

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, August 11, 2026 - 6:00 PM

Council Chambers, 1121 N. Lake Park Boulevard, Carolina Beach, NC



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 6:00 PM, followed by the invocation by Mayor Pro Tem LeCompte and Pledge of Allegiance.

PRESENT

Mayor Lynn Barbee
Mayor Pro Tem Deb LeCompte
Council Member Jay Healy
Council Member Wayne Rouse
Council Member Vince Losito

ALSO PRESENT

Town Manager Bruce Oakley
Deputy Town Manager Ed Parvin
Finance Director Debbie Hall
Town Clerk Kim Ward
Town Attorney Noel Fox

ADOPT THE AGENDA

ACTION: Motion to adopt the agenda

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

CONSENT AGENDA

1. Resolution Authorizing the Town of Carolina Beach to Submit a Grant Application to the Wilmington Urban Area Metropolitan Planning Organization (WMPO)
2. Set a Public Hearing for September 8 to Consider a Modification to Conditional Zoning Ordinance 21-1156 for PID R08814-003-015-000 to Update the Outdoor Amenity Areas and Allow for 10% of the Residential Units to Be Short-Term Rentals
Applicant: The Proximity at Carolina Beach
3. Budget Amendments for Carryovers
4. Year-End Budget Transfers FY26
5. Budget Amendments/Transfers FY27
6. Consider Amending the 2026-2027 Rates and Fees Schedule – Off-Duty Police Officer Rate
7. Contract Award and Budget Transfer - Harbor Master Office

8. Approval of Council Meeting Minutes

Regarding the budget amendments for carryovers, Mayor Pro Tem LeCompte highlighted several upcoming harbor-related capital projects as well as a paving project.

ACTION: Motion to adopt the consent agenda

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

SPECIAL PRESENTATIONS

9. Events Update by Tim Murphy

Community Services Manager Tim Murphy introduced a special event application received for October 31 from Allison Parker of The Dive.

Ms. Parker presented the proposed Halloween events, noting that SeaWitch is closing this year and describing a need to fill the gap in offering options for the holiday.

Mr. Murphy said the events would be held on Raleigh Avenue in the alley next to The Dive, using a similar footprint to a previous event held by the Carolina Beach Mural Project.

Ms. Parker outlined a two-phase format: a Family Fun Fair 4:00-7:00 PM featuring games such as apple bobbing and mini golf with no outdoor alcohol and an adult-oriented second phase, "Spirits in the Alley," 8:00-11:00 PM with a live band and alcohol service that includes two Police Officers stationed at each entrance. After 11:00 PM, the event would continue inside with a DJ.

ACTION: Motion to approve the Halloween event as presented

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Mayor Barbee added an item to recognize Wayne Hartsell for 30 years of service on the Board of Adjustment.

Council Member Rouse spoke to Mr. Hartsell's broader service to the Town, noting his many years on the Police Advisory Committee and crediting him as the driving force in working with the N.C. Department of Transportation (DOT) for the installation of crosswalks in the Town.

Mr. Hartsell gave thanks and encouraged community members to step forward and serve.

10. Manager's Update

Mr. Oakley gave an update on various projects:

- Welcome sign: The Town is working with DOT on an encroachment agreement and has issued a purchase order for the sign, with a target of installation this fall.
- Lake Park pump house: A ribbon cutting and public educational event is planned for the last week of August or first week of September.
- Bond projects
 - Well 15H and vessel: This has gone out to bid and permits are in hand, with construction expected to begin next month.
 - Stormwater force main: This project is fully engineered and bid, and a meeting with Military Ocean Terminal Sunny Point (MOTSU) is scheduled for the following week.
 - Advanced Metering Infrastructure (AMI): This is underway with beta testing ongoing, with a target completion of October.
 - Street sweeper: This has been purchased and is in use.
- Lake Park Boulevard sidewalk: Engineering for this project, funded jointly with DOT, is expected to be complete in December with a bid to follow and a targeted construction date sometime in winter. Mayor Barbee said the sidewalk will go from Lake Park to Spartanburg Avenue, and Mr. Oakley said the project will include a crosswalk at Spartanburg Avenue.
- Freeman Park land management: An open house is scheduled for August 24 with three sessions – 10:00 AM, 2:30 PM, and 5:30 PM – for public input. The survey received over 1,100 responses. Mayor Pro Tem LeCompte noted that staff will present first, so attendees are encouraged to arrive at the beginning of each session.

