

MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, February 23, 2015

Commissioners Present: Jim Patrick, Rod Croteau, Mike Franklin, Lee Hardy, and Bob Berman.

Commissioners Absent: Bill Branigan and Gary East (*both excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

A. **Roll Call:** Patrick called the meeting to order in the City Hall Council Chambers at 7:00 p.m. On roll call, Hardy, Berman, Croteau, Patrick, and Franklin were present. Branigan and East were absent, but excused.

B. **Approval of Minutes.**

1. Approval of the Planning Commission regular session meeting minutes of February 9, 2015.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to approve the Planning Commission meeting minutes of February 9, 2015, as presented. The motion carried unanimously in a voice vote.

C. **Citizen/Public Comment.** No public comment.

D. **Consent Calendar.** Nothing on the Consent Calendar.

E. **Action Items.** No items requiring action.

F. **Public Hearings.**

Patrick opened the public hearing portion of the meeting at 7:02 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflict of interest, ex parte contact, bias, or site visits. Hardy declared that she has a business relationship with one of the opponents. All of the commissioners had done site visits. Patrick declared that he has done work for most of these folks. Franklin declared that he had received a phone call from Stephen Davis, an employee with the Inn at Nye Beach, who was contacting business owners in the area. Franklin took the call and asked that Davis email him. He entered a copy of that email into the record. Patrick noted that the ad hoc committee that is working on the design guidelines, which he and Franklin are on, saw a preliminary copy of the plans; and the design came up in their discussion about how to change the existing rules. He noted that tonight's review is based on the rules as they exist; not as they might change. Patrick called for objections to any of the Commissioners or the Commission as a whole hearing this matter; and none were heard.

1. **File No. 1-NB-15/1-CUP-15.** Consideration of a request submitted by John Lee (John Lee, Denny Han, and Dale Johnson, authorized representatives) (Nye Hotel, LLC, property owner) for design review for a 10,375 sq. ft. addition that includes 16 new guest rooms, a lobby addition, laundry addition, and a new spa building at the Inn at Nye Beach (formerly the Greenstone Inn). The project requires design review because the building exceeds 35 feet in height (47 ft. 3 in. peak height) and a Conditional Use Permit because the structure's exterior dimension is over 100 feet in length (138 feet). The property is located at 729 NW Coast Street (Tax Map 11-11-05-CC, Tax Lot 5600).

Patrick opened the public hearing for File No. 1-NB-15/1-CUP-15 at 7:04 p.m. by reading the summary from the agenda. He called for the staff report. Tokos noted that the Commissioners had received his staff report, dated February 19th, in advance of the hearing. It was also posted to the city website. He noted that he had the complete record with him tonight, should anyone need to see it. Tokos wanted to read through a few items that came in after the Commissioners received their packet material; documents which they had before them tonight. There was a letter dated February 21st from Hallmark Resort's General Manager, Ric Rabourn, indicating their support of the proposal; an email from Kevin and SueEllen Ferris, dated February 23rd, adding additional commentary to a letter they

previously submitted in opposition; a letter from Kevin Carmody that came in over the weekend, expressing support as a Pacific Coast condominium owner; a letter from Scott and Stephanie Doll of Café Stephanie, indicating support of the project; a letter of February 20th from Sandy Smith and Jack Wolcott, which may be a duplicate of one in the packet already, indicating opposition; and an email from Michele Laurel clarifying some language in her initial letter in support that is included in the packet. Tokos noted then there is the email Commissioner Franklin received from Stephen Davis, General Manager of the Inn at Nye Beach, which simplifies the nature of the project and indicates their hope that business owners will share their view that the project is beneficial to the community. There is a letter in support of the project submitted this evening by Susan Davidson, who may choose to testify. Finally, there is a petition submitted by the applicant that individuals signed indicating support for the project. For the record, Tokos noted that there were some revised drawings that the applicant submitted addressing some of the issues raised in the staff report; and the Commissioners have 11" x 17" drawings of these in front of them as well. These include revisions to drawing A-4, the roof plan, addressing the roof pitch to make sure that to all of the elements they are sloped at least 12:5; changes to A-5, elevations, and A-6, elevations, correcting the peak height measurement so it's consistent with how height was measured with the plans for the original dwelling; corrections to A-7, to assure that the roof pitch on the spa building is 5:12 not 4:12 as it was previously; changes to the landscape plan L-1 and L-2 addressing concerns about screening of the parking area to the building and incorporating a lighting plan in the plan set that wasn't in the original set.

