



MEMORANDUM

Town of Nags Head

Planning & Development Department

To: Planning Board

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

Date: October 15, 2024

Subject: Hotel Overlay District Discussion

Summary

In November 2023, during their retreat, the Board of Commissioners directed planning staff to identify and correct areas of land use incompatibility within the town and correct inconsistencies between the Comprehensive Plan and the Unified Development Ordinance. One item noted for consideration at that time was revisiting the appropriateness of the Hotel Overlay District. This is Action Item 2.2 under the Development Goals of the adopted 2024 Town of Nags Head Strategic Plan. At this time, staff would like to initiate a discussion with the Planning Board on whether the Hotel Overlay District remains in line with the Town's vision and development goals.

In a staff memo to the Planning Board dated October 10, 2001 (attached), staff stated that the Board of Commissioners have been discussing the issues surrounding the demolition of hotels and the replacement of these hotels with large single-family houses. The Board was concerned with the loss of diversity of seasonal housing accommodations of visitors. Staff were asked to present ideas concerning incentives for the development of new hotels/motels. Over the next few years staff considered a variety of factors that would help incentive new hotels, including reductions in lot coverage and setback requirements and an increase in height allowance as well as potentially creating a hotel overlay district. The Hotel Overlay District was established at the Board of Commissioners' Meeting on March 3, 2004 (minutes attached), to encourage new and larger hotel developments.

According to the minutes of that meeting, Town Planner Andy Garman summarized the issue as follows: "On December 8, 2003, the Board of Commissioners and the Planning Board participated in a combined workshop to discuss hotel zoning amendments. The basis for this discussion included the proposed hotel zoning amendments that were considered at the December 3, 2003, Board of Commissioners meeting. Based on the input provided at this meeting and at the direction of the Board of Commissioners, staff has included the attached hotel proposal for review. This proposal includes changes to existing hotel standards in the C-2 zoning district and the creation of a new hotel overlay zoning district. The hotel overlay district includes the C-2 zoning district from just south of the Village at Nags Head to Whalebone junction. This area was selected due to its commercial nature and also due to its proximity away from Jockey's Ridge and the lower density residential neighborhoods north of the Village. To allow for larger hotels, the height and lot coverage standards have been increased within this district."

The stated intent of the hotel overlay district found within the final adopted ordinance was to allow for the location of larger-scale hotels in commercial areas where the increase in height does not significantly affect the viewshed from Jockey's Ridge and does not diminish the low-density character of the historic district and the neighborhoods within the R-2 Medium Density Residential zoning district.

The final adopted hotel overlay district continued to allow a maximum height of structures to be 60 feet, which was previously allowed in all C2 districts, but was reduced to 35 feet in the C2 district at the same time the overlay district was adopted. A maximum lot Coverage of up to 65 percent was allowed for hotels in the Hotel Overlay District as opposed to 55% in the C2 district. The side yard setback is ten (10) feet, (15) feet for a corner lot; portions of buildings greater than two stories are required to be set back an additional 10 feet for every story over two. In any instance the setback does not need to exceed (30) feet.

Map Hotel Overlay District



Twenty years have passed since the Hotel Overlay District was established and the ordinance was adopted. Recently, the Inn at Whalebone received Site Plan Approval and subsequently development permits have been issued. This would be the only hotel to (potentially) be developed within the Hotel Overlay district since the creation of the Hotel Overlay District.

Below is a comparison of hotel requirements in the current ordinance. The development differences between C2, General Commercial and the Hotel Overlay are highlighted in yellow.

Comparison Hotel Overlay vs. C2 District

TABLE 7-2: DIMENSIONAL REQUIREMENTS FOR HOTELS				
	CR	C-1	C-2	HO
Lot Width	150 feet	100 feet	150 feet	
Front Setback	The minimum front yard along property lines abutting the right-of-way line of S. Virginia Dare Trail/NC 12 or S. Old Oregon Inlet Road/NC 1243 shall be forty-five (45) feet.	15 feet; portions of buildings greater than two stories shall be set back an additional 10 feet.	30 feet; portions of buildings greater than two stories shall be set back an additional 10 feet.	15 feet; portions of buildings greater than two stories shall be set back an additional 10 feet for every story over two. In any instance the setback need not exceed 30 feet.
Rear Setback	25 feet			