Council Member Healy expressed thanks for the stoplight by Hoplite, reporting it is finally complete and working well.

Council Member Healy asked about the Saint Joseph Street multi-use path. Mr. Oakley confirmed the project had received State stormwater approval and is expected to go out to bid by fall.

Mayor Pro Tem LeCompte asked if the Town is still waiting on the crosswalk at the new stoplight by Hoplite. Mr. Oakley said he will follow up with DOT about this. He noted that pedestrian signal heads have not yet been installed on the signal but indicated they may use timed signals rather than push-button activations.

PUBLIC COMMENT

Kim Lassiter of 1320 Bonito Lane described a safety issue stemming from construction on adjacent properties, stating that contractors arrived without warning in HAZMAT suits and began spraying chemicals that entered her home. She also noted that contractors removed her neighbor's fence without permission and left nails in the street. In addition, Ms. Lassiter described a situation in which a neighboring construction project broke her water line, causing a slow leak from February through July that went undetected due to her auto-pay arrangement. She requested that the Town develop a system to notify nearby residents before demolition or construction begins and offered her time and resources to help develop such a program.

Kristen Dunn of 907 Ocean Boulevard requested updated financial information from the Town's parking vendor, Pivot Parking. She stated she first asked for this a year ago but had submitted a new

public records request in early July, followed by a formal request on July 22 and contacting three Council Members, with no luck so far. Ms. Dunn reported that when she contacted Pivot directly, a representative told her the numbers would have to come from the Town. She noted that the last contract renewal was in September 2024. Ms. Dunn expressed concern that golf cart owners are permitted to park in oceanfront lots while residents in other vehicles with Town decals are not, describing this as creating “two classes of citizens.” She urged Council to schedule a public session on parking before the Pivot contract comes up for renewal. Mayor Barbee confirmed that parking is on the agenda for the August workshop.

Robert Rosak of Rosak’s Towing returned to address an ongoing issue with his towing company’s inability to get on the Town’s Police towing rotation. He stated he has contacted the Police Department multiple times over the past year and a half and has not received a resolution. Mr. Rosak noted that another tow company recently lost its lot and a replacement company was promptly added to the rotation while his application remained unresolved. He asked for Council’s assistance in getting a fair review. Council Member Healy asked Mr. Oakley whether a comprehensive review of towing rotation procedures could be conducted, and Mr. Oakley indicated it was possible.

Cindy Dunn of 915 Tidewater Lane reported that a bulk email sent to Council Members had been routed to spam or junk folders and asked that the Town verify that the public email contact method is functional. She also raised a general concern about the responsiveness of the Town to public records requests, noting that citizens making legitimate requests should receive timely replies regardless of who is asking. Ms. Dunn specifically mentioned that the Northend Flood Mitigation Alliance had submitted a records request that had not yet been answered as of the prior week. Mayor Barbee acknowledged that multiple emails had been found in his junk folder and that staff would investigate.

Mary Kearney of Goldsboro Avenue proposed installing a traffic signal at the crosswalk near Good Hops Brewing and Dow Road, arguing that the existing flashing lights are insufficient and that drivers regularly fail to stop. She also expressed concern about a woman she described as a daily presence at Lake Park, noting that the individual uses water spigots and bathrooms and parks there all day. Ms. Kearney suggested the Town address the parking duration or direct the individual to other resources such as church parking lots.

