



STAFF REPORT

Town of Nags Head

Planning & Development Department

To: Board of Commissioners
From: Kelly Wyatt, Deputy Planning Director
Michael Zehner, Director of Planning and Development
Date: January 29, 2020
Subject: Outer Banks Hospital Cancer Center, Rezoning and Conditional Use/Vested Right/Site Plan Application

GENERAL INFORMATION

Applicant: Quible & Associates, P.C. on behalf of Outer Banks Hospital, Inc.

Application Type: Conditional Use/Vested Right/Site Plan Review and Rezoning Application.

Purpose/Request: The scope of work associated with this project request is denoted below:

- Demolition of the existing 3,000 square foot urgent care building at 4923 S. Croatan Highway, the construction of a 10,400 square foot addition to the existing 4,500 square foot radiation therapy building located at 4927 S. Croatan Highway, to house an infusion center, and the development of parking and stormwater improvements.
- The applicant has requested consideration be given to a Conditional Use Permit request to allow a reduced loading zone berth based on the anticipated deliveries to this facility being by cargo van. The applicant has noted that medical supplies and linens will be the primary deliveries to the location and do not require the specified loading zone outlined in Section 10.17 of the UDO, Off-Street Loading. The applicant is seeking to reduce the loading zone berth from 12' x 60' to 20' x 23'.
- The applicant has requested that consideration be given to a reduction of required parking, based on a Medical Office use, as allowed by Conditional Use Permit under Section 10.15.5 and 10.15.6 of the Unified Development Ordinance. The proposed use of an infusion center is unique and not currently covered within Section 10.16 of the UDO, Required Parking by Use.
- In addition to the Site Plan application, a rezoning of three (3) lots along S. Passage Way from SPD-C/SF4 (Special Planned Development – Community District, specifically the Village at Nags Head SPD-C Zoning Ordinance, and Single-Family Four District) to SPD-C/Hotel District is also being requested to

accommodate the use of the site, and specifically the provision of requisite parking to support the use.

Property Location: 4923 and 4927 S. Croatan Highway and 4922, 4926 and 4928 S. Passage Way, Nags Head.

Existing Land Use: Medical Offices and Vacant Lots.

Zoning Classification of Property: 4923 and 4927 S. Croatan Highway is zoned SPD-C/Hotel and 4922, 4926 and 4928 S. Passage Way is zoned SPD-C/SF-2.

Zoning Classification of Surrounding Properties: Properties to the north of the proposed site is zoned SPD-C/Hotel (Outer Banks Center for Women). Properties to the south of the proposed site is zoned SPD-C/Hotel (La Fogata Restaurant). Properties to the east, directly across S. Passage Way is zoned SPD-C/SF-2 and developed residentially. Properties to the west, directly across US Highway 158 is zoned SPD-C/Commercial-1 and is developed with the Outer Banks Mall.

Flood Hazard Zone of Property: The entire project area is located within an AE 9 Flood Zone. The existing Radiation Therapy Facility has a compliant first floor elevation above the regulatory flood protection elevation of 10 feet msl. All new construction will be required to have a first-floor elevation compliant with the regulatory flood protection elevation.

POLICY AND PLAN CONSIDERATIONS

Land Use Plan Map/Policies: The 2017 Comprehensive Plan Future Land Use Map classifies the properties at 4923 and 4927 S. Croatan Highway as General Commercial and they are additionally located within the General Commercial Activity Node. Descriptions of these classifications are below:

General Commercial: General Commercial designation is located throughout the town paralleling US 158 and US 64. The General Commercial designation is intended to foster a thriving commercial business community with a variety of uses, activities, and scales. Form is as important as use within this designation and there should be a high degree of design quality for the building facade. Planned, mixed use developments are encouraged. Best practices for all types of corridors include: driveway consolidation, bicycle/pedestrian accommodations, traffic calming, and buffering/landscaping.