Tokos touched on the key elements of the staff report. He noted that the Commissioners have two issues before them. One is design review under the guidelines for HNBO because the building comes in over 35 feet in height. This is a C-2 zone, and the code standard is that the maximum building height is 50 feet with zero lot line. They can build up to the property boundary; in fact, it's encouraged. If a building is over 35 feet, then design review is required against the guidelines before the Planning Commission as opposed to the nondiscretionary standards. If the building were under 35 feet, under the code it would be handled by staff with no discretionary review and no notice. Because it is over 35 feet, the project is subjected to review of the more flexible guidelines. The building is over 100 feet in length; the prior hotel was just under. With the proposal, they are adding 16 units; 13 net new units. They are removing the existing two-story building and constructing an addition. As depicted that will extend over the top of the existing driveway and connect the two buildings. Because the building is over 100 feet that triggered a conditional use permit for it as well.

With respect to the design guidelines, which are numbers 2 through 9, they are addressed in the staff report verbatim. Tokos noted that number 2 gets at making sure the proposed commercial development acknowledges the scale of the streetscape and incorporates architectural features to break up the façades to reflect appropriate human scale measurements; design features like windows, doors, variations of setback, balconies, awnings, etc. Its focus is towards those elements facing the public right-of-way; not the spa building. In 2008, the Planning Commission found the existing hotel, which replaced the old Viking Hotel, met this standard. The addition incorporates many of the same elements that the original Greenstone Inn did. Tokos said the Commission has substantial evidence to base a decision on. He said there is sufficient evidence to find that this guideline has been satisfied.

Guideline number 3 regards roof pitch and looks for gable or hip in design. It does provide for a flat roof provided a parapet is used to conceal it. Roof pitch can be between 5:12 and 12:12. There was an issue with that with respect to the shed roof elements. They were listed at 4:12; but that since has been corrected. All roof slopes will be 5:12. The peak height of the existing hotel is not going to be changed. The addition is proposed to be about two feet higher than the rest of the structure. At this point in time, with the revised plans and also the revised roof pitch so it's 5:12, there is substantial evidence to find that this guideline has been satisfied.

Guideline number 4 requires that commercial buildings abut the front property line and side property lines unless there is a pedestrian-oriented feature like a courtyard, patio, or outdoor café seating or something of that nature. In the zoning code, it requires no more than five feet back. The applicant has done that. They are within five feet of the sidewalk facing Coast Street. They've brought it to the property line on the north side, which is angled so it's not zero at all points. One of the revision sheets addresses the eave overhang. The drawing in the packet shows the eaves were overhanging on the north. They revised the plans so the eaves will be contained on site and not extend past the property line. With those changes, there is substantial evidence to establish that guideline number 4 has been addressed.

Guideline number 5 requires that the building generally shall be compatible with the design and appearance of other development in close proximity with similar architectural features; features common to the district. The testimony in this case in opposition is from the Lighthouse Lodge condominiums essentially. They expressed concern about the height and mass and the impacts on the solar access on their properties. Tokos said the Commissioners have in their packets photographs of different projects approved under the guidelines. There are historic photos. The Commissioners have driven the area. At this point, the Commission will have to make a call whether or not this conforms to this standard or not. Have they incorporated architectural features compatible and used similar types of features as those in close proximity?

Guideline number 6 gets at having the building oriented towards the street with the main entrance also facing the street. This also ensures that the building has some architectural relief such as variation to height, setbacks, and design features. The entrance to the hotel fronts Coast Street. There is substantial evidence in the packet to establish that this guideline has been satisfied.

