

Gearhart Planning Commission Minutes for December 12, 2024

MEMBERS: Virginia Dideum, Russ Taggard, Don Frank, Eric Halperin, Emerson Fisher, John Mesberg, and Jennifer Grey

STAFF: Chad Sweet, Peter Watts, Garrett Phillips, and Angoleana Torres

Minutes

The regular meeting of the Gearhart Planning Commission for Thursday, December 12, 2024, was called to order at 6:00 p.m. by President Virginia Dideum. *All Members, staff, and land use attorney were present except Angoleana Torres.*

COMMISSIONER WELCOMED

Dideum asked Fisher to share a little about himself.

CONSENT AGENDA

On **MOTION** by Halperin, 2nd by Taggard, the consent agenda was approved as presented. Said agenda approved Minutes for November 14, 2024, financial report for November 26, 2024. No Correspondence 6 - Approved (Dideum, Taggard, Grey, Halperin, Frank, Mesberg), 1 - abstained (Fisher)

0 – Opposed

STAFF REPORT

Watts reported that recent population revisions from Portland State University have shown a 6% decrease in the local population estimate, amounting to a reduction of about 50,000 people. This revision significantly impacts on the shared funds the area receives from the State, as well as federal funds allocated on a per capita basis. Watts emphasized that the city staff strongly disagree with the revised estimates and have formally communicated their intent to appeal the numbers. The issue remains under careful observation to ensure proper funding allocation.

Phillips reported two updates. First, regarding the city's floodplain management ordinance, following the decision by the Planning Commission and City Council to pursue a hybrid approach for implementing FEMA's PICM requirements, FEMA has recently revised the draft model ordinance and habitat assessment guidelines. These updates were published on FEMA's website about a week ago. Phillips noted that the city will now work on customizing these guidelines and plans to schedule them for review, with the earliest possible hearing set for the February Planning Commission meeting. Secondly, Phillips reported the received right-of-way vacation application for Hemlock Avenue, located southeast of the elementary school across Pacific Way. This application may come before the Planning Commission as early as January, or possibly February.

COMMISSIONERS REPORT - None

GOALS LIST – No Changes

VISITORS COMMENTS – None

PUBLIC HEARINGS

Dideum opened the public hearing at 6:10 p.m. on File #24-08CU – Conditional Use request for property located at 576 Pacific Way and further described as Assessors Plat 6.10.9AA, Taxlot 0700. The request is to expand a variety shop use in the Neighborhood Commercial C-1 Zone.

Dideum read the hearing disclosure and asked if any commissioners need to declare a conflict of interest in ex parte contact or personal bias. Dideum, Fisher, Grey, Halperin, Frank, and Mesberg have all visited the site. No conflict.

Dideum asked the audience if anyone challenged the commission's ability to make an impartial decision. No Challenges.

Commissioners were asked to declare any conflicts of interest, ex parte contact, or personal bias regarding the matter under review. Grey, Taggard, Frank, Mesberg, Halperin, and Dideum, disclosed that they visited the site.

Dideum asked the audience if there were any concerns or challenges regarding the Commission's ability to render an impartial decision. – There was none.

Phillips provided a detailed staff report overview of the conditional use permit application to expand an existing variety store located at the northwest corner of Pacific Way and Cottage Avenue. Phillips clarified that the proposed expansion would involve reconfiguring the interior of the existing building without any structural modifications or alterations to the building's footprint. The application specifically seeks approval to expand the existing use, as conditional use permits are granted based on the proposed use at the time of approval, and any expansion requires a new permit. Phillips further noted that the expansion aligns with the purpose of the C-1 zoning district, which aims to maintain a compact, walkable downtown character and limit tourism-related development. The proposal does not increase the commercial space allowed within the zone but repurposes existing space, which supports the demand for use. The applicant's intent to expand reflects the store's ongoing success, suggesting that there is sufficient demand for this type of business in the area.

Phillips emphasized that the expansion would not result in significant impacts on surrounding properties, as there have been no complaints or issues with the current operation. The expansion is not expected to generate excessive traffic or require additional public services, as it involves the reuse of existing infrastructure.

Additionally, the site's characteristics and existing access points are adequate to accommodate the expansion, with no need for additional parking or significant changes to the layout. The staff report supports approval of the permit, with recommended conditions including obtaining a building permit for interior modifications, ensuring compliance with the city's sign regulations, and noting that the conditional use permit would expire if not exercised within one year.

The Commission inquired about the status of the sign permit for the applicant, with Phillips acknowledging uncertainty regarding the current status of the permit application or compliance of existing signage, noting that Torres typically handles sign compliance matters. Sweet clarified that sign permits would not be processed until the current conditional use application process is approved. Questions also addressed whether the applicant could open the business upon application approval, with confirmation that operations could proceed, provided interior requirements and necessary building permits if required, are submitted and approved, and that a conditional use approval is required before issuing related permits.