General Commercial Activity Node: General Commercial Activity Nodes are focal points of activity and higher intensity development in the town. These are areas that are anticipated to have future concentrations of uses that serve as destinations or hubs of activity for the town and are appropriate for shopping centers or larger footprint retail stores. General Commercial Activity Nodes are envisioned to be planned commercial development with a range of uses including retail, office, restaurant, banking, personal service establishments, gymnasium, indoor entertainment, gallery/museum, hotel (boutique/small scale), institutional uses, and multi-family. Future development is characterized by compact development patterns, walkability, and a higher standard of architectural and site design. Multiple, smaller structures are preferred over large strip development. Future development should accommodate pedestrian access from

existing pedestrian infrastructure to storefronts. Further, adequate pedestrian infrastructure should be provided to safely traverse and interconnect commercial sites.

The 2017 Comprehensive Plan Future Land Use Map classifies the properties at 4922, 4926 and 4928 S. Passage Way as Planned Unit Development Residential. The description of this classification is below:

The Planned Unit Development (PUD) residential designation is intended to accommodate residential development in the Village at Nags Head Planned Unit Development.

These properties are also located within the Village Municipal Service Character Area and the Village Municipal Service Activity Node. Table 2.4.2.A of the 2017 Comprehensive Plan, Appropriate Land Uses in the Village Municipal Service Character Area lists “Hospital/Medical Care Facilities” as an appropriate and desirable use in this character area.

When determining if the proposal is consistent with the Land Use designation, staff considered the following excerpts and policies as being relevant:

- Page 3-14, LU-5 reads, “Promote contiguous and cohesive nodes of commercial development of appropriate size and massing for the surrounding area”.
- Page 3-20, LU-9 reads, “Encourage land uses that serve the needs of both year-round and seasonal residents in support of the town’s overall vision for the community”.
- Page 3-25, LU-15 reads, “Promote architectural standards for commercial development in keeping with the Nags Head style architecture”.
- Page 3-31, LU-23 reads, “Require sufficient parking for commercial businesses with parking area design regulations that limit impacts on neighbors and surrounding land uses”. LU-23b further reads, “Monitor the use of parking and utilize this information to evaluate changes in parking standards”.
- Page 3-117, EC-3 reads, “Meet the infrastructure and service needs of the community at appropriate levels as the community continues to grow”.

Staff finds that the expansion of medical services to include a cancer center, as well as the rezoning associated with the request, to be consistent with the land use classification and stated Land Use Policies.

SPECIFIC INFORMATION

Applicable Zoning Regulations:

- Use Regulations: Section 9.36, Table of Uses and Activities for the SPD-C District, lists 6.6, Table of Uses and Activities lists “Medical Office” as a Permitted Use within the SPD-C/Hotel District, no supplemental standards are provided.

Note that Staff recommends that the Board first make a recommendation on the rezoning request as the use will not be permissible should the rezoning not occur.

- Lot Coverage: If the parcels are rezoned, they will be combined into one parcel. The SPD-C/Hotel District sets forth maximum allowable coverages based upon area encumbered with specific uses as noted below:

Maximum Allowed Building Coverage: 25%; Proposed: 19% - Compliant.

Maximum Parking Lot Coverage: 45%; Proposed: 31% - Compliant.

Minimum Landscaped Area: 30%; Proposed: 49% - Compliant

Min. Interior Parking Lot Landscaping Required: 1,174 sf. Proposed: 1,491 sf.

- Height: The maximum allowable building height within the Town is 35 feet; however, pursuant to Section 8.2.1, Dimensional requirements, total height may be increased to 42 feet with the use of an 8:12 roof pitch or greater. The applicant has proposed a structure with an overall height of 33.3 feet therefore height is compliant. Note that the roof pitch meets the desired pitch as well with the use of 9:12 roof pitch.
- Architecture Design Standards: Section 10.82, Applicability, of the UDO, states that Commercial Design Standards shall apply to all building construction or remodeling projects requiring a conditional use permit or site plan review. Section 10.83, Design Standards, of the UDO, states that projects adding a total habitable building area of 10,000 square feet or less may elect to comply with the building design requirements by achieving 150 points based on the criteria outlined in the Town of Nags Head Residential Design Guidelines. Projects that elect to comply in this manner shall, in addition to the 150 architectural design points, incorporate specific standards into the design (attached). The proposed architectural design satisfies the minimum standards required by Section 10.83 and additionally achieves 160 architectural design points with the use of a first-floor porch, dormers, minimum 8:12 pitched roof, combination base form, simulated wood shingle siding, single hung windows and other miscellaneous architectural details.