Guideline number 7 gets at ensuring that off-street parking does not dominate the streetscape and is oriented to the rear or side. Fifteen off-street spaces are provided. Parking is surface oriented to the rear of the building. It needs to be screened. The applicants supplemented their landscape plan and will explain how they are screening that.

Guideline number 8 is to ensure that pedestrian circulation on commercial projects is provided for. They have appropriate circulation on the interior and on the side. A striping plan is provided in the drawings showing clearly that there is pedestrian movement there. Coast Street has a sidewalk so there is physical separation of pedestrians and vehicle travel on Coast Street. Their proposal gets at that issue.

Guideline number 9 gets at lighting. It's looking at the number and types of fixtures incorporated and are limited to areas where absolutely necessary; where you have people at night time and for security purposes. They should be downward directed and shielded and not shine directly on neighboring properties. Tokos noted that the Commissioners just received the lighting plan, so he will defer explanation of that to the applicant.

Tokos said when you move to the conditional use permit criteria, there are several. The conditional use permit was triggered because of the length of the building. The first criterion is that the public facilities can adequately accommodate the proposed use. Tokos said that is straightforward; street access, pedestrian access, sidewalks, water, and sewer. All of those are in place. There is substantial evidence that that criterion has been met.

The second criterion is that the request complies with the underlying zone and overlay zone. Tokos noted that this is a C-2 zoning district with zero setbacks. It does not provide for encroachment on neighboring properties, which was the issue with the eaves. The applicant has addressed that. A hotel is a permitted use. The property is within a geologic overlay, which is a separate permitting process. The applicant has submitted and obtained a geologic permit for the project. It's also within the Nye Beach overlay, which is addressed in the staff report.

The third criterion is that the proposed use does not have adverse impacts greater than existing uses on neighboring properties, or that impacts could be ameliorated through conditions. It explains that adverse impacts are physical impacts, and then it lists them. Tokos noted that there has been a fair amount of testimony from the folks who own the condominiums in the Lighthouse Lodge immediately to the north. Impacts on solar access is one. In the testimony it indicates that some of that would be attributed to the height of the building and zero setback. If they had a building height of 35 feet, they could build right to the property line right now; in fact, that's encouraged. There would be solar impact. Is that impact something within this standard? What other ramifications are there with zero setback? Typically in planning, setbacks are used to provide for solar access and separation between buildings. When you have ten feet, the buildings would be 20 feet from each other. That's for solar access, privacy, and sometimes emergencies. We do not have that standard in place in C-2, which he assumes was a policy choice. He's certain there was agreement to that setback arrangement. A common circumstance for greater adverse impact with this standard is off-street parking. He said that is not the case here. They provided additional spaces for the hotel use. The fifteen spaces meets what is one per room requirement for hotels. With thirteen new units, they are within that. They have met that requirement.

The next criterion is that the building is consistent with the overall development character of the area. Tokos said this is one again that the Commission needs to weigh the evidence here. The Commissioners have examples of other

development with photos of different types of development in Nye Beach; hotels, retail, commercial, residential. The Commission will need to determine if this is consistent with building size and height. The 100 feet plus is what drove the conditional use standards because it was 138 feet. Tokos said that is something to keep in mind. There were discrepancies in the measurement of the building height for the existing hotel. Tokos included drawings in the packet. When the existing hotel was approved in 2008, plans presented to the Planning Commission were just over 40 feet in height. The plans approved as the construction set was just over 41 feet. The applicants' plans showed it at about 45 feet. The applicant revised the drawings. Their plans included measurement from a point lower than what we require the measurement from. The revised set of plans recalculated the height based on the code, which is consistent with the construction drawings at 41 feet and a few inches. That's shown on sheet A-5 of the revisions. As noted, the addition is two feet higher. They have that now depicted at 43 feet. The applicant can explain why that is higher than the existing hotel.

