



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community
Development

MEETING: Town Council – November 12, 2025

SUBJECT: **Conditional Zoning** for a hotel located at 223, 225, 227, 234, 235, 236, 237, 239 Carolina Beach Avenue North in the Central Business District.
Applicants: Page and Amy Johnson, Carolina Beach Land – East, LLC, Carolina Beach Land – West, LLC

BACKGROUND:

The applicants, Page and Amy Johnson, Carolina Beach Land – East, LLC, Carolina Beach Land – West, LLC applied for a Conditional Zoning application for a 140-room hotel, restaurant, and meeting space project in the Central Business District located at 223, 225, 227, 234, 235, 236, 237, and 239 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 the Sea Witch Café and its associated parking lot along with parking lots currently being leased by the Town for public parking. The property is surrounded by the Central Business District, and the adjacent uses include a motel, restaurant, gas station, Town parking lots, condos, and single-family homes.

The Sea Witch Café and Tiki Bar located at 227 Carolina Beach Avenue North consists of an existing one-story frame restaurant, dining area, and tiki bar. The restaurant structure was built in 1961, and the tiki bar was built in 2001. The property was previously used as a motel. 223 and 225 Carolina Beach Avenue North currently serve as the parking lot for the restaurant.

Arcadius, a large-scale project was approved in October of 2004. The 140-foot-tall project included 278 residential units, 56,811 square feet of retail space, and 2 parking garages. The project included redevelopment of 11 parcels between Carolina Beach Ave N, Canal Dr, and Pelican Ln. The Conditional Use Permit expired in 2009 after three extensions were granted by Town Council. The project was never completed because the owners filed for bankruptcy.

The Town purchased property along the east and west sides of Carolina Beach Avenue North in 2009. The goal was to build a 1,000' long pier for the North Carolina Aquarium system, and eventually an aquarium nearby. The Guy Johnson Motel and Surfside Motor Lodge were motels on the properties until they were demolished in 2019.

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.

Motels and hotels are permitted with Conditional Zoning in the CBD. The proposed development consists of two eastern parcels and six western parcels along Carolina Beach Avenue N that will be combined prior to the issuance of a building permit for a total of 1.75 acres or 76,230 square

feet. The project will consist of a hotel on the western parcels with a pedestrian skybridge connecting the hotel to an oceanfront restaurant and meeting space. The properties are located within VE16 and AE11 flood zones, the proposed buildings must be designed to meet the minimum requirements for flood damage prevention. The CBD does not have minimum setbacks, maximum lot coverage, or maximum impervious surface coverage. There is a maximum height of 50' that staff can permit, the maximum height limit may be exceeded for sprinklered structures and are subject to conditional zoning approval. The proposed height of the hotel is 67' to the top of the parapet wall and 73' to the top of the elevator/stair tower. The proposed height of the oceanfront restaurant and meeting space is 39'.

Parking:

The applicant is providing 140 parking spaces for the 140 rooms in the hotel. The total parking provided by the applicant on-site is 164 spaces. A total of 174 parking spaces is required for the hotel and its associated on-site uses. Twenty percent of the required parking may be utilized for compact vehicles or golf cart/LSV parking. The applicant is providing 23 compact spaces and 12 golf cart/LSV spaces. The ordinance requires that if the 20 percent exception is utilized for golf cart/LSV parking, the applicant must provide a bicycle rack with a minimum of four spaces. Three bike racks are proposed adjacent to the parking areas for the hotel and restaurant/meeting space. When hotels are located within the CBD, off-street parking requirements are waived for additional onsite uses if public parking spaces are located within 500 feet of the uses. A total of 10 standard parking spaces are waived for the restaurant and meeting space.

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 13 street trees is required to be planted for the project, 5 trees will be located on the western side of Carolina Beach Avenue, and 8 trees on the eastern side of Carolina Beach Avenue N. Additional plantings beyond the requirements will be provided by the applicant for further screening of the property from the residential neighbors on the southwestern corner of their property that borders 214 and 222 Canal Drive. A five-foot buffer with shrubs and trees will be placed in this area. A 6-foot fence with 80 percent opacity will also be installed on the western property line. The applicant is providing a sidewalk on the western portion of Pelican Lane and will be repaving the sidewalks around the entirety of the project. All sidewalks will be five feet wide. A portion of the public sidewalk will be partially on the applicant's property; a maintenance agreement or easement will need to be provided.

