



AGENDA ITEM COVERSHEET

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

MEETING: Town Council – August 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:

During recent discussions with the Planning & Zoning Commission staff have evaluated whether the existing MX zoning on the 200 block of Cape Fear Boulevard remains appropriate for the area's long-term vision and redevelopment potential. Staff is proposing a new CT Commercial Transition district intended to support mixed-use redevelopment while providing a transition between the Boardwalk commercial area and nearby residential neighborhoods.

The subject area is currently zoned Mixed Use (MX). Existing uses include three single-family residences, four vacant lots and/or surface parking lots, two retail establishments, and one motel. The block includes on-street parking, sidewalks, street trees, and walkable access to the central business district and beach.

Proposed Commercial Transition District

The proposed UDO amendments would establish the CT district and revise Article 3 as follows:

- Sections 3.2 and 3.3: establish the CT district and its purpose and intent.
- Section 3.4: add CT to the Table of Uses, exclude bars, and address parking lots serving principal uses located in another commercial district.
- Section 3.13: establish CT dimensional standards.
- Section 3.27: require a Type A, five-foot landscape buffer where CT property abuts an existing residential use.
- Section 3.31: apply commercial/nonresidential signage standards to the CT district.

Key Dimensional Standards

Standard	Proposed CT Requirement
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Minimum lot size / width	5,000 square feet / 50 feet
Front / rear setback	5 feet
Side setback	None, or the same as the abutting residential district
Maximum residential density	29 units per acre
Maximum height	50 feet; additional height may be considered through Conditional Zoning, subject to applicable requirements
Maximum lot coverage	60 percent
Maximum impervious coverage	65%

Planning and Zoning Commission Review

The Commission discussed the proposal at two meetings and conducted a public hearing. Staff revised the proposed CT district to respond to Commission comments while maintaining consistency with the Town's adopted Land Use Plan. The review included:

- Infrastructure-capacity concerns.
- Removal of no impervious surface maximums
- Conditional Zoning as a possible alternative that could pair additional development rights with a specific plan and site-specific conditions.
- Removal of bars as a permitted use in the CT district.
- Side-setback and landscape-buffer requirements where CT property adjoins residential zoning districts or residential uses.

On July 9, 2026, the Commission voted 4–1 to table the matter for further consideration. The Commission did not forward a recommendation of approval or denial.

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.

Land Use Plan Consistency

The adopted Land Use Plan designates the area Mixed Use Commercial and distinguishes it from surrounding areas. The plan envisions higher-density development; a mixture of residential and commercial uses; active ground-floor commercial space with residential uses above; a pedestrian-oriented environment; and potential building heights of four to five stories. Several parcels remain vacant, underutilized, or developed at lower intensities than contemplated by that designation.

Staff finds the proposed CT district consistent with the Mixed Use Commercial designation because it preserves opportunities for higher-density, mixed-use, pedestrian-oriented redevelopment. Staff also finds the proposal reasonable and in the public interest because it adds transition measures—including exclusion of bars, residential setbacks, and landscape buffering—intended to reduce potential conflicts with adjacent neighborhoods.

ACTION REQUESTED:

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

MOTION:

Approval - whereas in accordance with the provisions of the NCGS, the Council does hereby find and determine that the adoption of the 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) is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans.

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.