Tokos noted that the Commission has a public hearing before them. The applicant will present their case, there will be testimony in favor or in opposition, and the applicant can provide rebuttal. The Commission has choices. After hearing testimony, the Commission can make a tentative decision for approval as presented, with modification, or for denial. The Commission can decide any of those three and provide staff direction to prepare final order and findings consistent with one of those to review in a couple of weeks. Or the Commission can request additional information. The Commission can choose to continue the hearing if you want to leave the record open and pick up in two weeks. Or if the Commission needs only targeted information, simply close the public hearing and request information and deliberate in a couple of weeks. Tokos needs that direction before the end of the evening.

Proponents: The applicant, John Lee, VIP Hospitality Group, 729 NW Coast Street, came forward with architect, Denny Han, and presented some slides. Lee explained that VIP has been a hotel owner/operator that's been in business along the Oregon coast for about 30 years. They began with the Coho Inn in Lincoln City. They have four hotels along the Oregon coast and Washington Coast. They invested in Nye Beach by acquiring the Greenstone Inn in February 2013. It was already an established hotel in a beautiful setting. They called it the Inn at Nye Beach with a small modification of design. They immediately began thinking about expanding and transforming it. He noted that there are several larger hotels in Nye Beach. When they first looked at the market, they felt that higher-end unique hotels were missing; similar to what you see in Canon Beach, Manzanita, or Astoria. Lee said investing in projects in communities for the long run is what they do. They're not a large developer that comes in and builds and then bolts after making a large profit. They are a hospitality group that invests in businesses. Their business acronym stands for "vision, integrity, passion, and humility;" and they work hard to instill these values in all members of their company. He said many development projects started with ambitious plans but never get to see the finish line. They carefully thought through the design and believe they can carry it through. Lee said they have good team members. Their architect has 20 plus years' experience. They are currently having discussions with general contractors and will have the selection process over the next several weeks. VIP Hospitality Group will be the management company. They have a financial commitment from the owners and bankers. He said it is a special hotel.

Lee wanted to share some photos of properties they have been involved with in the last 5-7 years. The first slide showed the Coho Lodge in Lincoln City where they took down an old house and added rooms. It has a fire pit and park. The next slide was the Majestic Inn in Washington, which was a closed retail shop where they built an extension and added a rooftop bar. He said in fact, the City of Anacortes encouraged them to put in the rooftop bar because of the view. Next was the Inn at Wecoma in Lincoln City. Last was the Inn at Nye Beach, which is not yet complete. He said they are hoping to create something special there. Lee said they have a capable and hard-working team in place to execute and deliver a business that Newport can truly be proud of.

Han said that this design came about through a collaboration of a team that has worked hard. They started this process about six months ago. After the acquisition, they explored different options and ideas. As a designer, his job is to do feasibility studies by looking at potential development opportunities. They came up with a number of scenarios; one being four stories, which would have added an extra six guest rooms. They had the parking, and it would have met the maximum height limitation. As they continued to explore that idea, they looked at how it would potentially impact the surrounding neighborhood. They scaled that back and looked at other possible worthy options. Eventually they arrived at a three-story proposal for a number of reasons. The existing approved hotel since 2010 is a three-story hotel. They felt that at the end of the day, they didn't want an expansion that would be looking like an after-thought. They want to tie into what already exists. There is a two-story freestanding structure already. If they tore it down and built another two-story structure, that doesn't make feasibility sense. They wouldn't gain many units from that option.

Three-story seemed to be the most viable option. They looked at ways they could make the overall design streamlined so it looks like it was built that way from the very beginning. He said you can see that now the existing materials are shingle siding and horizontal lap siding with stone tile wall on the base of the building, use of trims and balconies, and lots of offsets facing the street frontage. There's a standing seam metal roof that is also a clipped gable. The proposal attempts to continue with that direction. They don't have a whole lot of space they are adding; about 38 feet of additional building structure. At the same time, they wanted to be sensitive and continue the vision of creating a streetscape that would respond well to the public right-of-way.