TABLE 7-2: DIMENSIONAL REQUIREMENTS FOR HOTELS

	CR	C-1	C-2	HO
Side Setback	A minimum side yard of ten (10) feet is required from any side property line, other than a side property line along a street right-of-way; for buildings with a height greater than thirty-five (35) feet, such minimum required side yard shall increase by one (1) foot for each foot in height greater than thirty-five (35) feet. For any side property lines along a street right of way, the minimum required yard shall be no less than the minimum required front yard or side yard, whichever is greater.	10 feet; 15 feet for corner lot; portions of buildings greater than two stories shall be set back an additional 10 feet.		corner lot; portions of buildings greater than two stories shall be set back an additional 10 feet for every story over two. In any instance the setback need not exceed 30 feet.
Height			35 feet	60 feet
Open Space	A minimum of fifty percent (50%) of the area established by each minimum setback shall be undeveloped and landscaped as open space. Underground components of wastewater systems are allowed to be located within minimum required setbacks.	50% of side yard to remain as open space.		50% of side yard to remain as open space. Minimum 5 feet, Maximum 10 feet.
Lot Coverage	40%		55%	65%

TABLE 7-2: DIMENSIONAL REQUIREMENTS FOR HOTELS

	CR	C-1	C-2	HO
Density	None	Maximum 20 units per site.	None	None
Unit Size (Room)	Minimum 300 sq. ft.	Minimum 300 sq. ft. Maximum 700 sq. ft.		
Unit Size (Eiciency)	Minimum 400 sq. ft.	Minimum 400 sq. ft. Maximum 700 sq. ft.		
Unit Size (Suite)	Minimum 400 sq. ft.	Minimum 400 sq. ft. Maximum 900 sq. ft. Up to 33% of units can be suites.	Minimum 400 sq. ft. Maximum 1,200 sq. ft. Up to 33% of units can be suites.	

TABLE 7-2: DIMENSIONAL REQUIREMENTS FOR HOTELS

	CR	C-1	C-2	HO
Minimum Units Per Building	2	2		
Building Separation	20 ft; A sidewalk or boardwalk constructed to provide a grade separation from vehicular traffic of at least six inches shall connect all principal buildings on the site. Separate buildings shall be connected with pedestrian passageways that are striped when crossing traffic lanes.			
Ocean/Sound Access	NA	Hotel parcels east of US 158 must be within 1,000 feet in a straight-line distance to a public ocean access. The access must consist of a minimum five-foot wide improved pedestrian path. Hotels west of US 158 must provide direct, private soundfront access		None.

TABLE 7-2: DIMENSIONAL REQUIREMENTS FOR HOTELS

	CR	C-1	C-2	HO
Accessory Uses	Fishing pier (with CAMA authorization), restaurant, indoor entertainment facility, indoor public assembly, retail, office and on- site rental of beach chairs and umbrellas.	Retail shops, offices, restaurants, indoor entertainment facilities, indoor public assembly for the benefit of occupants, guests and the general public, cottage court.		Uses permitted as accessory to hotels in the C-2 district and outdoor recreation activities as allowed in the HO district.
		Hotel allowed as accessory to other commercial.		Hotel allowed as accessory to other commercial.
		Dormitory for employee housing.		Dormitory for employee housing.
		Single-family dwelling for employee/owner housing.		Single-family dwelling for employee/owner housing.

The largest differences in hotel development within the C2 General Commercial District, and the Hotel Overlay District are the requirement of proximity to ocean and sound access, the overall allowable height, maximum lot coverage and reduced side yard setbacks. Almost all the area within the Hotel Overlay District is zoned C2, General Commercial except at the very northern portion of the overlay district there is some R3, High Density Residential and one parcel that is zoned SPD-C, Village Hotel District, which is the site of the proposed Inn at Whalebone.



POLICY CONSIDERATIONS

LU-2, Develop separate zoning districts and regulations that recognize the appropriate scale and pattern of development for the US 158 and NC 12 corridors.

LU-5, Promote contiguous and cohesive nodes of commercial development of appropriate size and massing for the surrounding area

LU-9, 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.

NR-4, Preserve important estuarine waterfront viewsheds along the Causeway and in the Whalebone area that contribute to the overall quality of life and sense of place.

Staff will be available at the Planning Boards October 15, 2024, meeting for further discussion.

With regard to the Planning Board's review and action, Staff recommends consideration of the following UDO provisions:

3.5.3. Action by the Planning Board.

3.5.3.1. Every proposed amendment, UDO text amendment or zoning map amendment, shall be referred to the Planning Board for its recommendation and report. The Board of Commissioners is not bound by the recommendations, if any, of the Planning Board.

3.5.3.2. Prior to the consideration by the Board of Commissioners of a proposed UDO text amendment or zoning map amendment, the Planning Board shall advise and comment on whether the proposed amendment is consistent with the Comprehensive Plan. The Planning Board shall provide a written recommendation, certified by the UDO Administrator, to the Board of Commissioners that addresses plan consistency and other matters as deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the Comprehensive Plan shall not preclude consideration or approval of the proposed amendment by the Board of Commissioners.

3.5.3.3. Members of the Planning Board shall not vote on recommendations regarding any UDO text amendment or zoning map amendment where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the member.