Note that the existing Radiation Therapy Building is compliant at 125 architectural design points as that was the requirement within the Town Code at that time. The 10,400 square foot addition must meet the current code requirements of 150 architectural design points. Staff determined compliance with the UDO based upon the proposed new construction.

- Parking: As noted above under “Purpose/Request” the applicant is requesting that consideration be given to a parking reduction as allowed by Sections 10.15.5 and 10.15.6, of the UDO, *Reduction of Required Parking for Commercial Uses with the Use of Bicycle Racks* and *Modification of Parking Requirements by Conditional Use Permit* respectively. As previously noted, the proposed Infusion Center/Cancer Center use is not specifically addressed within Article 10, Table 10-2, Required Parking by Use, of the UDO, and, while a Dialysis Center use is provided and is likely more consistent with the proposed use, the proposed use more closely meets the definition of Medical Office use.

When applying the Code, a “medical office” shall provide parking at the rate of one parking space for every 300 square feet of gross floor area of each building or portion thereof devoted to medical use, plus one parking space for each employee and for each doctor. The existing Radiation Therapy Building site provides 22 onsite parking spaces. Applying this standard would require an additional 50 parking spaces for an overall parking count of 72 parking spaces.

In support of their request for a parking reduction, the applicant has provided an article from the ITE (Institute of Transportation Engineers) Parking Generation Manual, which has evaluated anticipated parking rates for Outpatient Cancer Centers and supports a rate of 3.5 to 4.5 spaces per 1,000 square feet of floor area. If applying this standard, the proposed site would require between 52 and 67 parking spaces. The applicant is proposing to provide 57 parking spaces. Specifically, the applicant is seeking a reduction of one (1) parking space with a bike rack pursuant to Section 10.15.5 and an additional 14 parking space reduction under Section 10.15.6, and justified by the number of employees, the number of patient/treatment rooms available, the waiting room capacity, and the availability of Dare County Transit services for many of the patients receiving treatment at this facility. With the requested reduction, a total of 57 onsite parking spaces is consistent with the recommended parking ratio for this use in the ITE Manual. Staff recommends approval of the requested parking reduction, however, would recommend a condition that a parking study/assessment be conducted by a third-party, at 6 months and one-year after the issuance of a Certificate of Occupancy, to ensure onsite parking is adequate; if parking is determined to be insufficient, the applicant would be required to install up to 12 additional parking spaces along the shared drive leading to the site.

Additionally, Section 10.92.14.4 requires a minimum of 20% of the surface area of the parking area and drive aisles to be constructed using permeable surface materials. An excess of 20% has been provided and is therefore compliant.

Section 10.17 of the UDO sets forth Off-street Loading Requirements. Commercial structures shall provide at least one loading space with minimum plan dimensions of 12 x 60 feet and a 14-foot overhead clearance. If a reduction in berth of a loading space is requested the Town Engineer shall determine the sufficiency of the proposed loading space.

- Buffering/Landscaping: Several sections of the UDO address Buffering and Landscaping as it applies throughout this proposed site:
 - Section 9.24.10 of the UDO, SPD-C Hotel District, Landscaping requires that all commercial and office uses install a 20-foot wide landscaped or natural buffer area when a commercial use abuts a residential use or designation. A compliant buffer has been shown along the rear property line that abuts a residential subdivision (Moongate Subdivision).
 - Section 10.92.6.2 of the UDO, Parking and Drive Aisle Setbacks, requires that where off-street parking is provided between the building and the street right-of-way line, a parking lot buffer of at least ten (10) feet in width shall be provided between the parking lot and the street right-of-way. This

buffering has not been shown however, it will be a continuation of the existing buffering provided for the Radiation Therapy Facility to the south. work with planning staff to identify the proper plantings prior to the Board of Commissioners review.