Han had six bullet points to cover. The first one being wall offsets. They wanted to continue with the offsets that have been created. The major one is on the right side and sticks out about four feet on second and third levels. There's a recess on the lower portion that is an additional two feet. Additionally, above the drive-through or breezeway there is an additional offset. Those offsets really help break up the vertical emphasis. There is a pedestrian seating opportunity created in a space where they can put a trellis and bench seating with landscaping. He said there's not a lot of area to create potential public space. This would be a great area for respite for passersby. It's accessible from the sidewalk and is useful and appealing from the right-of-way. The second point is varied rooflines. They are using that again to create a reduction in the vertical emphasis, which works with the offsets. They had an opportunity to put a roof on there to break up height, which reduces the scale to create a terraced or stepped overall look. This, in addition to the detailing at the top, creates a dynamic skyline. The third bullet notes the existing entrance that is an awning. That's going to be a new lobby extension. There is an existing north entrance, but it didn't really fit the direction they wanted to go. They are using a lot of wood and warm materials such as stone. Their intention based on the guidelines, which gives options in terms of style (bungalow and craftsman, stick and Eastlake, and colonial and Georgian) is to go with craftsman style with all detail, material, and colors just following that vision and direction. The original hotel, although it had a lot of interesting things, there's not a lot of additional architectural features that would lend to one style. They wanted to emphasize a style. Throughout Nye Beach there is the use of warm materials that they thought were fitting for the expansion. They are incorporating a lot of balconies and windows with multi-panes, a landscaped wall, and a light fixture all introduced to break down the scale of the façade and provide a much more interesting and dynamic streetscape. For the exterior building materials and colors they are using and mixing different types of cladding. They will keep the main body as cedar shingles but would like to update lower wall tiles with something more neutral that's a warmer color; different shades of gray and brownish-gray. They will incorporate different types of siding, like vertical boarding and batting at the top; all working in conjunction with one another to break up the façade. There is already a belly band, and they will continue that toward the addition. They will incorporate a lot of architectural detailing and a lot of trim work, such as brackets at the upper portion of each tower. They added corbels and trellises. They found that in a number of historical buildings that they saw in pictures and driving through the area, these are some of the things they can incorporate that will really create an enhanced façade.

Regarding Guideline number 3, they did update their plans to conform to the guideline. All 4:12 pitches were updated to 5:12. They will continue with the standing seam metal roof as part of the expansion. Regarding Guideline number 4, there is already existing landscaping, which they will enhance even further. They want to create a beautiful buffer between the building and the public right-of-way. He highlighted the trellis and seating area, which is a great opportunity to provide an interactive space for guests or pedestrians to use. The next slide was to show that they dealt with the north property line where they had the overhang. Everything is solely within the property. He noted that to the right where the door is by the trellis, that will be the door where they house the trash bins. On the plans that is the double doors on the bottom right-hand corner. Right now there is a fence on the side, and all of the trash bins are in that side yard. Out of respect to the property owners on the north, they plan to place the trash cans within an enclosed space. Regarding Guideline 5, they wanted to show the immediate context. They had a slide showing a shot looking north from the hotel and one looking south. He noted that it's a lot of small single-story homes. To the south and toward the west are the Pacific Crest condominiums that are three-story, and the length exceeds 100 feet. There aren't many architectural features on these buildings. To the north is the Waves Motel, which is very simple. As they continued to explore the city and view developments that are already built and look at historical buildings that have been torn down, they recognized that there are already a lot of three-story hotels and structures. Some do go beyond providing a basic façade and provide detailing. On the upper right the slide showed there is the use of wood brackets up at the gable end and balconies; and on some single-story residences, use of multi-pane windows and horizontal trim bands. On the upper left they used varied roof forms and corner pop-outs. He showed a slide with historical buildings and noted that they use brackets and corbels in addition to gable ends. They really wanted to highlight that throughout their building. Guideline number 6 focuses on entrances. There are two existing entrances. They want to enhance and help passersby or guests identify very clearly the entrance to the building. The awning was an attempt