Town of Nags Head

Planning and Development
Department

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MEMORANDUM

TO: Planning Board
FROM: Planning and Development Staff
DATE: October 10, 2001
SUBJECT: Hotel/Motel Development Incentives

Over the last several months, the Board of Commissioners has been discussing the issues surrounding the demolition of hotels and the replacement of these hotels with large single family houses. More importantly, the Board has been concerned with the loss of diversity in seasonal housing accommodations for our visitors. In part, this concern is stated in our Land and Water Use Plan 2000 under Chapter 15. Housing, which states, *While single-family homes are the primary form of accommodation, the Town shall seek to encourage a wide range of compatible accommodations and housing densities for our residents, workers, and visitors.*

With this in mind, Staff was asked to present some ideas concerning incentives for the development of new hotels/motels. The attached list is a beginning point for discussion with you, the Board of Commissioners, public safety officials, and perhaps hotel owners and developers. At this point, it is Staff's understanding that we would all meet at our regularly scheduled Planning Board meeting in November to review these and any other incentives that would meet our interests. This meeting would occur **Tuesday, November 20, 2001**, after the conclusion of our regular agenda items.

GF

Robert W. Muller
Mayor

George Farah, III
Mayor Pro Tem

J. Webb Fuller
Town Manager



Douglas A. Remaley
Commissioner

R. Brantley Murray
Commissioner

Paula E. Flynn
Commissioner

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MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: J. Webb Fuller

DATE: September 25, 2001

RE: DISCUSSION OF HOTEL/MOTEL DEVELOPMENT INCENTIVES
- FROM SEPTEMBER 19, 2001, BOARD MEETING

At the September 19, 2001, Board of Commissioners meeting, staff was directed to prepare in memo format the list of hotel/motel development incentives briefly discussed. These incentives were prepared as a result of a meeting with hotel/motel owners/developers and are not necessarily advocated by staff. This information is provided for further Board discussion at the October 3, 2001, Board of Commissioners meeting.

1. Modify setback/height ratio
Currently the setbacks for hotels are either 1.75 or two (2) times the height of the largest building on the site. For an allowed 60-foot-tall building, this would mean either 105 or 120-foot setbacks on all four (4) sides of the hotel.
2. Modify requirement for fire lanes on all four (4) sides of building
Depending on public safety concerns, the Town may want to delete, on oceanfront lots, the easternmost fire lane. In addition, required parking areas may also serve as staging areas if approved by the Fire Department.
3. Modify use between lot line and setback line; may only be used for open space at this time
The setbacks noted in item #1 cannot be used for accessory buildings. Parking can occupy only 10 percent of the setbacks on the north and south sides of the buildings and 50 percent on the east and west sides.

4. Review increase in density of rooms per acre
Currently, 16 units are permitted for the first acre and 20 units are permitted for each additional acre.
5. Modify existing requirement that oceanfront access be provided
For other than oceanfront hotels, all other hotels must provide private oceanfront access that is within 3,000 feet of the proposed hotel site plus some on-site parking.
6. Modify 40% lot coverage
The maximum lot coverage for oceanfront hotel development is 40 percent while the maximum for hotels in other commercial zones is 55 percent. Increase in lot coverage on the oceanfront could be accommodated with larger retention areas for the increased stormwater runoff.
7. Modify parking requirement from 1.2 spaces per unit to 1 space per unit
(No comment, but we should study this.)
8. Modify/add allowable improvements to existing structures
We could amend our zoning ordinance specifically to address nonconforming hotels and allow for improvements to exceed the maximum 50 percent threshold. However, we cannot go beyond the limitations imposed by CAMA and/or FEMA if their regulations are being impacted by these improvements.
9. Assistance to hotel/motel employees to get to/from business; possible suggestion is for town to enter into transportation system to provide for workers or create some type of dormitory facility or on-site residency
(No comment.)
10. Adjustment to fee schedule
This is not strongly supported by Planning Staff but is an alternative.
11. Create expedited site plan approval process accompanied by fee reduction
To expedite the approval process, we could consider (1) Planning Staff and other department review only; (2) Staff and Planning Board review or leave it as it is and omit the now required "pre-application" conference with the Planning Board. The minimum turn-around time for all approvals is about three (3) months.
12. Development of a new hospitality position to work with hotel/motel industry
This would be similar position and would have similar duties as an "economic development director" except that this individual would work specifically with the hotel-motel industry to stimulate the development of more hotel-motel accommodations.
13. Review possibility of town partnering with other entities for development of a conference center
The Town could seek a partnership with another public or with various private entities including the hotel-motel industry to develop a conference center and hotel.
14. Development of new cottage court ordinance

Currently cottage courts are not a permitted use. Cottage courts represent an historical use off accommodation. Cottage courts offer an alternative form of accommodation at a higher land use intensity than single family and are generally one and two story buildings.

**TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
REGULAR SESSION
March 3, 2004**

The Town of Nags Head Board of Commissioners met in the Board Room at the Nags Head Municipal Complex at 9:00 a.m. on Wednesday, March 3, 2004.

COMRS PRESENT: Mayor Robert Muller; Mayor Pro Tem Brant Murray; Comr. Anna Sadler
Comr. Wayne Gray; Comr. Bob Oakes

COMRS ABSENT: None

OTHERS PRESENT: Town Manager Webb Fuller; Town Attorney Ike McRee; Deputy Town Manager Rhonda Sommer; Jim Northrup; Tim Wilson; Bruce Bortz; Courtney Gallop; Andy Garman; Charlie Cameron; Butch Osborne; Dave Clark; Roberta Thuman; Shane Baum; Don Hutson; Thurman Cartwright; Jim Fleckner; Mark Kasten; Jay Overton; Colleen Oaksmith; Kerry Oaksmith-Sanders; Bob Sanders; Bill Owen; Charles Evans; Sonny Cobb; Susie Walters; Chuck Blazek; Mike Kelly; Sammy Moore; Constantine Zinovis; Bobby Owens; Harry Thompson; Tim Midgett; Archie Mann; Charlene Heroux; Renée Cahoon; Susan Boncek; Camille Lawrence; Jeanne Acree; Dave Masters; Dru Ferrence; Isabel Cooper; Wayne Hardesty; Louanne Woody; Eddie Goodrich; Nellie Rose; John Eisenlour; Kerstin Everhart; Thomas Sloate; Jim Edwards; Mollie Harrison; Ralph Calfee; Bill Meredith; Al Hibbs; Kay Hibbs; Jo Fessler; Mary Allen; Harvey Houck; Sandra Houck; Charlie Gerber; Pat Gerber; R. L. Couch; A. Crew; Margaret Scott; Don Hutson Dave Masters; Bob Edwards; Dolores Fisher; Dreanne George; Rose Dugger; Carol Clawson; Lanette P. Waters; Dane Eikum; Richard Broyhill; Ann Hines; Don Simpler; Margie Sheffield; Jackie Stefan; Jennifer Frost; Richard Jencen; Matt Artz; Julie LeDeux; and Town Clerk Carolyn Morris

Mayor Muller called the meeting to order at 9:05 a.m. followed by a moment of silent meditation and the pledge of allegiance.

AUDIENCE RESPONSE – DAVE MASTERS

Dave Masters, Nags Head resident, addressed statements made by Comr. Sadler at the January 21, 2004, Adjourned Regular Session; 1) he disagreed with Comr. Sadler's comments that at the November 19, 2003, public comment period on hotels, 45 minutes were spent for the first four (4) speakers – he stated that a review of the videotape indicated that this time was incorrect; at the November 19, 2003, meeting, some individuals left before making their comments, Mr. Masters suggested that staff review the sign-up sheet from November 19, 2003, so that those that were unable to speak at that time may speak first at today's public hearing, if desired; 2) he disagreed with Comr. Sadler's comments concerning what the public knows; he requested that the Board discuss diversity and economics during today's public hearings, he questioned if the Board planned to discuss other issues such as mom/pop hotels, affordable housing, etc.; he feels that the economics of any proposal is based on data and he requested that the public be furnished with that economic data

‘(amended October 6, 1999) (amended April 4, 2001) (amended March 3, 2004)’

A copy of the Public Works job descriptions for Water Plant Superintendent and Deputy Public Works Director/Public Facilities Maintenance Supervisor, as approved, are on file in the Town Clerk’s office.

The memo from Mike Kelly dated February 4, 2004, naming the paved area in Carolinian Circle, as approved, read in part as follows:

"Enclosed is a survey for a cul-de-sac surrounded by four (4) lots. The cul-de-sac is on the north side of Carolinian Circle. I own lots J, K. & L or three (3) of the four (4) facing the cul-de-sac.

"I would like to name the paved area Cajun Tuna Court. I have researched street names in Nags Head and find no conflict or similarity of right-of-way descriptions."

The memo from Rhonda Sommer dated February 24, 2004, concerning ATV replacements, as approved, read in part as follows:

"Upon recommendation of the Fleet Maintenance Supervisor, ATV's 472 and 481 are too deteriorated by rust to remain in service for the upcoming summer season for use by the Town of Nags Head Department of Public Safety. The typical service life of an ATV is five years. These ATV's, however, did not have the undercoating/rustproofing that is on the newer models, therefore it is not anticipated that this problem will shorten the lives of the other ATV's.