- Section 10.93.3.7 of the UDO, Interior Parking Lot Landscaping, requires parking landscaping be provided at a minimum rate equal to ten percent of the total area of parking spaces. The minimum area necessary for compliance is 1,174 square feet of vegetation. The applicant has proposed 1,491 square feet therefore interior parking lot landscaping is compliant.
- Section 10.93.3.8.2 of the UDO, Vegetation Preservation Requirements, requires that a minimum of 10% of the lots total area be preserved with existing natural vegetation. Approximately 11.5% of the vegetation throughout the site will be maintained therefore this proposal is compliant.
- Lighting: The proposed lighting plan and fixtures are compliant with the requirements of UDO. A light audit will be required prior to issuance of occupancy permits.
- Signage: No additional signage is being proposed at this time.

Water and Sewage Disposal: This development will be served by Carolina Water Service due its location within the Village at Nags Head SPD-C District. Included in your packet is a letter from Carolina Water Service stating their commitment to serve the development as proposed (Appendix D).

Traffic Circulation: Vehicle pathing exhibits have been provided, internal traffic circulation approval is contingent upon the Public Works/Fire Department approval for access of sanitation and emergency vehicles. See memorandum from Town Engineer dated December 13, 2019 (attached).

Stormwater Management: The proposed development plan has been determined to be in accordance with Article 11, Environmental Regulations of the Unified Development Ordinance. A NCDEQ high-density stormwater management permit shall be acquired and submitted to the Town upon issuance and the project shall be designed, constructed, operated and maintained in accordance with Article 11, Environmental Regulations of the UDO. See memorandum from Town Engineer dated December 13, 2019 (attached).

Fire: The project will be required to comply with all applicable NC Fire Prevention Code requirements as part of the building permit application review and issuance.

Public Works: The Public Works Director has reviewed the proposed plan and expressed general concern about the location of the dumpster with regard to the pathing of the refuse truck. The applicant has discussed pick-up at the proposed location with the private carrier that currently serves the hospital and confirmed that this vendor would be able to provide services to the site if necessary. In addition, the plans have been revised to allow for mountable curb to help alleviate the concern for backing onto the curbing.

ANALYSIS

Analysis of Rezoning Request: Staff supports the request to rezone the parcels located at 4922, 4926 and 4928 S. Passage Way from SPD-C/SF-2 to SPD-C/Hotel. This area was originally zoned SPD-C/Hotel however in 2009 the area was rezoned to SPD-C/SF-2 to accommodate the Moongate Subdivision. The applicant has been in communication with the Village at Nags Head Architectural Control Committee, as well as the adjoining property owners, all of whom have expressed support for the development and associated rezoning. Additionally, staff finds that the rezoning is supported by the 2017 Comprehensive Plan with the land area being located within the Village Municipal Service Character Area where medical facilities are considered appropriate uses.

Analysis of Vested Right/Site Plan Application: Staff finds that the proposal is consistent with the applicable use and development standards, as well as relevant land use policies. As required by the UDO, the procedures for consideration of a site-specific, vested right, site plan are those applicable to the issuance of a Conditional Use Permit as outlined in Section 3.8, Conditional Use Permits; therefore, with regard to the affirmative findings of fact for Conditional Use Permits, pursuant to Section 3.8.4.6, Staff is of the opinion that:

1. The use will not materially endanger the public health and safety if located where proposed and developed according to the plan as submitted.
2. The use, as proposed, will not overburden the firefighting capabilities and the municipal water supply capacity of the Town as such facilities and capabilities will exist on the completion date of the conditional use for which application is made.
3. The conditional use will be in harmony with the existing development and uses within the area in which it is to be located.
4. Adequate utilities, access roads, drainage, parking or necessary facilities have been or are being provided.