Jim Boyle of 1514 Mackerel Lane reported a significant traffic problem on Mackerel Lane, which he described as being used as a throughway by Kure Beach residents exiting the island. He stated that in a one-hour observation, over 75% of vehicles traveled the full length from Ocean Boulevard to Kure Beach, with traffic between Mackerel Lane and Bonito Lane running at five times the normal residential rate. Mr. Boyle noted that he and neighbors had begun a traffic-calming petition in coordination with staff and asked Council to consider broader options, including traffic studies and potential coordination with Kure Beach or DOT to provide alternative routes.

Paul Levy of 1606 Mackerel Lane confirmed Mr. Boyle’s account, noting that he had raised the same traffic issue approximately six years ago with no meaningful result beyond a radar speed camera. He advocated for targeted enforcement using an unmarked vehicle at the Texas Avenue intersection, arguing that the volume of violators would generate sufficient fines to offset enforcement costs. Mr. Levy expressed strong concern about the possibility of a fatality on Mackerel Lane. He also noted his

personal opposition to expanding short-term rentals in residential areas but said he would not be opposed to permitting them at Proximity, but because this separation is not allowed he does not want to see additional short-term rentals at Proximity.

Council Member Healy asked staff to confirm that the Town put in place a traffic-calming process within the past year or two. Mr. Oakley said the traffic-calming petition process is underway, with residents taking the appropriate procedural steps.

PUBLIC HEARINGS

11. Text Amendment to Article 3 Section 3.19 of the UDO to Allow for Temporary Structures Beyond the Pierhead Line
Applicant: Noelle Holdings LLC

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Community Development Director Jeremy Hardison provided background, explaining that the Town established a pierhead line in the early 1980s as a build-to line in the water limiting the extension of piers and docks within Myrtle Grove Sound, intended to protect navigable waters for commercial and recreational use. He said the line was amended in 2012 on the west side near Saint Joseph Street to mirror the U.S. Army Corps of Engineers (USACE) setback line and that currently, no structures are permitted beyond the pierhead line.

Applicant Noelle Holdings LLC, owner of Stoked Restaurant, submitted the text amendment to allow a floating dock structure to encroach up to 5 feet beyond the pierhead line within the Central Business District (CBD), with pilings still required to remain behind the line.

Mr. Hardison then outlined concerns from staff's Technical Review Committee (TRC):

- TRC unanimously opposes adoption of the ordinance for temporary or permanent structures beyond the pierhead line.
- The pierhead line was created to protect navigable waters and allow for private usage on water development; expansions into these waters can have a negative impact on public trust waters.
- The proposed floating dock addition is the tightest pinch point in the harbor.
- Public safety may be affected if the navigational channel is narrowed even more in an already congested area.
- The proposal sets precedent for future development.

Mayor Barbee reminded Council that the proposal is for a text amendment that would apply to everyone in the zone, not just the applicant.

Mr. Hardison said the Planning and Zoning Commission recommended the amendment be subject to a Conditional Zoning (CZ) process, which would require site-specific public notification and review. He

added that the text amendment is not in general conformity with the Coastal Area Management Act (CAMA) Land Use Plan or the Harbor Management Plan.

Rodney Johnson, co-owner of Stoked Restaurant, stated that the primary driver of the renovation is safety because the bulkhead beneath the building is collapsing and several pilings are corroded. He confirmed that both the USACE and CAMA have reviewed and approved the proposal. Mr. Johnson described Stoked as the only dock-and-dine establishment in the Town, noting that it serves as a draw for boaters attending community events including fishing tournaments and the Dragon Boat Regatta. He argued that the proposed straight floating dock would actually improve navigational safety by allowing boats to dock parallel to the channel rather than at a 90-degree angle, keeping vessels tucked in closer rather than protruding into the waterway. Mr. Johnson also noted the current pierhead line actually runs beneath existing portions of the building. He acknowledged that CAMA recommended a 6-foot dock width for accessibility and safety versus the 5-foot minimum in the proposed ordinance text.

Paul Levy of 1606 Mackerel Lane stated he was in support of the amendment, noting that CAMA and the USACE had both approved the proposal and that waterfront restaurant dockage is common in comparable coastal communities. He also expressed support for the CZ approach recommended by the Planning and Zoning Commission.