Stormwater and Utilities:

A State Stormwater permit, CAMA Major Permit, and Soil and Erosion Control permit are required for the project. Stormwater will be contained underground beneath the parking areas. The applicant proposes extending the existing 8-inch water main on Canal Drive to the intersection of Pelican Lane and Carolina Beach Avenue North. The existing fire hydrant at that intersection will be relocated or replaced. The project will tie into the existing 12-inch sewer line on Carolina

Beach Avenue N. The applicant has provided water and sewer capacity calculations. The Town's engineer and Utility Director have determined that there is enough water for the project.

Refuse, loading zone:

The applicant provides a total of two off-street loading spaces on Pelican Lane to service the hotel and its associated uses. Trash compactors and recycling areas will be services and are located underneath both buildings. Refuse collection sites must be enclosed on three sides by a minimum six-foot opaque fence.

Traffic:

A Traffic Impact Analysis is required for the site and will need to incorporate those required improvements. The TIA has been submitted to the WMPO for review. The TIA recommends restriping the eastbound approach to provide full length storage left turn lane and a thru-right turn lane with 100 feet of storage plus appropriate deceleration and taper. Additionally, the signal at Carl Winner Drive and Canal Drive will be updated to accommodate the dominant traffic pattern. The town plans to restripe the northbound lane of Canal Drive at the intersection with Carl Winner Ave to remove the left turn lane. The existing configuration has the southbound lane off set with the northbound left turn lane.

Public Improvements:

The applicant will be removing the current retaining wall along the western property line that borders the Town's parking lot. For corner lots adjacent to streets that terminate in a beach or sound access, any driveways should solely allow entrance and exit from the main street, oriented parallel to the ocean or sound, to maintain public access. The Technical Review Committee has the authority to permit a new driveway on a street end, in this case, Pelican Lane, if the property owner enhances public access. The applicant proposes a one-way exit driveway on Pelican Lane. Proposed public improvements include paving Pelican Lane, providing two public golf cart parking spaces in front of the beach accessway, installing a sidewalk on Pelican Lane, and adding a crosswalk at the intersection of Pelican Lane and Carolina Beach Avenue N. The applicant is coordinating with Duke Energy to bury the existing power lines along Carolina Beach Avenue N. Lighting will be provided for the street and sidewalks on the side of the buildings to eliminate the need for additional streetlights to be placed in the right-of-way.

Conditional Zoning Process:

As part of the application process a community meeting is required. The applicant held multiple meetings in March 2024 and March and May of 2025. The applicant has provided summary comments from the meetings. 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 Council 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. Provide for an easement or maintenance agreement for the portion of the sidewalk on private property.
2. Provide lighting for the streets and sidewalks on the side of the building.
3. 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.
4. Electrical lines shall be buried.
5. A total of 13 street trees are required.
6. Install recommendations from the Traffic Impact Analysis.
7. CAMA Major Permit, State Stormwater Permit, Soil and Erosion Control Permit required.
8. Pave oceanfront portion of Pelican Lane right-of-way and provide two public golf cart parking spaces.
9. Provide 5' sidewalks and crosswalks around the entire project, including the oceanfront portion of Pelican Lane.
10. No parking spaces, fences, walls, posts, signs, lights, shrubs, or trees shall be permitted in the sight distance triangle.
11. All proposed signage requires a sign permit and shall be compliant with the dimensional and location requirements per the Town's UDO.
12. Recombination plat is required prior to building permit issuance.
13. The building shall be designed to meet VE 16 and AE 11 standards.

Land Use Plan:

The project is in general conformity with the 2020 Land Use Plan. The properties are shown in the Downtown Business area on the Future Land Use Map. This character area contains the

boardwalk commercial area and central recreation district of town. Three to four-story buildings are recommended and maintain a pedestrian-scale environment with active ground floor uses; residential and other uses permitted above with limited on-street parking.

ACTION REQUESTED:

Consider recommending approval or denial of a conditional zoning hotel project located at 223, 225, 227, 234, 235, 236, 237, 239 Carolina Beach Avenue North

Staff recommend approval of the project with conditions.

MOTION:

Approval - whereas in accordance with the provisions of the NCGS, the Council does hereby find and determine that the adoption of the Conditional Zoning District to allow for a hotel located at 223, 225, 227, 234, 235, 236, 237, 239 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.