AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community Development

MEETING: Planning and Zoning November 12, 2026

SUBJECT: **Conditional Zoning** for a floating dock at 313 Canal Drive in the Central Business District (CBD). Applicant: Noelle Holdings LLC

BACKGROUND:

The applicant Noelle Holdings has applied for a Conditional Zoning application for a floating dock in the Central Business District located at 313 Canal Drive. The applicant recently was approved for a text amendment that allows for floating structures to extend beyond the pierhead line with a maximum width of six feet with conditional zoning approval. The text amendment was approved by Town Council in August.

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 16,500 square-foot lot with a restaurant and docking facility. The building was constructed in 1971. The property is surrounded by the Central Business District (CBD), Tourist District (T-1) and Marina Business (MB-1) District. The adjacent uses include single-family home, Town parking lot, and the Town Marina.

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.

Docks are permitted by right in the CBD. Temporary floating structures may be permitted to encroach up to six feet in the CBD through conditional Zoning. The CBD does not have minimum setbacks, maximum lot coverage, or maximum impervious surface coverage. A CAMA Permit will be required for the project.

Parking:
The applicant is providing 16 parking spaces. Eating and drinking establishments require 1 per 110 square feet of indoor gross floor area. No parking shall be required for outdoor gross floor area if the establishment is located within 500 feet of public parking spaces. A 50% reduction in the parking requirement shall apply to outdoor gross floor area if the establishment is not within 500 feet of public parking spaces. 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 45 spaces would be required if public parking was not available. 29 spaces are waived.

Conditional Zoning Process:

As part of the application process a community meeting is required. The applicant held the meeting on September 4, 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:
No conditions are proposed by the applicant.

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 for a floating dock at 313 Canal Drive.

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 floating dock at 313 Canal Drive 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.