'At this time, approval is requested to authorize the purchase of two replacement ATV's at an estimated purchase price of \$3950 each to be financed over three years with first year lease payment of \$2,901 at 5% or \$2,793 at 3% financing. Funding suggested for this purchase from Article 44 Sales Tax revenues in excess of the budgeted amount.

'Director of Public Safety Charlie Cameron can address any specific questions you may have about these ATV's."

PUBLIC HEARINGS

PUBLIC HEARING to consider proposed amendments to Section 22-307 C-2 General Commercial District of the Town Code relating to hotel development standards and to create Section 22-357 Hotel Overlay District to establish a new zoning overlay district with additional standards for hotels within its geographic boundaries

Planner Andy Garman summarized the Planning Board and Planning and Development staff memo dated February 23, 2004, which read in part as follows:

"On December 8, 2003 the Board of Commissioners and the Planning Board participated in a combined workshop to discuss hotel zoning amendments. The basis for this discussion included the proposed hotel zoning amendments that were considered at the December 3, 2003 Board of

Commissioners meeting. Based on input provided at this meeting and at the direction of the Board of Commissioners, staff has included the attached hotel proposal for review. This proposal includes changes to existing hotel standards in the C-2 zoning district and the creation of a new hotel overlay zoning district. The hotel overlay district includes the C-2 zoning district from just south of the Village at Nags Head to Whalebone junction. This area was selected due to its commercial nature and also due to its proximity away from Jockey's Ridge and the lower density residential neighborhoods north of the Village. To allow for larger hotels, the height and lot coverage standards have been increased within this district. Two options for height and lot coverage standards have been included for the Board's consideration. Standards have been modified for all other areas within the C-2 district to include smaller scale hotels not exceeding 35 feet in height.

'As was discussed at the workshop, no changes to the Commercial Residential (CR) District are being proposed at this time. While new hotel development in the CR District is questionable, there are a number of existing hotels/motels in the CR that could possibly benefit from a number of the changes being proposed in the C-2 District. Staff has recently been presented with possible expansion plans of an existing hotel property in the CR District that could be accomplished with changes to setback regulations. Staff would support minimal changes to the CR and Village Hotel regulations primarily to help existing properties.

'Staff, at the direction of the Board of Commissioners and in conjunction with Cahoon and Kasten Architects, has prepared several models to help understand the impacts of the proposed ordinance amendments. These models show the potential build-out scenario of a hypothetical hotel site under existing regulations and under each of the proposed options. Briefly, the models illustrate the impact of changes to density, setbacks, height and lot coverage. Staff has included these models for your review and will elaborate further upon the models at the upcoming meeting.

'Planning Board Recommendation:

At their regular meeting on January 20, 2004 the Planning Board by a 5-1 vote recommended approval of the proposed ordinance as presented selecting option a1/b1 under Section 22-357(c)(1) of the proposed ordinance which provides for a maximum top plate measurement height of 60 feet and a total maximum structure height of 70 feet, and a maximum total lot coverage of 65% which may be increase to a maximum of 75% when open-face pavers are used. Mr. Oaksmith voted against the motion as being opposed to any type of height increase."

Notice of the public hearing was published in the *Coastland Times* on Thursday, February 19, 2004, and on Thursday, February 26, 2004, as required by law.

Architect Mark Kasten, Cahoon and Kasten Architects, presented and summarized various hotel models.

Mayor Muller thanked Mr. Garman, Mr. Kasten, and Comr. Oakes who worked together on the preparations for the hotel/motel modeling.

Mayor Muller noted that the hotel/motel regulation issue has been a divisive issue and he recognizes that everyone interested in this issue is also interested in the Town; he believes that the Town's vision to include a common love of the Outer Banks is shared by all present. He asked speakers to limit their discussion to the hotel proposal only and while there was no time limit to please be as brief as possible.

Mayor Muller announced the public hearing open at 9:47 a.m.

Susie Walters, Nags Head resident, distributed packet to each Board member to include a petition signed by over 700 persons; the petition supports the existing height limit of 60 feet; she thanked the Board for the opportunity to speak and taking time to gather citizen input; results of workshop are a compromise, however, most residents support the current land use plan and single family homes and do not want Nags Head to be a town of high density hotels/motels; she requested that the Board not alter the current height limitation of 60 feet.

Chuck Blazek, Nags Head resident, fully supports hotels and feel that some ordinance changes may help to draw some new hotels to Nags Head; he does not support increasing height from the current 60 feet limit; site plan #2 of the hotel model was most favorable; the changes proposed allow for a bigger hotel without increasing height; the signatures on petition presented indicates that citizens and property owners want height to remain at 60 feet.

