



MEMORANDUM

Town of Nags Head

Planning & Development Department

To: Planning Board

From: Kelly Wyatt, Planning Director
Joseph Costello, Deputy Planning Director

Date: September 13, 2024

Subject: Discussion of parking standards for hotel use and restaurant uses within the Town.

UPDATED STAFF REPORT FOR PLANNING BOARDS SEPTEMBER 17, 2024 MEETING

At the August meeting, Planning staff presented the Planning Board with a brief analysis of current and previous parking standards for both hotels and restaurants. Staff noted that while potential amendments to hotel parking standards may be relatively straightforward, addressing restaurant parking is more complex due to additional factors such as outdoor dining and entertainment areas, which are not currently contemplated in our standard, and likely should be. Several Board members expressed interest in understanding whether neighboring localities had encountered any issues with their parking standards or if they found them adequate.

While we are still awaiting a response from Kill Devil Hills, I did hear back from Rob Testerman, the Planning Director of Kitty Hawk. He indicated that there have been no concerns or complaints suggesting their hotel parking standards are inadequate. He also noted that only two hotels have been constructed under their current standards—the Hilton and the Holiday Inn Express.

Planning staff will be available for further discussion. If the Planning Board comes to a consensus on any amendments to the hotel parking standard, staff will bring those back to the Planning Board in October as an action item.

The staff report and Attachment A from the August 20th meeting are included below as information.

STAFF REPORT FROM PLANNING BOARDS AUGUST 20, 2024 MEETING

BACKGROUND

At their August 7, 2024 meeting, the Board of Commissioners requested that staff review the Town's existing parking standards for hotel use and restaurant use to determine if they are adequate and reflective of the town's current needs. A brief analysis is provided below for your consideration and to help facilitate discussion.

Hotel Parking Review

The current standard for hotel parking is provided below and was applied to the recently approved 87-room hotel, Inn at Whalebone.

Residential - Group	Hotels	One parking space for each hotel unit without kitchen facilities; 1.2 parking spaces for each unit with kitchen facilities; plus one parking space for every 100 square feet of conference or assembly area. For other accessory uses such as restaurants or retail, parking requirements shall be calculated at 75% of the standard for each permitted accessory use.
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The hotel parking standard found in Town Code Supplement 47, dated January 16, 2019, and prior to the adoption of the Unified Development Ordinance (UDO) is provided below.

Hotel	1.2 parking spaces for each hotel unit or hotel efficiency unit to be rented, plus one parking space for each four employees.
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This parking standard would have resulted in a minimum of 105 parking spaces to accommodate the 87 hotel units proposed with Inn at Whalebone. This does not account for required employee parking.

The hotel parking standard found in Town Code Supplement 5, dated August 1989 is provided below.

Hotel, tourist home, motel, rooming or boarding house	1.2 parking spaces for each unit to be rented or one (1) parking space per bedroom, whichever is greater, plus one (1) parking space for each employee on the largest shift.
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In addition, Attachment A included in the packet is a breakdown of how other coastal communities in North Carolina regulate hotel parking.

Restaurant Parking Review

The current standards for restaurant parking are provided below. Definitions and the Supplemental Regulations associated with these uses are provided for your consideration as well.

Food Service	Restaurant - Drive In	One parking space per 55 square feet of customer service area or a minimum of 20 parking spaces, whichever is greater, plus required parking spaces for any other use including, but not limited to drive-through restaurant.
Food Service	Restaurant - Neighborhood	One parking space for every 55 square feet of indoor customer service area. In addition, a neighborhood restaurant may have on-site outdoor customer service area in an amount up to 50% of the indoor customer service area which will be exempt from restaurant parking requirement.
Food Service	Restaurant - Sit Down	One parking space for every 55 square feet of indoor customer service area.
Food Service	Restaurant - Take Out	One parking space for every 200 square feet of customer waiting and retail area plus 1 parking space for each employee, but no less

		than 2 employee parking spaces.
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Current Definitions

Restaurant means an establishment engaged in the service of food and/or beverages to patrons seated inside a building. A restaurant site may contain more than one principal restaurant building, or one principal restaurant building in combination with another principal drive-in restaurant, drive-through restaurant, or takeout restaurant building.

Restaurant, drive-in means an establishment whose principal business is the serving of prepared food, desserts and/or beverages to a customer, either within a motor vehicle parked upon the premises or at other facilities on the premises outside the restaurant building.