at that. On the north side, they would like to upgrade it and make it suitable for Craftsman style by adding stone to the columns and brackets. There's a clear identification of the entrance. Regarding Guideline number 7, Han noted that all parking will be at the rear, west side, behind the building. They satisfy the requirements for that. For visual screening in relationship to the parking, on the north (right) side and the south (left) side they intend to put landscaping on the north side and on the south side put a wood fence extending all the way to the parking stalls. No cars will be visible from adjacent properties. Regarding Guideline 8, vehicle versus pedestrian traffic. They will have curb or raised walkway to identify and break up the main breezeway aisle from the pedestrian walk. Guideline 9 regards lighting. Their intention is to select fixtures that clearly are unobstructive and not only aesthetically pleasing but are not going to be a nuisance or a glare to guests. All the fixtures they've chosen are shielded and pointing downwards or upwards. Landscaping up-lighting is highlighting specific areas of interest like small trees; not in the direction of the public right-of-way. The pilaster-mounted fixture will be downwards. Pendant lighting has to point down to light up below, but it will be underneath the canopy at the northern entrance and is not visible from the public right-of-way. The revisions include a landscape plan showing the locations of these fixtures. The up/down lights will be on the corners of the buildings. They have a lot of path lighting for landscape beds. In the rear, next to the proposed spa building, there will be an outdoor amenity; two fire pit areas that will have ADA access because it's at a lower level. Lighting is going to be lit throughout that space to assure security and all-day use. Han noted that Tokos had mentioned the height of the building, and he wanted to address how that came about. They did use a lower datum. By using that, they ended up with a higher point. The reason for the two foot difference is because the amount of area they are trying to cover is a little bit wider. With hip roofs, the wider you get, the higher the point of the ridge. They could satisfy that two feet by lowering the pitch to 6:12 or 5:12, but they don't feel that would do the building justice. It's beneficial for the overall appearance to maintain the same roof pitches. The advantage of going with clipped gable is that the height seems diminished because it's clipped. From the sidewalk, the height is diminished. There's greater advantage going with this type of roof design.

Opponents and Interested Parties: Peggy Kjellsen, 801 NW Coast St, a neighbor a block north, came forward. Kjellsen said that the building is beautiful. It's grand. She loves it. It's well-maintained. She said there's only one problem she has with it. She has lived in the 6-unit condominium on the ocean side just west of the Waves Motel for twelve years. She has been spoiled because she hasn't had to hunt for a parking space. Two weeks ago she was standing in the road looking down into Nye Beach and up to where it dead ends; and there wasn't one vacant spot, including in front of her house. She got concerned. She talked to Stephen because she knows there is parking under the existing hotel, but she doesn't think they are used that frequently. Often residents in the hotel will park on the street. Employees park on the street. There is no place for employees to park in back. There are individual homes across the street from the Waves so even when nobody else is in town, that street is full with the people who live there. She noted that at one time Newport was looking at preparing property across from the ambulance station where there is some vacant land. She thinks that would be a wonderful idea if the City looked into that again. That is more off-street parking. She said that the tourists are a wonderful advantage to Nye Beach and to the City, but it is hard to get around. North of the Lighthouse condominium area there is a half block that dead ends, and there is extra parking in there. Kjellsen said that parking is the only objection, or concern really, that she had as a resident on that street. She doesn't see the parking lots full under the hotel. She would like to see parking addressed.

Proponent: Susan Davidson had submitted written comments but decided to testify as well. Davidson said that her family has history here on the coast for 86 years. She said having lived here about five years herself and gotten acquainted with many of the hotels and businesses in this area, she thinks many of the business could take some of the ideas that the Inn at Nye Beach has done that would benefit the whole city. The Inn at Nye Beach is a green, eco-friendly establishment that recycles, that cares about the footprint of this city and of this village. They don't use toxic chemicals in cleaning or in any materials. It is locally-owned and they employ local families in this area. When she did her research of what is available in Nye Beach, she chose to come here versus Depoe Bay where her family is from. Sylvia Beach Hotel is another unique hotel with 20-21 room. The Landing on the Bay Front has 26 or 27 rooms. There are people offering little places for nightly rentals. The Elizabeth Street Inn has 68 rooms, the Shilo has 179, and the Hallmark has 159. She said what she can say from her daily beach cleanup walks is that as far as pollution, the three huge hotels stacked right after another are very abhorrent in light pollution. The way they mark the streets and the beach, and their noise and smell pollution. She picks up trash, and the most is by the Shilo, the Elizabeth Street Inn, and the Hallmark. Davidson said this proposal is a wonderful expansion that would serve our city. They are setting an exemplary example of future business practices. She encouraged the Planning Commission to take those pieces into consideration in their decision.