Former Mayor Bob Lewis of 9024 Sedgley Drive in Wilmington spoke in favor of the text amendment, describing himself as a frequent boater in the area who visits Stoked multiple times per week. He supported the safety and aesthetic improvements and affirmed that the proposed dock layout would tuck in vessels more tightly than the current configuration. Mr. Lewis also thanked the Town for annually providing a parking lot for the Dragon Boat Regatta, which he noted has generated approximately \$150,000-\$160,000 in charitable donations over 13 years.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Council Member Rouse agreed that if approved, the text amendment should be with the CZ requirement as recommended by the Planning and Zoning Commission.

Council Member Losito said this would be great for bringing business to the Town and was well thought out, so he is in favor.

Council Member Healy noted the applicant's work to secure USACE and CAMA approval as a significant indicator of feasibility and said the proposal is cosmetically great for town. He added that Stoked does a lot to bring people to the Town, although Mayor Barbee reminded him that Council is not voting on Stoked specifically tonight.

Mayor Pro Tem LeCompte read from the Land Use Plan's language that states public and private marinas provide recreational tourism and help support local maritime culture and industry.

Mayor Barbee affirmed staff's concerns as valid and expressed appreciation for their work, and he also praised the Planning and Zoning Commission's recommendation to add the CZ requirement as the element that made the proposal workable.

Mayor Pro Tem LeCompte also referenced Land Use Plan language regarding Americans with Disabilities Act (ADA) accessibility at waterfront facilities as further support and said she thinks this fits right in with that.

Mayor Barbee said if Council makes this change tonight, the applicant still must come back to request CZ, so this does not approve Stoked's plan.

Mr. Hardison asked Council to clarify whether they wanted to go with a 5-foot or 6-foot minimum.

Mayor Barbee said he thinks a 6-foot dock is safer to walk on, and Mayor Pro Tem LeCompte pointed out that 6 feet is what the USACE recommends. Council gave consensus to go with the 6-foot figure.

ACTION: Motion that Council, whereas in accordance with the provisions of the North Carolina General Statutes, does hereby find and determine that the adoption of the following text amendment to Article 3 Section 3.19 to allow for temporary structures beyond the pierhead line is consistent with the goals and objectives of the adopted Land Use Plan if it is approved and with Conditional Zoning and extending for a maximum of 6 feet

Motion made by Council Member Rouse

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

12. Text Amendment to Article 3 and Article 7 of the UDO to Add Dog Grooming to the Home Occupation Ordinance
Applicant: Zoey Brass

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Ms. Fox advised Council that a new State session law had taken effect the day before the Planning and Zoning Commission heard this item, effectively prohibiting municipalities from restricting certain no-impact home-based businesses. She recommended that Council allow the applicant to speak and approve the amendment.

Mr. Hardison confirmed that the amendment would modify the home occupation ordinance to allow dog grooming as a permitted home occupation, consistent with the new State law.

Applicant Zoey Brass, owner of Island Dog Grooming, presented her proposal to operate a one-on-one grooming business out of her home at 100 Moorefield Drive. She described her appointment-based service model, noting that clients arrive one at a time. Ms. Brass presented a floor plan showing that her grooming space uses less than 25% of the home's square footage and provided a site plan showing proximity to Highway Business (HB) zoning. She noted that she had spoken with neighboring property owners and received positive feedback.

Ms. Brass also offered constructive feedback on the application process, noting that she was not informed upfront of the ADA compliance requirements needed for County approval, which she only learned of at the TRC meeting after already paying a \$500 application fee and entering into a contract on the property. She asked that the Town improve communication of all applicable requirements at the outset for future applicants.

Paul Levy of 1606 Mackerel Lane expressed support, adding that mobile dog grooming vans are already permitted to operate in the Town and therefore a resident operating a fixed home dog-grooming business should equally be allowed.

Karen Graybush of 518 Sumter Avenue raised a concern that Ms. Brass is required to post ADA-compliant signage outside her home but is not permitted to post a business sign, noting the apparent contradiction and suggesting Council consider whether some accommodation could be made.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Mayor Barbee said if the Town does not allow small home-oriented businesses, then residents will have to drive to Wilmington for services due to the cost of retail space here.