Restaurant, drive-through means an establishment where drive lane facilities are provided for the serving of prepared food, frozen desserts or beverages directly to a customer in a motor vehicle by a means which eliminates the need for the customer to exit the motor vehicle.

Restaurant, neighborhood means a restaurant situated and designed to serve a small client base fronting on NC 12 comprised of less than 1,000 square feet of indoor customer service area.

Restaurant, sit-down means an establishment that sells food and beverages in a ready-to-consume state primarily to persons who are seated within the building or outside on the premises.

Restaurant, takeout means an establishment engaged in the preparation of food and/or beverages which are delivered or picked up and consumed by patrons off-premises.

Customer service area means the area within a restaurant or restaurant drive-in, open to the general public and designated for the purchase and/or consumption of food, drink, or other similar items. Customer service area shall include indoor and/or outdoor seating areas, indoor and/or outdoor lounge and bar areas, decks, porches, and patios but shall not include stairs, stair landings, handicapped ramps, restrooms, kitchen and food preparation areas, private offices, loading areas, hallways, exit access and exit discharge areas, and any other areas not open to the general public. Customer service area shall not include outdoor seating areas, or outdoor decks, porches or patios where such areas are not designated for the purchase of food, drink, or similar items and instead are used primarily as waiting areas for customers who are waiting to be seated in indoor customer service areas. Additionally, customer service area shall not include any outdoor areas used by the customers of restaurants located in shopping centers.

Supplemental Standards for Restaurant Uses

Section 7.28 - Restaurant, Drive-In.

Restaurant, drive-in, is permitted in accordance with [Section 6.6](#), Table of Uses and Activities, subject to other requirements of this UDO and provided that the following conditions are met:

- 7.28.1. In addition to the buffering requirements of [Section 10.93](#), Landscaping, Buffering, and Vegetation Preservation, the site shall be buffered from all adjacent properties utilizing a 10-foot wide Commercial Transitional Protective Yard as prescribed in [Section 10.93](#).

Section 7.29 - Reserved.

Editor's note— Ord. No. [24-03-004](#), Art. III, Pt. II, adopted March 6, 2024, deleted §§ 7.29—7.29.2, which pertained to drive-through restaurants.

Section 7.30 - Restaurant, Neighborhood.

Restaurant, neighborhood, is permitted in accordance with [Section 6.6](#), Table of Uses and Activities, subject to other requirements of this UDO and provided that the following conditions are met:

- 7.30.1. To be classified as a neighborhood restaurant, the indoor customer service area shall be less than 1,000 square feet.
- 7.30.2. An on-site outdoor customer service area in an amount up to 50% of the indoor customer service area is also permitted.
- 7.30.3. A restaurant site may contain more than one principal restaurant building, or one principal restaurant building in combination with another principal drive-in restaurant, or takeout restaurant building.
- 7.30.4. Uses qualifying as a restaurant shall meet the following criteria:
 - 7.30.4.1. A food preparation area that is at least twenty (20) percent of the gross building square footage of the principal building. The square footage of food preparation area located in an on-site accessory restaurant use building or a second on-site drive-in, drive-through, or takeout restaurant may be applied when calculating this minimum 20% requirement. But when calculated together (principal and accessory or second principal buildings), in no event shall the food preparation area of the principal building be permitted to be less than ten (10) percent of the principal building gross square footage; and
 - 7.30.4.2. At least seventy-five (75) percent of all customer seats shall be designated for full-service, full-menu dining; and
 - 7.30.4.3. No more than fifteen (15) percent of the total building square footage shall be devoted to accessory entertainment uses including but not limited to, dance floor, lounges, bars, stages, live performance, and disc jockey areas. Accessory entertainment uses referenced in this section shall be permitted in a restaurant establishment provided these uses are clearly subordinated in area, extent, hours of operation, and purpose to areas designated for food and/or beverage preparation, service, and consumption.
(Ord. No. [20-05-005](#), Art. III, Pt. X, 5-6-2020; Ord. No. [24-03-004](#), Art. III, Pt. III, 3-6-2024)

Section 7.31 - Restaurant, Sit Down.