Mike Kelly, Nags Head resident and businessman; he distributed packet to Board members; he wants what is best for Nags Head in the long term and tourism is the Town's economic development; Nags Head needs new hotel development – a few more sites, not a lot; this is needed to meet what is required for the new traveler in 2004; no one wants Nags Head to become a Virginia Beach type of community; he accepts the 60 foot height limit and can live with that if it assists in more hotels coming to the area; he is not an advocate of the overlay district; agrees that changing Land Use Plan is needed; many want to just spend a few days in Nags Head; restaurants generate approximately 45 million dollars in sales each year in Nags Head; the food industry is being adversely affected by the loss of hotel/motel rooms; he wants the Town to be the visitor's primary choice of the Outer Banks; he thanked the Board for allowing community input on this very important issue.

Constantine Zinovis (Gus); Nags Head resident and owner of Mulligan's Grille; has no specific opinion on the height of hotels – he is more interested in encouraging more hotel/motel rooms to be built in Nags Head; within ½ mile of his restaurant he has lost approximately 150 rooms in the past several years – rooms that help to sustain his shoulder season; there needs to be initial accommodations for couples.

Bobby Owens, Nags Head resident, member of State Utilities Commission and former Dare County Commissioner; Mayor Muller thanked Mr. Owens for attending today's public hearing; Mr. Owens stated that the reality is that residents enjoy the quality of life they have because of tourism; people and taxes will come no matter what; he is in total support of 60 fee hotel height with adequate setbacks; he spoke of hotels in the past that got Nags Head off on the right foot many years ago, i.e., he feels the big-name chain stores are ruining the quality of life; taxes paid by the tourist are 32% of the revenue of Nags Head, i.e., outside money pays a lot more than what property taxes do; he feels that Nags Head has done good job of controlling growth; he questioned where the weekender/overnighter is going to stay when they have been priced out of the market; he concluded that there should be hotels/motels although not over 60 feet in height; adequate planning will prepare a proper footprint for future growth of Nags Head.

Harry Thompson, Nags Head resident; feels strongly that current 60 feet height limit for hotels/motels should not be changed; the proposals contain hotel height in excess of 60 feet – he recommended that these proposals be disapproved; he recommended that the Board vote on each

individual item proposed to be modified other than height; suggested that staff forward correspondence to all the hotel chains on the expressing the Town's need for new hotel/motel development; he feels if the Town goes into aggressive mode will obtain proposal that will not alter current flavor of Nags Head.

Tim Midgett, chairman of Outer Banks Visitors Bureau (OBVB); spoke on behalf of the OBVB; they recently adopted a resolution in support of the need in Dare County for more hotel rooms; there has been a 40% reduction in hotel rooms county-wide over the past decade and that it is reaching a somewhat critical situation.

Archie Mann, Nags Head resident; his biggest concern on the Town and the Outer Banks is related to sewage issues.

Renée Cahoon, former Nags Head Mayor and current Dare County Commissioner, spoke as Nags Head resident on behalf of her sister Charlene Heroux and their local business; as local business people, there is a need for hotels/motels; after seeing the effects of Hurricane Isabel, weekend visitors are needed; there seems to be a trend of going to houses which bring in great income via occupancy tax but there are also those that come to the area for less than a week; reservations for long holiday weekends are needed; as a local business person, she encouraged the Town to work with developers to allow hotels; the Town does not need cookie cutter hotels but needs hotels that fit the area.

Susan Boncek, Nags Head resident and business owner of Sandspur Cottages; she knows that the Town has always had leaders to make decisions as the situation warranted; feels the Town is shifting from a well-known tourist destination to a suburb of Kill Devil Hills; this is even more so now that families are moving so their kids so they will not be bused to Manteo; with the present trend she is worried that tourists will visit other areas; she asked the Board to do what is necessary to keep Nags Head as a tourist destination; one or two hotels will not turn the Town into a Virginia Beach but will replace some lost hotel rooms and will keep Nags Head a viable flourishing community.

Camille Lawrence, Nags Head resident and business owner; she agrees with maintaining the existing 60 foot height limit but agrees to the other modifications to the ordinances that would encourage hotel/motel development; more people will come if there are more nice places to stay at a reasonable price; she feels that density in a row of large houses is as high or higher than in a moderate-sized hotel.

Jeanne Acree, Nags Head resident and former Nags Head Commissioner; agreed with Bobby Owens' comments; she noted that the Town purchased the Catfish Farm on the west side of the bypass to keep it from being developed and to maintain open space; she asked the Board to not spend all the money on one side of the road.

Dave Masters, Nags Head resident; he has not heard any support for hotel height over 60 feet and he supports no height increase; he has some questions about the proposed overlay district; he suggested that consistency be maintained in the proposals as a lot of different words are used that mean the same thing; the verbiage should be consistently used in the ordinance; he suggested that the wording for the overlay district be modified to allow hotels to furnish to/from public ocean transportation to beach accesses for guests and not limit access to within 300 feet of the hotel; he feels if overlay district is needed then the proposal should allow for transportation.