Rebuttal: Lee and Han returned for rebuttal. Han noted that, regarding parking, they have fifteen additional spots and are planning on adding thirteen net rooms; so, if anything, parking should improve. He said they are trying their best to make sure the hotel spaces are utilized first. They will address that with their staff even more.

Berman noted that 80 feet is the proposed east/west dimension on the addition. He asked what the dimension is on the current structure being demolished. How much closer to the cliff edge toward the ocean are you going? Han said maybe ten more feet west of the existing. Berman said the concern from those property owners to the north was raising the height of the building. He sees the additional length, which compounds the shading. Han said they designed the north expansion to align with the existing south building for continuity of massing. They took into consideration all sides. They made all attempts to look at the entire building on all four sides. They are trying to match what is on the south side. Franklin said there's a good view in the aerial photo showing the south side of the existing Greenstone. He said it doesn't look like very much. Berman said he could see trying to break up the look on the north façade. There are only two windows, and it would be much more attractive if there were additional windows to break up the massive area on the north side. Han said they wanted to have windows on the north side, but because it was so close to the property line, code doesn't allow windows. Patrick said this is commercial, which goes to zero setback; and that is a firewall. He said that the Nye Beach code says commercial development should fill to the property lines. The only reason they were able to get the windows they did is because this is a triangular lot.

Patrick closed the public hearing at 8:10 p.m. to begin Commission deliberation. Hardy thought it's obvious that they are concentrating their building with what is south rather than what is north. That neighborhood tapers down as you go north as far as building similarity. She doesn't see it as a particular aberration. It's more of a continuation of what the Nye Beach area has been. It's not inconsistent. Berman said he finds that the guidelines are addressed appropriately. He still feels bad for those people immediately on the north; but he doesn't think there's anything in the existing regulations or ordinances that allow leverage to do anything about it. It's in conformance with everything. He thinks it's a beautiful building and appreciates the effort that went into the front façade. Croteau said in general he thinks it fits with the neighborhood. He has done a bit of walking around in Nye Beach. This design is reasonable and fits within the guidelines of the overlay. He suggested that it would be useful for the applicant to talk to local landscape architects to pick better plants that will actually last here. He thought that would be an upfront worthy investment. As far as the lighting issue, he said he just got the design tonight and wanted to look at it to understand the effects on the neighbors. He likes that it's down lighting. But he wanted to review the plans more than he had a chance to do tonight. Regarding solar access and shading, he knew it's not addressable within the guidelines, but he would like to see an illustration of what would happen before and after. He asked them to show some illustrations of what it is now and what it would be after for four seasons of the year for him to get an impression of the magnitude or lack thereof of the shading issue. Franklin thought the plans are great. They've done a great job of tying in the addition with the existing building. He agrees with what was said that if the roof on the far end was a lower pitch, it would look horrible. He thinks the proposal is great. Patrick liked the design. He thought it met all the guidelines, except maybe one; and that's on the conditional use permit. The building measures 138 feet, and he thought the Commission decided that they're supposed to break it up at 100 feet. He wondered if the driveway counts as breakage. Franklin said that's a view corridor. Croteau said he didn't see any way around it. Patrick noted that on Archway Place the Commission let them fill in the stairway for windbreak. He would like to have a good leg to stand on so for future projects we are consistent with how we apply that 100 foot rule. Croteau asked what the basis is of the 100 feet; architectural design appeal or structural? Tokos said a structure over 100 feet requires a conditional use. It gets at the no greater adverse impact. With design guidelines, it's if the character is consistent. You have discretion on how you apply that. With design guidelines there's not a hard and fast rule. It's not that you can't have construction go over 100 feet; there's just a provision that you have to go through a conditional use permit. Croteau said he gave them points for incorporating design features that breaks up the façade. Patrick said he forgot it had to do with adverse impacts. Regarding solar access, his thoughts are because it's C-2 zoned with zero lot line and they're supposed to build to zero, it's a moot issue. He realizes there are buildings to the north; but they are a lesser use than what it's zoned at. Franklin said there are many examples of that around Nye Beach. Croteau said the solar access is not an issue that would affect his vote, but he would like to see a comparison. He said it's an easy thing to do. He would guess it's not that big of a deal; but it is a concern of the neighbor. That way we can see if it's a big deal or not. Patrick said it would be nice to step the third story back on the side; but he doesn't think with the code as it's currently written we could require that. Croteau said he wants to see what the real impact is. Only then would you seriously consider an alteration. It's within the code, but he would just like to know. Berman said he was thinking of the length cutting off that angle at various times of the year.

