

TOLEDO PLANNING COMMISSION MINUTES

A regular meeting of the Toledo Planning Commission was called to order at 6:07 pm by President Cora Warfield. Commissioners present: Brian Lundgren, Anne Learned-Ellis, Jonathan Mix, Ricky Dyson, and Dennis Sutherland (arrived at 6:24pm). Excused was Ruthanne Morris.

Staff present: Contract Planner (CP) Justin Peterson and Planning Assistant Arlene Inukai.

VISITORS: Helen Denton, Zeke Wander, Eric Bohne, and Tracy Mix.

Helen Denton asked for clarity on the proposed rezone, which will be presented at tonight's meeting. CP Peterson stated that during the public hearing, he will provide information on the request, the applicant can also provide testimony, and other parties can then provide public comments.

APPROVAL OF THE OCTOBER 9, 2024, MINUTES:

It was moved and seconded (Learned-Ellis/Mix) to approve the October 9, 2024, minutes as circulated and reviewed by the Planning Commission. The **motion passed**, with Dyson and Warfield abstaining and noting the absence of Morris and Sutherland.

PUBLIC HEARING: COMPREHENSIVE LAND USE PLAN MAP AND ZONING MAP AMENDMENT TO REZONE PROPERTY AT 161 SE 2ND STREET FROM GENERAL RESIDENTIAL ZONE TO COMMERCIAL ZONE (FILE #PA-1-24/RZ-1-24), REQUESTED BY ERIC BOHNE:

President Warfield opened the public hearing by stating the nature and purpose. After calling for declarations of ex parte contact, bias, or conflict of interest, Commissioners Mix, Learned-Ellis, and Dyson reported they viewed the SE 2nd Street site. The statements of rights and relevances and rights to appeal were then read.

Staff Report: CP Peterson reviewed the staff report as on file at City Hall. He reported that the application is for a Comprehensive Plan map amendment and rezone property at 161 SE 2nd Street from General Residential (RG) to Commercial (C). The site is the former Eagles Lodge. The eastern half of the former Eagles building is included in the request, along with two vacant lots which were used as parking lots for the lodge. The remaining western half of the building and western tax lots are currently in the C Zone. The existing building is split zoned.

CP Peterson stated there are some development restraints at the site, including slopes. The existing building is connected to water and sewer and, if developed, the vacant lots have access to City water and sewer services. The Planning Commission will review the request and make a recommendation to the City Council. CP Peterson reviewed criteria for a quasi-judicial map amendment, uses allowed in the RG and C Zones, Comprehensive Plan goals/policies, and statewide planning goals.

Commissioner Sutherland entered the meeting at this time

CP Peterson reviewed the proposed facts and findings presented in the staff report. The applicant's goal is to bring the entire property under the commercial designation. The Eagles Lodge was built in 1954 and is inconsistent with the zoning map. Half of the building is in the RG Zone and did not contain a residential component. The building is considered a legal, non-conforming use. The current owner has been renovating the building for a bar and restaurant, which is consistent with the previous use. CP Peterson reviewed surrounding zone designations and uses in the area. He made a correction to the staff report to clarify the City Council hearing date. The 2022 housing capacity analysis determined that the City has an adequate supply of residential lands for the planning period. The C Zone creates economic opportunities. The rezone area is .6 acres, with .2 acres containing the existing building and .4 acres for the vacant parking lot. The properties have access to SE 2nd Street. One lot has frontage on SE Alder Street, however, the slope to Alder Street may prevent direct access. Both streets are considered local roads in the Transportation System Plan.

CP Peterson reported that staff received a letter which was distributed to Planning Commissioners tonight. Staff also prepared and distributed an update to the proposed findings in order to address the comments. The supplemental findings included the applicant's intent to keep the existing building as a restaurant/bar. Trip counts were discussed for comparison to a medical clinic and apartment building to show the range of vehicles expected for various uses. The owner has not provided a specific proposal for re-development of the site. Any new development would have to meet City standards.

