



AGENDA ITEM COVERSHEET

PREPARED BY: Jeremy Hardison, Community Development Director **DEPARTMENT:** Community Development

MEETING: Planning & Zoning – June 11, 2026

SUBJECT: Consider a Zoning Map Amendment and Text Amendment to Art. 3 of the UDO to rezone 204 Cape Fear, 206 – 217 Cape Fear, and 3 S Third St from Mixed Use (MX) to a new zoning district called Commercial Transition (CT).
Applicant: Town of Carolina Beach

Applicant: Town of Carolina Beach

BACKGROUND:

At the direction of the Town Council, staff evaluated the development regulations applicable to the 200 block of Cape Fear Boulevard to determine whether the existing Mixed Use (MX) zoning remains appropriate for the area's long-term vision and redevelopment objectives. (See Attachment 1 – Town Council Memorandum dated June 11, 2026.)

Following the Planning and Zoning Commission's discussion at its previous meeting, staff has revised the proposed Commercial Transition (CT) zoning district to address comments received from the Commission while maintaining consistency with the Town's adopted Land Use Plan.

The proposed revisions include:

1. Removal of bars as a permitted use within the Commercial Transition (CT) district.
2. Addition of side setback requirements when adjoining residential zoning districts.
3. Requirement for landscape buffering between commercial development and adjacent residential properties.
4. Addressing parking lots serving principal uses located in another zoning district.

3.2 Zoning Districts Established

Creating new zoning district entitled Commercial Transition (CT)

3.3 ZONING DISTRICTS DESCRIBED

Establish the purpose and intent of the new zoning district.

3.4 TABLE OF USES

- Add the CT district to the table of uses.
- Address parking lots serving a use that is located in another commercial district.

3.13 DIMENSIONAL REQUIREMENTS

Establishing dimensional standards for new CT district.

Table 3.4 Dimensional Standards for Lots and Principal Structures, Other Districts										
Zoning District	Primary Permitted Uses	Min. Lot Size (square feet)	Min. Lot Width (feet)	Min. Front Setback (feet)	Min. Rear Setback (feet)	Min. Side Setback (feet) [2][3]	Residential Max. Density	Height (feet) [1]	Max. Lot Coverage	Max. Impervious Coverage
CT	Commercial Services, Residential	5,000 sq. ft.	50	5	10	None, or same as abutting residential district	29 units/acre	50	60%	None

3.27 LANDSCAPE AND BUFFER REQUIREMENTS

Requiring a landscape buffer from residential uses.

3.31 COMMERCIAL AND NONRESIDENTIAL SIGNAGE

Adding CZ to allow for commercial signage.

Land Use Plan Consistency

The Town's adopted Land Use Plan identifies this area as Mixed Use Commercial, distinguishing it from surrounding areas.

The Land Use Plan envisions:

- Higher-density development
- A mixture of residential and commercial uses
- Mixed-use buildings with active ground-floor commercial uses
- Residential uses located on upper floors
- A pedestrian-oriented environment
- Potential building heights of four to five stories

While the existing MX zoning permits these development patterns, the current mix of uses along the 200 block of Cape Fear Boulevard functions as a transition between the more intensive commercial activity surrounding the Boardwalk and the adjacent residential neighborhoods. Several existing properties also remain underutilized or developed at lower intensities than envisioned by the Land Use Plan.

The proposed Commercial Transition district is intended to preserve opportunities for redevelopment consistent with the Mixed Use Commercial designation while establishing additional compatibility standards that better protect adjacent residential neighborhoods. By limiting more intensive entertainment-oriented uses, requiring increased setbacks and landscape buffering, and maintaining opportunities for mixed-use redevelopment, the CT

district provides an appropriate transition between the Boardwalk commercial district and surrounding residential areas.

Staff Recommendation

Staff recommends approval of the proposed Unified Development Ordinance text amendments and the associated zoning map amendment establishing the Commercial Transition (CT) zoning district.

The proposed district continues to implement the Mixed Use Commercial designation identified in the Town's adopted Land Use Plan by encouraging redevelopment with a mixture of commercial and residential uses in a pedestrian-oriented environment. At the same time, it introduces additional compatibility standards intended to reduce potential land use conflicts with adjacent residential neighborhoods.

Staff finds the proposed amendments to be consistent with the Town's adopted Land Use Plan and reasonable and in the public interest because they balance redevelopment opportunities with neighborhood compatibility while furthering the Town's long-term planning objectives.

Motion

ACTION REQUESTED:

Consider recommending approval, denial or modifying of the text amendment.

MOTION:

Approval – to amend Unified Development Article 3 to establish a new zoning district

Denial – to amend Unified Development Article 3 to establish a new zoning district