Dru Ferrence, Nags Head resident; added another page to the existing petition distributed by Susie Walters with over 700 names; if the Board cannot return to the 35 feet town-wide height limit, then would not want the height limit to every go above 60 feet; she displayed the "stewardship" definition on the screen and stated that the Board is the Town's steward and it is the duty of the Board to protect the Town; she is a retiree which she does not feel is an "age" issue; she went to other areas but did not like it and always returned to Nags Head; she displayed on the screen the current issue of National Geographic Traveler magazine which indicates that the Outer Banks is in the category of "Getting Ugly" from becoming overbuilt.

Wayne Hardesty, General Manager of George's Junction Restaurant; first time he came here 20 years ago his neighbors were people who operated cottage courts and hotels; his property is being affected dramatically by the loss of hotel/motel rooms; overnight/weekend guests are the bread/butter for the food industry; those that stay in the large houses do not eat out as much which in turn affects the tax rates; he would like to see the Board encourage existing hotels/motels to be improved and to encourage new hotel/motel development.

Louanne Woody, Nags Head resident; she has not heard anyone say that Nags Head should not change as everyone knows it will continue to change and evolve; feels the proposed setback/lot coverage modifications and maintaining the existing 60 feet height limit would allow for more hotel development; she agreed with Mr. Masters' proposed ordinance changes; she would like to encourage the proposed modifications to that existing hotel/motels can improve their facilities.

Eddie Goodrich, Nags Head developer and has a contract on a Village at Nags Head property; he has developed many multi-family lots/subdivisions in Nags Head; he is currently developing land in Kill Devil Hills for an assisted living facility; no one spoke against hotels today as everyone knows they are needed; he was the original applicant who asked for height to be increased to 90 feet and today he is asking the Board to limit the height to 60 feet; agreed with modifications for lot coverage and allowance of asphalt/impervious concrete; he feels necessary permits for sewage should be obtained to help keep open space.

Nellie Rose, Nags Head resident; spoke in favor of maintaining the current 60 feet height limit for structures.

John Eisenlour, owns Bacu Grill in Nags Head; agrees with 60 feet height limit; he encouraged the Board's motivation of hotel/motel development in the Town.

Kirsten Everhart, owns Bushwacker's Restaurant in Nags Head; encouraged hotel/motel development as this type of development is needed; encouraged the Board to work with developers and not kill the spirit of those wanting to build hotels/motels; she is a firm believer that hotel/motel development is needed in this area.

Jim Edwards; owns Traveler's Inn Motor Lodge; Hurricane Isabel affected his Inn and he has not completely recovered; he reminisced about this area years ago; he is in support of the existing height limit of 60 feet; Isabel removed his roof but he was required to put back his flat roof which he was not happy about as he wanted to install a different, better-looking style roof; many people will continue to go to the small hotels for the service they receive; he is not sure which direction to advise the Board to go other than going "up" is not the way to go as he prefers the smaller hotels.

Molly Harrison; Nags Head resident; agrees with most persons present and does not want to see any height increase; she asked the Board to consider moving the overlay district further south so it will not include her district, at Lakeside Drive, which is residential.

Ralph Calfee, representing Forbes properties and soundside of Nags Head; existing Town Code has punitive standards which has prohibited hotel/motel development; when things were the way they were years ago hotels/motels could be built but changes adopted since then limits this type of development; he feels that the proposal does allow reasonable standards for hotel/motel development but still allows Town control; he supports the Planning Board recommendation of 60 feet to the top plate and supports an additional 10 feet allowance for an architectural roofline (not additional living space) to make building more attractive; there are currently hotel/motel developers interested in building in Nags Head but cannot come into today's punitive ordinances.

Bill Meredith, Nags Head resident and owner of WaterWorks business; his site could be used for a hotel/motel business; the trend has been single-family houses and feels this is why National Geographic Traveler magazine feels the area is becoming ugly; he has an issue with those that do not want tourists because of all the advantages tourists allow the Town; he feels the Town has sections that are getting ugly but feels easing restrictions to encourage more hotel/motel development will not make it uglier; if there is some way to use the Village wastewater treatment plant, it would be advantageous; feels the Town should reward with points in lot coverage, i.e., benefits for doing the right thing.

Jennifer Frost, Nags Head resident; stated that years ago there were not tourists - there were guests; years ago there were mom and pop stores and no chain stores; feels that we do need to replace the hotel/motel rooms that have been lost; she encouraged the use of incentives without destroying the Town; Nags Head is a connecting area to other towns; she urged the Board to approve a 60 feet height limit for the top of the roof – not for the top plate.