Restaurant, sit down, is permitted in accordance with [Section 6.6](#), Table of Uses and Activities, subject to other requirements of this UDO and provided that the following conditions are met:

- 7.31.1. A restaurant site may contain more than one principal restaurant building, or one principal restaurant building in combination with another principal drive-in restaurant, or takeout restaurant building.
- 7.31.2. Uses qualifying as a restaurant shall meet the following criteria:
 - 7.31.2.1. A food preparation area that is at least twenty (20) percent of the gross building square footage of the principal building. The square footage of food preparation area located in an on-site accessory restaurant use building or a second on-site drive-in, drive-through, or takeout restaurant may be applied when calculating this minimum 20% requirement. But when calculated together (principal and accessory or second principal buildings), in no event shall the food preparation area of the principal building be permitted to be less than ten (10) percent of the principal building gross square footage; and,
 - 7.31.2.2. At least seventy-five (75) percent of all customer seats designated for full-service, full-menu dining; and,
 - 7.31.2.3. No more than fifteen (15) percent of the total building square footage devoted to accessory entertainment uses including but not limited to dance floor, lounges, bars, stages, live performance, and disc jockey areas. Accessory entertainment uses referenced in this section shall be permitted in a restaurant

establishment provided these uses are clearly subordinated in area, extent, hours of operation, and purpose to areas designated for food and/or beverage preparation, service, and consumption.

The restaurant parking standard found in Town Code Supplement 47, dated January 16, 2019, and prior to the adoption of the Unified Development Ordinance (UDO) is provided below. Definitions of these terms are provided below as well, note that in 2019 the regulations governing these uses were incorporated into the definitions and not as separate supplemental regulations.

Restaurant	One parking space per 55 square feet of indoor customer service area.
Restaurant (sites with multiple principal buildings)	Parking spaces for each principal restaurant use building shall be as provided for in this section. Shared parking among proposed principal use buildings may be permitted if: (1) there is fully integrated on-site parking and traffic flow; and (2) the principal use buildings have staggered or different business hours. Any overlapping of business hours shall preclude the shared use of parking spaces.
Restaurant, drive-in	One parking space per 55 square feet of customer service area or a minimum of 20 parking spaces, whichever is greater, plus required parking spaces for any other use including, but not limited to drive-through restaurant.
Restaurant, drive-through	A minimum of ten additional parking spaces, plus required parking spaces for any other use including, but not limited to, restaurant customer area or drive-in restaurant.
Restaurant, neighborhood	Parking: One parking space for every 55 square feet of indoor customer service area. In addition, a neighborhood restaurant may have on-site outdoor customer service area in an amount up to 50 percent of the indoor customer service area which will be exempt from restaurant parking requirement.
Restaurant, takeout	One parking space for every 200 square feet of customer waiting and retail area plus one parking space for each employee, but no less than two employee parking spaces.

The relevant definitions for restaurant uses, including “customer service area”, are the same in the 2019 Zoning Ordinance as in the current Unified Development Ordinance with the exception that the percentages of food preparation area, full-service seating, and entertainment associated with restaurants are included in the definition and not within separate supplemental regulations.

The restaurant parking standard found in Town Code Supplement 5, dated August 1989 is provided below.

Restaurant, Café, or Public Eating Place	One (1) parking space per 55 square feet of customer area to include seating area, lounge and bar areas, decks, porches, and patios, but excluding stairs, stair landings, handicapped ramps, restrooms, kitchen and food preparation areas, and other areas not open to the general public.
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Drive-in Restaurant, refreshment stand, carry-out food establishment	Thirty (30) parking spaces in addition to the requirements for a restaurant, café or public eating place.
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In 1989 there was no definition for "customer area".

The restaurant parking standard found in Town Code Supplement 2, dated September 1980 is provided below.

Restaurant, Café, or Public Eating Place	One (1) parking space for every three (3) customer seats, plus one additional parking space for each three (3) employees.
Drive-in Restaurant, refreshment stand, carry-out food establishment	Thirty (30) parking spaces in addition to the requirements for a restaurant, café or public eating place.

In addition, Attachment B included in the packet is a breakdown of how other coastal communities in North Carolina regulate restaurant parking.

STAFF REVIEW

While both hotel and restaurant parking are discussion items at this time, staff would submit that we can likely come to consensus on what, if any, amendments are needed to the UDO to address hotel use parking much more quickly than we can that off restaurant use parking.