APPLICANTS TESTIMONY

Linda Goldfarb – P.O. Box 2716, Gearhart OR. 97138 - Goldfarb stated that they have been operating their business in Gearhart for nearly 11 years and are seeking to expand into the space formerly occupied by the Great Gallery. The current shop combines a coffee business and a retail variety store offering women’s clothing, home goods, and giftware. Due to space limitations, the applicant has been unable to fully display their inventory, which includes items reflecting their background in interior design. The expansion will allow the store to have increased giftware, and retail offers available for the residents.

Goldfarb explained that the coffee shop portion of the business has seen significant growth and attract daily residents from the community, while the retail side fulfills the need for giftware and other items for residents. She also noted that a tenant currently occupying part of their space in the store is a counselor who will be retiring by February, and part of the shop will be an office for the one or both shops. So, by Goldfarb extending “By The Way” it will free additional space for her retail use for “The Blue Whale”.

She addressed signage, indicating plans to update and consolidate the current signage to reflect the new branding, and acknowledged that a sign was prematurely installed by the Landlord without proper approval and expressed their intent to address this issue through the proper channels. She emphasized their commitment to serving the Gearhart community and ensuring that the expanded shop continues to meet the needs and preferences of local residents while maintaining its longstanding presence in the area.

The Commissioners engaged in discussion with the Goldfarb about the nature and operations of her business. Commissioners inquired about her customer base, to which Goldfarb responded that approximately 90% of her patrons are residents, while 10% are visitors.

Questions were raised regarding the physical changes proposed for the business expansion. Goldfarb explained her plans to remove a dividing wall to create a more cohesive retail space and confirmed that the expansion would comply with ADA accessibility standards.

The Commissioners also expressed concerns about compliance with C-1 zoning regulations, specifically the required balance between coffee sales and the sale of variety goods. Goldfarb clarified that currently, coffee sales account for approximately 50% of her business. However, she reiterated her intent to expand the retail component significantly to meet zoning requirements while continuing to offer design services that cater to local demand.

Goldfarb emphasized her proactive approach to securing a diverse inventory for the expanded retail space and acknowledged a prior misunderstanding of the procedural requirements for pursuing the expansion.

The Commission also confirmed operational hours and sought clarity on distinguishing between coffee and retail sales within her business model to ensure adherence to zoning code. Goldfarb provided further details about her commitment to balancing these components in a way that aligns with the intent of the C-1 zone regulations.

Proponents: Elizabeth Bunce – 1146 N Marion, Gearhart, OR. 97138 – Has been a resident of Gearhart for 15 years She strongly supports Linda’s proposed business expansion. She believes the shop is the heart of Gearhart; A place where people gather, enjoy coffee, and connect with each other. It’s not just a business; it’s a community hub where you can find out about local services or simply enjoy a warm and welcoming environment.

Goldfarb is a great businesswoman, and her shop stands out as a stable and thriving part of downtown Gearhart, especially when compared to other vacancies in the area. She also appreciates that Goldfarb’s business is accessible to people with disabilities, including myself. The ramp with railings makes it easy to enter, which is a big deal when many other places don’t offer that level of consideration.

Bunce urged the Commission to approve Goldfarb’s expansion and believes it will enhance her ability to serve the community and maintain this important gathering space that so many of us value.

Opponents: None

Neutral: None

Dideum closed the public hearing at 7:00 pm.

Discussion between the commissioners occurred.

The commissioners expressed general support for the proposed application, emphasizing the value of the business expansion and rebranding efforts in contributing to the revitalization of downtown Gearhart. Acknowledging the challenges faced by the applicant, the commissioners noted the importance of supporting stable and successful businesses in the community. Discussions also included a broader consideration of future updates to the C-1 zoning ordinance to streamline similar applications. The commissioners sought clarification on whether the proposed changes constituted an expansion of the current business or the establishment of a second entity, as this distinction impacts the regulatory process.

Watts explained the procedural history and zoning implications of the application. Initially, the proposal was treated as a separate business due to its distinct branding and operation despite shared ownership. The subsequent modification to present the proposal as an expansion of the existing business required additional review because the original conditional use permit specified the allowable square footage. Watts noted that such matters could be simplified through code amendments, though the restrictive nature of the current C-1 zoning ordinance and charter limitations presents challenges. He emphasized the need for clarity in distinguishing between expansions and new businesses under the existing zoning code.

Phillips clarified that from a zoning perspective, the focus is on the total square footage and the proposed use rather than the number of businesses registered at the site. He noted that classifying the operation as two distinct businesses would allow for greater flexibility, such as permitting two signs under the zoning code. Phillips suggested the decision should accommodate the applicant's goals while adhering to the zoning regulations. He also proposed that the notice of decision could reflect the possibility of two businesses providing the applicant with additional options moving forward.

On **MOTION** by Frank, 2nd by Grey, to approve the expansion/addition of the current business and/or the approval of two businesses.

7 - Favor – Dideum, Taggard, Fisher, Grey, Halperin, Frank

0 - Opposed

UNFINISHED BUSINESS - None

NEW BUSINESS - None

INFORMATION / DISCUSSION - None

CONCERNS OF THE COMMISSION

QUESTIONS FOR LAND USE ATTORNEY - None

The meeting was adjourned at 7:12 p.m.

Angoleana R. Torres, Secretary

Approved