does not include the use of corrugated siding or similar metal finishes. The buildings arrangement responds to the surrounding neighborhood with a focus on retail activity to the front (Laneda) side of the site, and private lodging at the back of the site where neighboring uses are more private in nature.

2. The landscape design acknowledges the growing conditions for the climatic zone, and provisions are made for the survival and continuous maintenance. The landscape design shall include the use of local native species of trees and shrubs.

FINDINGS: The applicant indicated Oregon and coastal native plants were selected for the site's planting. These include coast wax myrtle, pacific vine maples, and rhododendrons. While an irrigation system will be installed, plants which have gained priority are those that are hardy, drought tolerant and fit within the maintenance capability of the property ownership.

3. The minimum lot area required to be landscaped under Section 3.040(3)(d) for commercial, mixed use, or non-residential uses shall be located in the front and side yards and the portion of the lot adjacent to the front or street side yards and not within the foundation footprint or rear yard. Living plant material shall cover at least 50% of this required minimum landscape area. For corner lots, at least 25% of the living plant material required by this section shall face each street frontage.

FINDINGS: As noted, only 500 square feet of landscaping is required, of which 50% or 250 square feet must be in plant material. The site contains 1,191 of landscaping of which 801 square feet are in plant material.

4. [Reserved]

5. The grading and contouring of the site, and on-site drainage facilities, shall be designed so there is no adverse effect on neighboring properties or

public rights-of-way.

FINDINGS: Per the applicant, grading and contouring of the site were studied and designed to keep stormwater on-site. A combined approach of permeable pavers and stormwater planters, along with roof stormwater loads, were designed to infiltrate water on the site and not onto neighboring properties or streets. Plans also included the necessary calculations showing compliance with City standards.

6. The design avoids monotony and provides visual interest by giving sufficient attention to architectural details and to design elements.

FINDINGS: The building's two levels create visual interest, and this is enhanced with the terraced patio space and decorative glass design elements.

7. The design adequately addresses the pedestrian nature of the commercial area and places structures in relation to sidewalks and open areas to foster human interaction.

FINDINGS: The design effectively places pedestrian-centric functions next to the street, providing connections to the sidewalk and core commercial area. The project's plazas and terraced outdoor space provide opportunities for human interaction.

8. Lighting is non-industrial and non-invasive in character, and contributes to the village character.

FINDINGS: Plans and schematics for the structure placed the lighting primarily at the doorway entrances, along walkways and near outdoor seating. The lights are commercial in size and style and downward facing thereby ensuring lighting is not directed onto adjacent properties.

9. Compatibility. All new commercial and mixed-use buildings and exterior alterations shall be designed consistent with the architectural context in which they are located. This standard is met when the Design Review Board finds that all of the criteria in a.- c., below, are met.

- a. There is compatibility in building sizes between new and existing commercial and mixed use buildings;
- b. The size, shape and scale of the structures are architecturally compatible with the site and with the village character of the surrounding neighborhood. Particular attention will be paid to addressing the visual impact of the structures on residential uses that are adjacent or on the opposite side of the same street.
- c. All buildings and developments shall provide human scale design. The design avoids a monolithic expanse of frontages and roof lines,

diminishes the massing of buildings by breaking up building sections, and/or by use of such elements as visual planes, projections, bays, dormers, second floor setbacks or changes in the roof line, and/or similar features generally shown in the following figure (see Ordinance). Changes in paint color and features that are not designed as permanent architectural elements, such as display cabinets, window boxes, retractable and similar mounted awnings or canopies, and other similar features will not independently satisfy this criterion.

FINDINGS: The applicant notes the building size is comparable and compatible with the structures on neighboring properties. The analysis indicates the building design is within the zoning code's height limitations and FAR restrictions. The roof forms and scale of structures are compatible with the adjacent properties. The gabled roof forms and cedar wood siding fit with neighboring buildings that have similar characteristics. The design avoids creating a single monolithic structure by using canopies, material changes, gabled roofs, eaves, upper story setbacks and the open patio on the street level. On balance, the Commission finds the improvement consistent with the intent of the design standards. While not an architectural "match" with surrounding structures, the design and finish are generally compatible with these structures.

- K. Section 4.158 includes on performance assurance, including building permit requirements and time limitations.

FINDINGS: These are administrative requirements applicable to both the City and applicant.

- L. The project includes a 3-unit hotel, an activity defined in ORS 699.005. Hotels meeting this definition are required to meet specific health and safety requirements. It is entirely appropriate to include a condition requiring the proposed hotel meet the definition of a hotel as defined in ORS 699.005 and that the applicant show compliance, and continual compliance, with all necessary health and safety the provisions of all State, County, and local regulations.

IV. DECISION AND CONDITIONS OF APPROVAL

Based on the above findings, the Planning Commission finds the application complies with the applicable decision criteria and APPROVES the request subject to the following Conditions:

- A. 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.

- B. The developer shall submit a building permit for construction of the building, conforming to the applicable building code requirements. The submittal shall comply with the following:
1. The submitted site plan shall substantially conform to the approved layout.
 2. Building plans shall include evidence ensuring the cedar exterior shall be finished with a durable seal and continually maintained.
 3. Plans shall include provisions for a single sign located as indicated by the applicant on plan sheet A.3.01.A. The sign shall conform to sign code provisions in Ordinance 95-4, Section 4.070. Sign illumination shall be limited to a single overhead light of a design similar to proposed exterior lights.
 4. While building plans may be simultaneously submitted with engineering plans, building permits shall not be issued until all engineering plans are reviewed and approved.
- C. Prior to receiving a building permit, the developer shall submit evidence of a shared access and parking agreement that includes the adjacent property to the east. In addition, the developer shall provide evidence of two additional off-site parking spaces in compliance with provisions in Ordinance 95-4, Section 4.080.4.
- D. The following additional requirements shall apply:
1. Prior to commencing development, the developer shall submit evidence that the proposed hotel, and its operations, meets the definition of a hotel as defined in ORS 699.005.
 2. Prior to commencing development, the developer shall submit evidence from Tillamook County that the proposed hotel complies, and will continually comply, with County regulations regarding the establishment and operation of a hotel/motel.
- E. Prior to occupancy, the developer shall complete the following:
1. Install and/or extend public facility improvements, consistent with City and/or NBWA approved engineering plans.
 2. Install parking improvements consistent with approved building and engineering plans.
- F. The structure shall comply with building permit requirements and conform to the submitted site plan. The applicant is advised that modifications to the approved plan may require a new design review application and decision.

- G. Unless otherwise specifically conditioned by this decision, the building and improvements shall comply with applicable provisions in Ordinance 95-4.
- H. Compliance with these conditions, the requirements of the Manzanita Zoning Ordinance, Nehalem Bay Wastewater Agency, Nehalem Bay Fire & Rescue, Tillamook County Environmental Health, and applicable building code provisions shall be the sole responsibility of the developer.