Applicant Testimony: Eric Bohne of Portland, Oregon, reported he would like to eventually use the vacant lots for a cluster housing development. Residential use would be the goal, but the type of housing units he would like to see are not allowed in the residential zones. Development of Tax Lots 7900 and 8200 (parking lot site) would add to Toledo's charm. Tax Lot 7800 contains the former Eagles building and will remain the same. In referencing Laura LaRoque/Pacific Inland Holdings' letter, the rezone to a Commercial Zone would not create a new commercial building. It opens up the potential, but that should not be the issue. The letter also expressed concerns with having a zero setback and no height limits, however, because of slopes, buildings cannot be placed along the property lines. Development must also meet parking requirements. Mr. Bohne expressed that the residential zone designation was a mistake or inconsistent with the actual use of the building as an Eagles Lodge. According to the residential inventory, there is enough residential lands available in Toledo. His application does not contain a specific use at this time, but the goal is to create a small cluster housing project.

Commissioner Sutherland asked about the retaining wall at Tax Lot 7800/7900. Mr. Bohne reported that he is aware of the geo-tech issues and pilings with the wall.

Proponent Testimony: None.

Opponent Testimony: None.

Other Interested Parties: Helen Denton, SE 2nd Street, Toledo, asked for clarification on the cluster housing term. Mr. Bohne reported that the cluster housing is a collection of small homes. His proposal would contain 5-6 small homes with a small community/utility room. It would be similar to the tiny home development, Tiny Tranquility in Waldport. The former Eagles building will remain open and remains similar to the former Eagles Lodge operation. He has a tenant in the building who hosts events in the building. Updates to the structure are ongoing, including a new

ADA ramp and painting. Ms. Denton voiced that she would be supportive of a project similar to Tiny Tranquility at the site.

Tracy Mix of SE 7th Street, Toledo, reported as a Toledo citizen, it would be nice to see a tiny home village in Toledo and it is an exciting idea.

Questions by Commission: None.

Deliberations: The public hearing was closed and the Commission entered into deliberations. Commissioners discussed the split-zone situation of the existing building and retaining wall at the site. It's good that the property owner is aware of potential geo-tech issues for future development.

It was moved and seconded (Learned-Ellis/Lundgren) that based on the staff report and attachments, testimony and evidence presented to the Planning Commission at the public hearing on November 13, 2024, the Toledo Planning Commission recommends approval of the Comprehensive Plan amendment and rezone request as meeting the applicable criteria including the 2023 Toledo Comprehensive Land Use Plan, Toledo Municipal Code Section 17.80.050 and the Statewide Planning Goals and the Commission adopts the proposed facts and findings presented in the staff report, allowing for the correction of typographical and grammatical errors. The **motion passed** unanimously, noting the absence of Morris.

The rezone request will be scheduled for the December 4, 2024 City Council meeting.

PUBLIC HEARING: ZONING ORDINANCE AMENDMENT TO MODIFY REGULATIONS IN THE COMMERCIAL ZONE, LIGHT-INDUSTRIAL ZONE, HOME OCCUPATION USES, AND CONDITIONAL USE STANDARDS FOR PSILOCYBIN SERVICES (FILE #ZOA-1-24), REQUESTED BY THE CITY OF TOLEDO:

President Warfield opened the public hearing by stating the nature and purpose. There were no declarations of ex parte contact, bias, or conflict of interest. The statements of rights and relevances and rights to appeal were previously read.

Staff Report: CP Peterson reviewed the staff report as on file at City Hall. He reported that this request is for an amendment to the zoning ordinance. The Planning Commission makes a recommendation to the City Council for the amendment. The proposal provides updates to the Commercial (C) and Light-Industrial (LI) Zones, adds definitions, updates home occupation regulations, and establishes conditional use criteria for psilocybin services within Toledo. Notices of the proposal have been mailed to property owners within the C and LI Zone districts and published in the newspaper. Two calls were received for information, but no comments have been submitted.

CP Peterson provided history on the psilocybin service act:

- In November 2020, Oregon Ballot Measure 109 was passed by Oregon voters to allow psilocybin services to begin operating in January, 2023.
- City of Toledo residents voted to approve the “opt-out” option to delay implementing the use until December 31, 2024.
- The City did not put a new ballot measure out to Toledo citizens to extend the “opt-out” deadline. Therefore, the December 31st deadline approaches and the City should establish time/place/manner standards for the new use.