Richard Jencen, Nags Head resident; as a retired architect he feels obligated to speak after today's presentation; he does not understand why the presentation was so one-sided, i.e., why were only the ideal conditions portrayed; he questioned why the examples shown were only on the west side of the beach road – Mayor Muller explained that the only changes being considered were for the west side of the beach road; he said that developers will maximize all ordinance limits and he is not concerned about the National Geographic Traveler magazine as they have their own agenda as does everyone; he is not against hotels but feels they should be restricted as to their location and they should be exactly what is desired, i.e., the Board should adopt limitations and stick to them.

There being no one else present who wished to speak, Mayor Muller announced the public hearing closed at 12:03 p.m.

RECESS FOR LUNCH

Mayor Muller recessed the Board for lunch at 12:14 p.m. and scheduled it to reconvene at 12:45 p.m.

RECONVENE FROM LUNCH

The Board reconvened from lunch at 12:45 p.m.

Continuation of hotel/motel development standards discussion

Board members discussed the hotel/motel proposal in detail.

It was Board consensus to:

- Keep the Hotel Overlay District
- Allow no structures over 60 feet in height; no desire to allow an additional 10 feet from top plate
- Within Overlay District, allow 70% lot coverage plus 10% if use open face paving block
- Board will look at porous asphalt and concrete at a later time
- Investigate geoweb as an alternative to treat as paving block and open face paving
- Increase proximity to beach access from 300 to 500 feet
- Keep setbacks as listed in the proposal
- Leave 50% of the sideyard undeveloped – not to exceed 10 feet
- Fire lane on all sides of structure
- Public Safety to develop fire safety plan
- Allow valet parking where desired
- Fifty percent required parking on-site and remainder allowed off-site in C-2 zone - remove 300 feet limit
- Septic treatment onsite and drainfields offsite within 300 feet of hotel and lot coverage calculated individually

MOTION: Mayor Muller made a motion to adopt the proposed hotel/motel ordinance as presented with the following changes:

Part I – para (j) – Public Safety Department - delete "(public safety to develop standards)"

Part I – para (t) – Proximity to ocean beach access - change "300 feet to ocean access" to "500 feet to ocean access"

Part I – para (y) – Off-site parking - delete "Such parking shall be located no more than three hundred (300) feet from the hotel parcel and a sidewalk shall connect the remote parking with the hotel it serves and shall not cross US 158 or NC 12."

Part I – para (z) – Off-site drainfield - add narrative indicating that wastewater treatment system may utilize off-site drainfield as long as off-site location is within C-2 zoning district and no farther than 300 feet from lot where hotel is located; lot coverage calculations for each lot are to be evaluated individually (from property line to property line)

Part II – para (c) (1) (a) – Hotel height - maximum height of structures shall be 60 feet – delete "However, a structure shall be allowed a maximum total height of seventy (70) feet provided that the top plate measurement does not exceed sixty (60) feet."

Part II – para (c) (1) (b) – Lot coverage - keep as proposed, i.e., adopt para (b1); do not adopt paras (a1) and (a2)

The motion was seconded by Comr. Sadler which passed unanimously.

A copy of the hotel/motel ordinance, as adopted, is attached to and made a part of these minutes as shown in Addendum "C".

Discussion of red light cameras - Public Safety Department

The memo from the Director of Public Safety, dated February 23, 2004, read in part as follows:

"Mr. Jim Fleckner, Traffic Engineer, for the City of Wilmington, North Carolina, will make a presentation to the Mayor and Board of Commissioners regarding the Red Light Camera Program in the City of Wilmington. Mr. Fleckner has been the coordinator of the City of Wilmington's highly successful red light camera program, which is known as "Project SafeLight," since the project was implemented in March of 2000. He presently continues to serve as the program's coordinator.

'Following Mr. Fleckner's presentation, he, along with the Director of Public Safety, will be available to answer questions that the Board of Commissioners might have.'

Public Safety Director Charlie Cameron reported on traffic accident fatalities that occurred at the Deering Street Post Office intersection last year. Chief Cameron introduced Jim Fleckner, City of Wilmington Traffic Engineering Manager.

Mr. Fleckner provided a powerpoint presentation on the SafeLight program and distributed a handout to Board members. He stated that the SafeLight program has been proven to reduce the number of people who run traffic signals and the injuries caused.

Mayor Muller feels this is an enormous problem in the Town and he would like to see staff investigate this program further.

Chief Cameron explained that the Town has enabling legislation but would need to adopt a local ordinance placing the program in effect; he stressed that the program is not an issue for revenue for the Town – it is much more an issue of safety. Chief Cameron said that he feels that the citizens would be well served provided a public education program is administered first.

It was Board consensus that the red light camera program be investigated by staff for further review by the Board at the April 7, 2004, Board meeting. Staff is to provide a recommended list of intersections to be included in the program.

Board members thanked Mr. Fleckner for his presentation which was well received.