

Gearhart Planning Commission Minutes for March 13, 2025

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, March 13, 2025, was called to order at 6:00 p.m. by President Virginia Dideum. *Staff members present where Chad Sweet & Garrett Phillips.*

CONSENT AGENDA

On **MOTION** by Mesberg, 2nd by Fisher, the consent agenda was approved as presented with minutes edit. Said agenda approved Minutes for January 9, 2025, financial report for February 26, 2025. No Correspondence

7 - Approved (Dideum, Taggard, Grey, Halperin, Frank, Mesberg, Fisher),

0 – Opposed

STAFF REPORT

Sweet provided updates on a few matters. Firstly, the city has successfully completed its final payment on a water treatment facility bond, which will result in a tax savings of approximately 50 cents per 1,000 dollars. Another bond is expected to expire in four years, after which Gearhart will be left with a tax rate of one dollar and one half cent per 1,000 dollars of assessed value solely for the general fund. Regarding the Public Safety Building, two scenarios for its redevelopment were discussed, both of which involve rebuilding the fire and police station with one renovating the existing city hall and the other incorporating new city hall offices within the Public Safety Building. Architects are currently assessing costs, with a detailed presentation scheduled for the upcoming May Town Hall meeting to outline project expenses and considerations, including significant geotechnical challenges inherent to Gearhart's landscape.

Phillips provided updates on FEMA's pre-implementation compliance measures, noting that the planning commission hearing on the matter has been postponed until May. This timeline allows for a city council hearing and adoption before FEMA's July 31st deadline while providing additional time to incorporate any new guidance or program changes. Additionally, a presentation from 3J Consulting will

be given on their ongoing work to update Gearhart's buildable lands inventory, housing needs analysis, and infrastructure needs analysis, as part of a countywide effort. Phillips also addressed the planning commission's goals list, offering to assist in systematically documenting each goal's purpose, background, and prioritization with an implementation timeline if desired.

COMMISSIONERS REPORT - None

GOALS LIST

The planning commission discussed the current goals list, with members noting that many items were outdated, irrelevant, or beyond the commission's control. After discussion, a recommendation was made to discard the existing goals list and instead address issues as they arise, whether from staff, city council, planning commission members, or community concerns. The commission reached a consensus to adopt this approach moving forward.

VISITORS COMMENTS – None

PUBLIC HEARINGS

Dideum opened the public hearing at 6:14 p.m. on file 25-02CU Conditional use request for property located at 95 S. Cottage Avenue further described as asset Assessors Plat 61010BB05600. The request is to establish a variety store used 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, Taggard and Mesberg all visited the site. No conflict.

Dideum asked the audience if there were any concerns or challenges regarding the commission's ability to render an impartial decision. – No Challenges.

Phillips provided a detailed staff report overview of the conditional use permit application for the proposed variety store and sweet shop. The applicant does not intend to expand the building footprint or alter site circulation. Parking, while present along Cottage Avenue and A Street, is not required in the C-1 zone. No outdoor seating or specific operating hours were proposed in the application. Staff reviewed the proposal against zoning ordinance criteria and found it consistent with the comprehensive plan, noting no anticipated impacts on surrounding properties, traffic, or public services. The written testimony received was supportive, and no concerns were raised regarding utilities or emergency services. The application meets all approval criteria, and staff recommended standard conditions, including that any future expansion would require additional approval, the business has no exclusive right to use city right-of-way for parking, and the approval is void if not exercised within one year.

Grey inquired about the nature of the proposed business, noting that the application primarily describes the sale of sweets and ice cream. She asked for clarification on whether the shop would sell non-food items, as zoning regulations require that food sales not be the primary business for a variety store. He also questioned whether the business should instead be classified as a neighborhood café rather than a variety store based on its intended use.

Phillips stated that he would defer to the applicant to clarify the specifics of their proposed sales in their testimony. He noted that once the applicant provides those details to the commission on their product offerings, he could then address for the commission on whether the business should be classified as a variety store or another use under the zoning regulations.

APPLICANTS TESTIMONY

Tom and Megan Atkins – 749 8th St, Gearhart, OR. 97138 - The applicants testified that they are permanent residents and homeowners in the community, with strong ties to the area. Their business proposal aims to create a family-friendly environment reminiscent of past sweet shops that residents have expressed missing. The shop will primarily sell gourmet chocolates, jarred candies, licorice, and other nostalgic confectionery items, as well as a selection of giftable chocolates and limited retail items like tote bags. They emphasized that the business is not a traditional candy store but rather an "elevated nostalgia" concept focused on quality and tradition. The applicants acknowledged zoning considerations and expressed willingness to follow guidance on classification. Additionally, they have received approval from the property owner to utilize the adjacent garden area for outdoor seating with benches and picnic tables but do not plan to expand the building footprint or provide outdoor service. The business intends to operate year-round, with extended evening hours in the summer and earlier closing times in the winter to be mindful of neighboring homes.