Mayor Pro Tem LeCompte said anything that keeps her from going over the bridge makes her happy.

Council Member Rouse thanked Ms. Brass for doing this the proper way, noting that through this new State law a number of other home-based dog-grooming businesses on the island are now in conformity.

ACTION: Council, whereas in accordance with the provisions of the NCGS, does hereby find and determine that the adoption of the following text amendment to Article 3 and Article 7 to allow for dog grooming in the home occupation ordinance is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans

Motion made by Mayor Pro Tem LeCompte

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse,

Council Member Losito

Motion passed unanimously

13. Consider a Zoning Map Amendment and Text Amendment to Article 3 of the UDO to Rezone 204 Cape Fear Boulevard, 206-217 Cape Fear Boulevard, and 3 South Third Street from Mixed Use (MX) to a New Zoning District Called Commercial Transition (CT)
Applicant: Town of Carolina Beach

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Mr. Hardison presented the proposed rezoning of 10 parcels in the 200 block of Cape Fear Boulevard from Mixed Use (MX) to a newly created Commercial Transition (CT) zoning district. He noted the current parcel mix includes three single-family residences, four vacant lots (one used as a parking lot), two retail establishments, and a motel, with only one property in conformity under the current zoning. Mr. Hardison described the area as a transitional corridor between the CBD and the R-1 residential zone west of Third Street.

Mr. Hardison explained that the Town's 2020 Land Use Plan designates this area as "mixed use commercial," envisioning higher-density development, active ground-floor commercial uses with residential above, a pedestrian-oriented environment, and building heights of four to five stories. He said staff developed the CT district to implement that vision while providing more structure than the CBD and more protection for adjacent residential areas than MX currently offers.

Mr. Hardison reviewed the proposed dimensional regulations: no change to minimum lot size or width, a proposed reduction in the front setback from 20 feet to 5 feet (intended to push buildings toward the street and parking to the rear), no rear setback change (remaining at 10 feet), side setbacks reduced to none for internal lots but maintained where adjacent to a residential zoning district, a maximum density of 29 units per acre (up from 17 under MX), no change to the 50-foot maximum height limit, lot coverage increased to 60% (from 40%), and maximum impervious coverage at 65% (updated from a higher figure that had appeared in earlier drafts). Parking requirements are retained for both commercial and residential uses.

Mr. Hardison noted that in the table of uses, all current MX uses are carried forward, with the addition of eating and drinking establishments. Bars were removed as a permitted use. Landscaping requirements include mandatory street trees for new development and a Type A buffer of 5 feet where a commercial use abuts a residential property.

Mr. Hardison summarized the review timeline: The item was discussed by the Planning and Zoning Commission in June, heard by the Commission at a July public hearing during which no one spoke for or against, brought to a joint Council/Commission meeting in August to hear the Commission's concerns, and revised by staff to address Commission concerns.

Kenneth Jessup of 410 Cape Fear Boulevard addressed flooding and parking concerns. He described his experience being flooded twice on Cape Fear Boulevard, including a flood event in which knee-deep water entered his property within 45 minutes, causing approximately \$75,000 in damage after Town stormwater drains reversed and drained onto his property. Mr. Jessup expressed concern about any increased development density in an area he described as already at maximum infrastructure capacity. He also raised traffic safety concerns on Cape Fear Boulevard, describing it as dangerous due to existing on-street parking and noting a prior fatal accident at a nearby intersection. Mr. Jessup acknowledged the Town cannot roll back existing zoning but urged Council to scrutinize every detail of any development in the area.

Kim Lassiter of 1320 Bonito Lane reiterated concerns raised during public comment about construction impacts on neighboring properties, urging that any new development in the area be conducted with attention to the effects on existing residents' water, sewer, and property. She asked that crews be required to work carefully around neighboring homes and urged the Town to protect its residents.