Tokos said the Commission can ask for additional information for presentation at the next meeting. If the Commission doesn't make a tentative decision tonight, he won't be bringing findings at the next meeting. They would evaluate the additional information and then he would bring the final order forward at that time. If the Commission feels comfortable making a tentative decision with direction to bring forward findings and final order that accomplishes something like approval, they will consider that along with the additional information at the next meeting. Franklin asked if solar studies were asked for on other buildings, such as the McEntee. Tokos said it couldn't have been done for the McEntee building because that was constructed under the standards. He wasn't sure about for Archway Place. Patrick thought it came up with Archway Place and Moon Shadow; but more for east/west.

MOTION was made by Commissioner Berman, seconded by Commissioner Croteau, to have Staff bring forward findings and final order for approval to consider at the next meeting with the additional information requested from the applicant. The motion carried unanimously in a voice vote.

G. New Business. No new business.

H. Unfinished Business.

1. Tokos noted that for the next meeting the Commission will have a work session, which will be largely focused on recommendations on the North Side Urban Renewal District for City Council consideration on March 19th. The Council should adopt resolutions to get the district formed. They will initiate the process of forming the district with whatever parameters they decide and who they want on the stakeholder groups. The Planning Commission will be providing the Council with an overview and scope of work on LIDs, which he will bring to the Commission work session as well.

2. Tokos noted that the City Council did their goal-setting today. He doesn't know the priorities out of that yet. That will be in the packet of materials for the next Commission meeting.

3. OMSI plans are in and under review. That's moving forward on schedule.

4. Tokos noted that we have additional work on the Seal Rock Water District withdrawal with the IGA. We are working to a point of resolution. New issues came up that have to be resolved. That should go back to the City Council on March 16th.

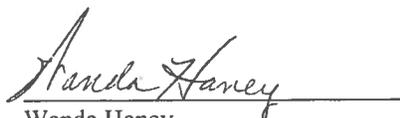
5. The ad hoc group looking at the Nye Beach standards ten-year update are meeting on Wednesday to review the recommended changes to the guidelines that came out of SERA's review. Tokos met with John Clark to get his point of view. Tokos will share the cross-references to the zoning ordinance. This should be coming back before the Planning Commission in the next month or two.

6. Berman asked about the housing study. Tokos said that was adopted by the City Council at their last meeting. They incorporated a number of language adjustments; just minor ones. Councilor Allen said there were points that Berman had raised that made him to make those changes. Tokos is getting that changed. Overall, he expects that will be one of the Council's goals. The City will be picking up a conversation with the County about getting multi-unit tax exemptions in place.

I. Director Comments. No additional Director comments.

J. Adjournment. Having no further business to discuss, the meeting adjourned at 8:27 p.m.

Respectfully submitted,


Wanda Haney
Executive Assistant