AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community Development

MEETING: Planning and Zoning November 12, 2026

SUBJECT: **Conditional Zoning** for a 16-unit mixed-use building at 308 Carolina Beach Avenue North. Applicant: KMB Investments, LLC.

BACKGROUND:

The applicant KMB Investments, LLC has applied for a Conditional Zoning application for a 16-unit mixed-use building with a Gym in the Central Business District located at 308 Carolina Beach Avenue North.

A Conditional Zoning District allows a particular use to be established only in accordance with specific standards and conditions pertaining to each individual development project. Certain land uses can significantly impact the surrounding area and community in ways that cannot be anticipated or managed solely through general district standards. In some cases, it may not be suitable for a property to have a general district designation that allows a use by right, even if the use itself might be permissible. The review process enables such uses to be accommodated by reclassifying the property into a conditional zoning district, ensuring that conditions are met to maintain compatibility with the neighboring properties and their use and enjoyment.

All applications shall include a site plan and any development standards to be approved concurrently with the rezoning application. Development standards may include such things as parking, landscaping, design guidelines, and buffers. When evaluating an application for the creation of a Conditional Zoning District, the Planning & Zoning Commission shall consider the following:

1. The application's consistency to the general policies and objectives of the Town's CAMA Land Use Plan, any other applicable officially adopted plan, and the Unified Development Ordinance.
2. Potential impacts and/or benefits on the surrounding area, adjoining properties.
3. Report on results from the public input meeting.

No permit shall be issued for any development activity within a conditional zoning district except in accordance with the approved petition and applicable site plan, subdivision plat, and/or permit for the district.

History and Surrounding Area:

The project area consists of a 12,721 square-foot vacant lot. The property is surrounded by the Central Business District, and the adjacent uses include a mixed-use building, single-family home, Town parking lot, and condo building.

A portion of the project area consisted of a small inn, the Mermaid Manor. The structure was demolished in 2022. A mixed-use structure was previously approved for this site in 2023, with retail on the ground floor and 17 residential units above. The project was 50' tall and had a parking lot for the units across the street.

Zoning:

The purpose of the Central Business District (CBD) is to accommodate, protect, rehabilitate, and maintain the traditional Central Business District and boardwalk area of the town. This area accommodates a wide variety of pedestrian-oriented, commercial and service activities, including retail, business, office, professional, financial, entertainment, and tourism. The regulations of this district are intended to encourage the use of land for concentrated development of permitted uses while maintaining a substantial relationship between land uses and the capacity of the town's infrastructure. Developments which would significantly disrupt the historic balance between pedestrians and automobiles within the district, thereby destroying the pedestrian-oriented nature of the area, are specifically discouraged. Large, off-street parking areas are encouraged to be located outside the district. Similarly, buildings and structures should have pedestrian-oriented activities at ground level.

Mixed use nonresidential-residential is permitted by right in the CBD. In the CBD district, the maximum 50-foot height limitation may be exceeded for sprinklered structures which shall be subject to conditional zoning approval. The proposed height of the building is 59' to the top of the parapet wall. The property is located within VE16 and AE11 flood zones, the proposed building must be designed to meet the minimum requirements for VE16. The CBD does not have minimum setbacks, maximum lot coverage, or maximum impervious surface coverage. A CAMA Minor Permit will be required for the project.

Parking:
The applicant is providing the required 20 parking spaces. Residential dwelling units in conjunction with mixed use commercial-residential require 1 parking space per 1,000 square feet of residential space. The applicant is also providing two bike racks adjacent to the parking area. Within the CBD, off-street parking requirements are waived for commercial uses if public parking spaces are located within 500 feet of the uses. A total of 11 standard parking spaces are waived for the gym.

Landscaping and Sidewalks:
A Type D landscaping buffer is required for the project. For every 50 linear feet of frontage, or fraction thereof, the street yard shall contain one understory tree with sidewalks or planters built

within the sidewalk. A total of 2 street trees are required to be planted for the project. The applicant will repave the existing sidewalk in front of the property.

Stormwater and Utilities:
A State Stormwater permit is not required because the impervious surface proposed is less than 10,000 square feet. Stormwater will be tied into the Town's existing infrastructure.

Refuse:
The applicant will provide a trash bin with an enclosure on three sides by a minimum six-foot opaque fence.

Conditional Zoning Process:

As part of the application process a community meeting is required. The applicant held the meeting on July 14, 2026. The applicant has provided summary comments from the meeting. Based off the comments from the meeting, the applicant can make changes and place conditions on the project to help mitigate the impacts and concerns from the neighboring properties. As a result of those meetings, the applicant has scaled back the project from the original proposal.

The Commission may recommend that the applicant add reasonable and appropriate conditions to the approval of the petition. Any such conditions should relate to the relationship of the proposed use to the impact on the following:

1. Town services
2. Surrounding property
3. Proposed support facilities such as parking areas and driveways
4. Pedestrian and vehicular circulation systems
5. Screening and buffer areas
6. Timing of development
7. Street and right-of-way improvements
8. Infrastructure improvements (i.e. water)
9. Provision of open space
10. Other matters that the participants in the public input meeting, staff, Planning & Zoning Commission, and Town Council find appropriate or the petitioner may propose

If the applicant does not agree with the Planning & Zoning Commission or staff's recommendations for additional conditions, the Town Council shall have the authority to accept none, any, or all the conditions forwarded from the review process.

Proposed Conditions:

1. Any lighting shall be angled downward so as not to present a hazard to drivers, pedestrians, or sea turtles, and so as not to create a nuisance to neighboring properties.
2. A total of 2 street trees are required prior to CO.
3. CAMA Minor Permit required.

4. Repave sidewalk in front of property prior to CO.
5. The proposed height of the building is 59' to the top of the parapet wall and shall be certified by a surveyor prior to CO.
6. No parking spaces, fences, walls, posts, signs, lights, shrubs, or trees shall be permitted in the sight distance triangle.
7. All proposed signage requires a sign permit and shall be compliant with the dimensional and location requirements per the Town's UDO.
8. The building and pool shall be designed to meet VE 16 standards. V Zone Certification required prior to building permit.

Land Use Plan:

The project is in general conformity with the 2020 Land Use Plan. The property is shown in the High Density Residential/Light Commercial area on the Future Land Use Map. Primarily attached, multi-story residential units (up to four stories) located within walking distance of activity centers and/or the waterfront. Structures are condominiums and apartments and are often used as vacation and rental units. Streets move automobiles and pedestrians efficiently. Limited commercial may also be acceptable at select locations if the surrounding context is appropriate. Some single-family structures may also persist.

ACTION REQUESTED:

Consider recommending approval or denial of a conditional zoning mixed use project at 308 Carolina Beach Avenue North.

MOTION:

Approval - whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the adoption of the Conditional Zoning District to allow for a 16 unit mixed use building at 308 Carolina Beach Avenue North is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans and the potential impacts on the surrounding area, are mitigated by the approved conditions.

Denial - based on inconsistencies with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents and the potential impacts on the surrounding areas.