Paul Levy of 1606 Mackerel Lane stated he generally supports the staff proposal. He raised a specific question about the management of the 50-foot height limit along Third Street, where the proposed CT district borders an R-1 residential zone, suggesting that some additional consideration might be warranted for development directly adjacent to that boundary.

Steve Jaeb of 204 Tennessee Avenue stated he had first heard of the proposal at the joint meeting the prior week and thought it was a lot to process. He said he visited the Town's website and found the documentation difficult to parse. Mr. Jaeb noted that when he walked the area and spoke to business owners, at least one was unaware of the full scope of the proposal. He expressed cautious support for the long-term vision but also concern that the process had moved quickly and suggested that additional time for public awareness might have been beneficial.

Cindy Dunn of 915 Tidewater Lane stated she is not a resident of the affected area but frequents Cape Fear Boulevard. She expressed opposition to several elements: the 5-foot front setback, the increase in lot coverage from 40% to 60%, citing flooding concerns, and the general practice of frequently amending the Unified Development Ordinance (UDO) for incremental changes to an area she noted is already largely covered by MX zoning. Ms. Dunn observed that the only substantive new addition in the table of uses relative to MX is that Planned Unit Development (PUD) becomes available through CZ. She echoed Mr. Jaeb's concern about the speed of the process and urged Council to take additional time for review.

Kristen Dunn of 907 Ocean Boulevard stated her opposition to the rezoning from a property-rights and community-character perspective. As a realtor, she expressed concern about the broader pattern of rezoning and density increases across the County. Ms. Dunn questioned why a new zoning district was being created for an area that is already substantially similar in use to its current designation. She pointed out incremental CBD expansion – what she called “CBD creep” – and suggested that a developer may already be lined up to build on the site. Ms. Dunn noted the application was submitted July 9 and that a vote was occurring approximately one month later. She acknowledged that CZ at least ensures a public hearing for site-specific proposals.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Mayor Pro Tem LeCompte expressed concern about the pace of the process and the number of changes being proposed. She questioned the need to rush and stated that she did not believe one public hearing was sufficient for a rezoning of this magnitude. Mayor Pro Tem LeCompte raised specific objections to the 5-foot front setback, describing the potential for a “canyon effect” on Cape Fear Boulevard. She noted that the Town spent 18 months working on a Land Use Plan that has been changed multiple times since then. Mayor Pro Tem LeCompte questioned the proposed addition of breweries, distilleries, beer shops, and wine shops to the table of uses, suggesting this was inconsistent with a family-friendly character. She also noted that the density increase from 17 to 29 units per acre represents a 71% increase in density. Mayor Pro Tem LeCompte further questioned whether uses in the CT district would be subject to commercial noise regulations, permitting sound until midnight on weekends, rather than the residential standard.

Council Member Rouse pushed back on the characterization that the process was rushed, noting that the Land Use Plan designation for this area was adopted in November 2020 after 18 months of committee work and that multiple Council Members and Planning and Zoning Commissioners had been involved in that process over the prior six to seven years. He acknowledged some concerns with specific elements of the proposal, particularly the front setback, but argued that the math on density is misleading because due to the on-site parking requirements, the actual buildable yield on these small lots would likely be less than what currently exists. Council Member Rouse stated he would not support the 5-foot front setback and suggested 10 feet as a minimum, with flexibility down to 5 feet on a one-for-one trade with height. He expressed opposition to bars, breweries, and distilleries in the table of uses. Council Member Rouse stated he would not vote for the proposal as written but did not believe it was being improperly rushed.

Council Member Healy expressed strong support for the proposal, thanking staff and the Planning and Zoning Commission for their work. He argued the area is an eyesore and that the CT district, by functioning as a buffer between the CBD and residential zones, is actually designed to preserve the Town’s character rather than undermine it. He pointed to the Carolina Beach Market & Deli renovation as an example of how a single improved property can elevate an entire block.

Council Member Losito stated he had initially been inclined to slow down, but after additional research and listening to the Commission’s discussion at the joint meeting, he believed the outcome of further delay would likely be the same. He expressed support for moving forward.