CP Peterson noted that the City does not have a current application for the use, but needs to establish a process if an application is submitted. Oregon Health Authority oversees the psilocybin service licensing, but the City needs to establish the appropriate zones for the business. CP Peterson reviewed the proposed definitions, conditional use permit requirements in the C and LI Zones, and prohibits the use as a home occupation. The uses are not allowed in the residential zones. The proposed locations and criteria are similar to marijuana uses within Toledo. The use cannot be 1000' from a school or another psilocybin facility, no drive-through or outdoor storage, and must follow all state/federal requirements. Manufacturing would only be allowed in the LI Zone and a service center would only be within the C Zone. Both uses would still require a conditional use permit.

Commissioner Mix asked for information on the 1000' distance from another facility. CP Peterson clarified that this was included in the marijuana section and was also included for psilocybin facilities.

CP Peterson reviewed the amendment criteria and proposed findings included in the staff report. If the City does not adopt time/place/manner standards, it would be very difficult to regulate the new use. This would establish the zoning guidelines if an application is submitted after December 31st.

Commissioner Mix asked if the 1000' separation standard could be removed if it is not required by the State. This would encourage free-enterprise among the service providers. He also asked if the 1000' distance could be removed for marijuana facilities. CP Peterson voiced that the marijuana code standards cannot be modified within this application, but Planning Commission could make a recommendation for staff to research the distance requirements.

Public Testimony: None.

Questions by Commission: Commissioner Learned-Ellis asked if the City could choose to 'opt-out' in the future or if the only opportunity has passed. CP Peterson reported that many communities extended the ban. Toledo citizens would have to vote on a full ban of the services within the City limits.

Deliberations: The public hearing was closed and the Commission entered into deliberations. Commissioners discussed the 1000' distance between facilities and if the distance could be reduced or removed. It was noted that ORS 475A.305 requires 1000' from a school, but it does not mention another psilocybin facility. Staff will have to research the distance requirement further. Commissioners agreed that if it is not a State requirement it could be removed.

It was moved and seconded (Learned-Ellis/Dyson) that based on the testimony received, the staff report, and the evidence and arguments before the Planning Commission at the public hearing on November 13, 2024, the Planning Commission finds that application file #ZOA-1-24 complies with the criteria identified in TMC 19.20.070(A)-(D) and recommends approval of the proposal by the City Council. The Planning Commission also requests that City staff review the 1000' restriction between licensed facilities and amend that section if possible (Section 17.64.050(B)(5)(f)). The Planning Commission hereby adopts the staff report as findings, allowing for the correction of typographical and grammatical errors as needed. The **motion passed** unanimously, noting the absence of Morris.

The ordinance amendment will be scheduled for the December 4, 2024 City Council meeting.

DISCUSSION ITEM: UPDATES AND REPORTS:

CP Peterson stated work will continue on the housing code updates in December. In response to President Warfield's inquiry, he reported that the City was awarded an Oregon Parks and Recreation grant to prepare a parks master plan. This project should begin in 2025 and all of the City's parks will be evaluated for improvements. Community outreach will be performed. The plan will inventory the parks, determine how existing parks are used, identify needs and improvements, and provide funding options. Commissioners discussed area parks and involving community members and high school students in the upcoming master plan project. Commissioner Sutherland reported that the tire swing at Arcadia Park is in poor condition and the new restrooms are not open.

STAFF COMMENTS: None.

COMMISSIONER COMMENTS:

Commissioner Mix asked if staff could review the 1000' distance between marijuana facilities and if that could be updated in the future.

Commissioner Sutherland apologized for arriving late. His packet did not arrive until late Tuesday night. Commissioners discussed the mail delivery issues and staff offered to have packets available at City Hall if Commissioners would like to pick-up versus mailing out.

There being no further business before the Commission, the meeting was adjourned at 7:50 pm.

Planning Assistant

President