There are several aspects of restaurant parking that require more detailed review and discussion, these include but are not limited to:

- The current parking standard has been applied to sit down restaurants for well over 10 years, any changes to the standard could result in site nonconformities for existing restaurants.
- Regulating restaurant parking by customer service area can become problematic if that area changes unbeknownst to staff. If a restaurant changes hands, the new tenant may wish to increase the amount of customer service area, thus making the existing parking count inadequate. In this scenario, a parking standard based upon gross floor may be more appropriate. What are the pros and cons of regulating based upon gross floor area? Kill Devil Hills, Sunset Beach, Carolina Beach, Oak Island, and Atlantic Beach regulate restaurant parking based upon gross floor area. Southern Shores and Duck regulates restaurant parking based upon customer seats. Wrightsville Beach regulates restaurant parking based upon the maximum occupancy allowed (Attachment B).
- The existing definition of "customer service area" states that it is the area designated for the purchase and/or consumption of food, drink, or other similar items. The definition further goes on to exclude outdoor seating areas not designated for the purchase of food, drink, or similar items and instead are used primarily as waiting areas for customers who are waiting to be seated in indoor customer service areas. Staff submits that these outdoor areas, while initially were primarily used for waiting, gradually transition into areas which may very well need to be included in a parking standard (drinks served while waiting, in some instances appetizers being provided while "waiting", etc.).

- Should we address outdoor entertainment areas associated with restaurants in the parking requirements? Should we address outdoor entertainment areas generally?
- Should we include a parking requirement for employees/staff? Note that the Town of Duck, Southern Shores, and Wrightsville Beach regulate employee parking (Attachment B).

Staff will be available at the Planning Board's August 20, 2024 meeting for further discussion.

Hotel Parking Standards from Coastal NC Towns

Town	Type of Establishment	Parking Requirement
Kill Devil Hills	Hotel and motel	1.2 parking spaces per unit, plus 1 space per employee
	Hotel/motel with restaurant	1.2 spaces per unit, plus 1 space per employee, plus 1 space per 200 sq. ft. of gross floor area
	Hotel/motel with retail, office, meetings	1.2 spaces per unit, plus 1 space per employee, plus 1 space per 200 sq. ft. for secondary uses
	Hotel/motel event gardens	1 space per 3 persons the garden is designed to accommodate
Kitty Hawk	(Residential Uses) Hotels, tourist homes, motels, motor courts, rooming/boarding houses	1.5 spaces per rented room, plus 1 additional space per 3 employees
	Hotel and motel	1.15 spaces per rental room
	Hotel with restaurant in hotel structure	1 space per 3 restaurant seats for 50% of seating capacity
	Hotel with restaurant in separate building	1 space per 3 restaurant seats
	Hotel with retail space in hotel structure	1 space per 350 sq. ft. of leasable retail space (less 500 sq. ft.) with a minimum of 1 space
	Hotel with retail space in separate building	1 space per 350 sq. ft. of enclosed leasable retail space
	Hotel with a lounge in hotel structure	1 space per 3 lounge seats for 50% of seating capacity
	Hotel with lounge providing live entertainment	1 space per 3 lounge seats
	Hotel with lounge in separate building	1 space per 3 lounge seats
	Hotel with meeting rooms in hotel structure	1 space per 3 meeting room seats for 50% of seating capacity
Southern Shores	Hotel, motel	1.5 spaces per rented room, plus 1 space per employee
Duck	Hotel, tourist home, motel, motor court, rooming/boarding house	1.5 spaces per rented room, plus 1 space per 3 employees
	Hotel resort with ancillary uses	1 space per rented room, plus 1 space per 3 employees

	Retail, conference center, spa, office, events pavilion (ancillary uses)	1 space per 200 sq. ft. of gross floor area x 0.75
	Eating establishment (ancillary use)	1 space per 3 indoor customer seats, plus 1 space per 150 sq. ft. of outdoor dining area, plus 1 space per 3 employees x 0.75
Sunset Beach	Hotel or motel	1 space per sleeping room, plus 1 space per 4 seats in meeting or assembly rooms
Wrightsville Beach	Motels, hotels	1 space per rented room, 1.5 spaces per 2-room suite, 2 spaces per suite above 2 rooms, plus 1 space per 2 employees
Carolina Beach	Hotel/motel (not condominiums)	1 space per sleeping room, plus 1 space per 4 seats in meeting/assembly rooms; 25% parking reduction if 50+ spaces required
Emerald Isle	Hotels and inns	1 space per rental room, plus 1 space per 3 employees on largest shift
Oak Island	Lodging	1 space per room, plus 1 space per employee
Atlantic Beach	Visitor accommodations, major	1 space per room, plus 1 space per employee, plus spaces for associated uses
	Visitor accommodations, minor	1 space per room, plus 1 space per employee