Analysis of Parking Conditional Use Permit Requests: In addition to the findings noted above, applicable to all Conditional Use Permits, Section 10.15.6. provides specific findings applicable to the requested Conditional Use Permits to reduce required parking and loading zone dimensions; consistent with these findings, Staff is of the opinion that the reduction and parking and loading zone dimensions, with conditions as recommended:

1. Will not result in increased traffic congestion or otherwise negatively impact existing traffic flow or pedestrian and vehicular safety.
2. Will not create parking impacts for adjacent properties or within Town rights-of-way.
3. Will not be contrary to the objectives specified in the Comprehensive Plan.
4. Is necessary to permit the reasonable use of the subject property.

5. Will not adversely impact adjacent property or the surrounding area.

With regard to the reduction of parking, these findings are based upon the information provided identifying a methodology for determining the appropriate ratio of parking for Outpatient Cancer Treatment uses, and a recommended condition requiring the sufficiency of parking to be verified following operation and additional parking to be provided if determined to be necessary. With regard to the reduction of dimensions for the loading zone, these findings are based upon the anticipated type and frequency of deliveries, as well as a recommended condition requiring signage directing deliveries by larger vehicles to the main Outer Banks Hospital.

PLANNING BOARD RECOMMENDATION

At their December 17, 2019 meeting the Planning Board voted unanimously to recommend approval of the Rezoning Request and Vested Right/Site Plan and Conditional Use Permit applications, with conditions, as presented. It is important to note that the Planning Board reviewed a preliminary Sketch Plan for the project, including three concepts for the site based on different parking counts; ultimately, the Planning Board found that providing less parking based on the Outpatient Cancer Treatment use, with the potential to assess and provide more parking if necessary, was the ideal scenario.

STAFF RECOMMENDATION

Recommendation on Rezoning Request: Based upon the analysis above, Staff recommends approval of the requested rezoning of parcels located at 4922, 4926 and 4928 S. Passage Way from the SPD-C/SF-2 District to the SPD-C/Hotel District.

Recommendation on Vested Right/Site Plan Request and Conditional Use Permits: Based upon the above analysis, and the following recommended conditions, Staff recommends approval of the proposed Vested Right/Site Plan and Conditional Use Permits:

1. The site shall be developed in compliance with the plans dated December 05, 2019, revised as necessary to comply with conditions of approval; modifications to the project prior to the issuance of a Certificate of Occupancy shall be considered and processed as Minor Site Plans or Major Site Plans pursuant to Article 4 of the Unified Development Ordinance.
2. At 6 months and 12 months following the issuance of a Certificate of Occupancy, an assessment of the sufficiency of parking shall be conducted by a third-party traffic engineer, engaged and costs borne by the owner/developer of the property, with qualifications acceptable to the Town of Nags Head Director of Planning and Development. This assessment shall determine whether the parking provided on-site is sufficient and does not result in increased traffic congestion or otherwise negatively impact existing traffic flow or pedestrian and vehicular safety, and/or does not create parking impacts for adjacent properties or within Town rights-of-way; further, this assessment shall recommend whether the provision of additional parking spaces is necessary if on-site parking is

determined to be deficient. This assessment shall be presented to the Director of Planning and Development for acceptance and final determination as to whether additional parking is required to be provided, with any determination to be made within eighteen (18) months of the issuance of a Certificate of Occupancy, and any additional parking to be provided within twenty-four (24) months of the issuance of a Certificate of Occupancy.

3. Signage shall be installed on-site, to be approved by the Director of Planning and Development or his/her designee, directing deliveries by vehicles larger than the reduced loading zone can accommodate to the main Outer Banks Hospital located at 4800 S. Croatan Highway.

Attachments: *Conditional Use/Vested Right/Site Plan Review Application, Site Plan and Architectural Elevations, Project Narrative, Carolina Water Approval, Town Engineer Memorandum dated December 13, 2019.*