Mayor Barbee said it concerns him that the public feels rushed, but for him it did not seem so. He directed Council’s attention to the comparison chart of MX versus CT regulations. On the front setback, he expressed concern that 5 feet is equivalent to a Boardwalk cafe permit, noting that such permits are often violated, and supported a higher minimum. Mayor Barbee confirmed his comfort with the side

setback reduction and the 29 units per acre, reasoning that parking requirements would be the practical limiting factor. He confirmed his support for the 65% impervious coverage cap and asked Mr. Hardison to confirm that the rear setback and adjacent residential setbacks would remain unchanged. Mr. Hardison said the 10-foot rear setback is retained and that any side of a property abutting an R-1 district would maintain the required setback.

Mayor Pro Tem LeCompte said she still has a concern with the side setback on Third Street.

Council Member Rouse suggested specific amendments to the current proposal: a 10-foot minimum front setback with a 5-foot minimum allowable under a one-for-one height tradeoff and removal of bars, distilleries, and breweries from the table of permitted uses.

ACTION: Whereas in accordance with the provisions of the North Carolina General Statutes, Council does hereby find and determine that the adoption of the zoning map amendment to rezone 204 Cape Fear Boulevard, 206-217 Cape Fear Boulevard, and 3 South Third Street from Mixed Use to Commercial Transition is consistent with the goals and objectives of the Land Use Plan with the addition of a 10-foot front setback with a 5-foot minimum setback with a one-for-one trade on setback for height and also remove from the table of uses bars, distilleries, and breweries; we believe this is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans, and the adoption of this zoning map amendment also amends the future Land Use Plan and meets the vision of the Town Motion made by Council Member Rouse

Voting Yea: Mayor Barbee, Council Member Healy, Council Member Rouse, Council Member Losito

Voting Nay: Mayor Pro Tem LeCompte

Motion passed 4-1

14. Public Hearing for the Financing of Nine (9) Boardwalk Area Properties

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Ms. Hall explained that the Local Government Commission (LGC) requires a public hearing before approving any financing of this nature. She reported that she had solicited proposals from eight financial institutions for a \$10,000,000, 15-year-term loan to finance the nine Boardwalk properties. Two responses were received: one from Truist Bank and one from Webster Bank, the latter described as a newer institution suggested by the LGC.

Webster Bank offered a slightly lower interest rate but included a two-year no-call provision, meaning no early principal reduction would be permitted in the first two years. Truist Bank's proposal allows up to \$2,000,000 in principal reduction in the first two years, which would accommodate the anticipated application of grant funding. Ms. Hall recommended Truist Bank for this reason. She asked Council to approve Resolution #26-2357.

No members of the public came forward to speak.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

Council Members expressed strong support for the acquisition, with Council Member Healy describing it as “probably one of the best investments we've ever made” and Council Member Rouse calling it a “generational opportunity.”

Mayor Barbee noted that the next step is LGC approval, and Ms. Hall noted this is scheduled for September 1.

ACTION: Motion to approve Resolution #26-2357 to accept the terms of the proposal from Truist Bank for a 15-year term

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

COUNCIL COMMENTS

Council Member Rouse requested that staff study whether the 36-foot driveway width standard – plus 3-foot aprons on each side, totaling 42 feet – is appropriate in the CT zoning district, where the intent is to push parking to the rear. He expressed concern that wide curb cuts reduce on-street public parking availability.

Mayor Barbee agreed with this request and expanded its scope to include any area with public parking, noting an example on Cape Fear Boulevard where a double-lot owner took two driveways, effectively consuming the majority of their frontage in curb cuts.

Council Member Rouse also requested that staff review the current ordinance prohibition of accessory structures on vacant lots that are contiguous with but not attached to a primary residential parcel under the same ownership. He noted that several residents had contacted him about this issue, describing situations where landowners who purchased adjacent lots to reduce density are prohibited from adding even a small storage building. Mr. Hardison confirmed the current prohibition and agreed to bring back analysis on both items through the appropriate channels.

ADJOURNMENT

Mayor Barbee adjourned the meeting at 8:20 PM.