Proponents: None

Opponents: None

Neutral: None

Dideum closed the public hearing at 6:33 pm.

Commissioners asked if this application was a variety store or a café?

Phillips responded that, in his assessment, the business qualifies as a variety store since no food is being prepared in a kitchen. If it shares characteristics with another listed use, it would more closely resemble a neighborhood grocery market, which is a permitted use, as the business will sell packaged and pre-prepared food items. He stated that proceeding with the permit as a variety store is appropriate unless the applicant anticipates expanding operations to include activities more typical of a café and seeks approval for that flexibility in the future.

Discussion between the commissioners occurred.

The commission discussed whether the proposed business should be classified as a variety store, neighborhood grocery, or café, noting that a neighborhood grocery is an outright permitted use while a neighborhood café requires a conditional use permit. They considered whether reinterpreting the application as a grocery store would eliminate the need for the conditional use permit and discussed potential impacts on associated fees. Commissioners acknowledged the community's strong support for the business and its historical alignment with similar retail establishments in town. They also debated how the zoning code defines food sales, particularly distinguishing between packaged goods and prepared foods. Some commissioners suggested that in the future the zoning language might need clarification to avoid future confusion. The discussion also touched on whether the proportion of ice cream sales would impact the classification, with the applicant noting that sales distribution could fluctuate over time. Ultimately, the commission aimed to balance supporting small businesses with maintaining consistent zoning enforcement and forward-thinking planning decisions.

Phillips clarified that while the proposed business shares characteristics of a neighborhood grocery market, he would not outright classify it as such. He noted that in Gearhart, there is a higher value placed on bringing zoning interpretations before the planning commission, which typically involves associated fees. Phillips suggested that the commission could approve the conditional use for a variety store while acknowledging in the record that the business has elements of a neighborhood grocery. He emphasized that this classification would not restrict the business from incorporating grocery-like aspects in the future. Phillips also noted that it is common practice for the planning commission to make such interpretations and assess fees accordingly. Ultimately, he expressed support for approving the conditional use permit under the variety store designation.

The commission expressed overall support for the conditional use application but sought clarity on certain aspects, particularly regarding the classification of a variety store and its limitations on food sales. Concerns were raised about how the 50% threshold for primary non-food items is measured, whether by volume or revenue, and how this could impact business operations. One commissioner questioned whether it was necessary to limit food sales in a variety store and suggested revisiting the code to address potential inconsistencies. Additionally, there was acknowledgment that the city has not historically conducted audits to verify compliance with such thresholds. Ultimately, the commission agreed on moving forward with approving the conditional use while recognizing the potential need for future code adjustments.

On **MOTION** by Halperin, 2nd by Grey, to accept this application for the conditional use with the recommended conditions in the planners' report.

7 - Approved (Dideum, Taggard, Grey, Halperin, Frank, Mesberg, Fisher),

0 – Opposed

UNFINISHED BUSINESS - None

NEW BUSINESS

INFORMATION / DISCUSSION

Steve Faust, Community Planning Director at 3J Consulting, presented the draft Housing Needs Analysis (HNA) to the planning commission. The study evaluates Gearhart's current and projected

housing needs over a 20-year period, aligning with state land use requirements. Faust explained that the analysis considers population growth, household demographics, income levels, and employment trends to determine housing demand. Gearhart's population is expected to grow modestly, with an increasing share of retirees and smaller households.

The study found that Gearhart has a limited supply of land zoned for residential development, creating constraints on future housing availability. A key finding is the need for a greater diversity of housing types, including smaller homes, townhomes, and multifamily units, to accommodate changing demographics and affordability challenges. Faust emphasized that Gearhart's median home prices and rental costs have risen significantly, making housing less accessible for lower- and middle-income residents.

The HNA also examined zoning, infrastructure limitations, and potential regulatory changes that could support housing production. Commissioners discussed potential policy actions, such as updating zoning codes, encouraging accessory dwelling units (ADUs), and considering strategies to increase affordable housing options. Faust concluded by outlining the next steps, including public engagement and refining recommendations based on feedback from city officials and stakeholders.

CONCERNS OF THE COMMISSION - None

QUESTIONS FOR LAND USE ATTORNEY - None

The meeting was adjourned at 7:35 p.m.

Angoleana R. Torres, Secretary

Approved