

CAROLINA BEACH

Planning and Zoning Meeting

Thursday, August 13, 2026 — 6:00 PM

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



AGENDA

CALL TO ORDER

APPROVAL OF MINUTES

- [1.](#) July 9, 2026 Minutes

STAFF REPORT ON RECENT COUNCIL MEETINGS

STAFF REPORT ON RECENT DEVELOPMENTS

PUBLIC DISCUSSION

PUBLIC HEARING

- [2.](#) Consider a modification to Conditional Zoning Ord. 21-1156 for PID R08814-003-015-000 to update the outdoor amenity areas and allow for 10 percent of the residential units to be short-term rentals. Applicant: The Proximity at Carolina Beach

NON-AGENDA ITEMS

ADJOURNMENT



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Senior Planner

DEPARTMENT: Community
Development

MEETING: Planning & Zoning – August 13, 2026

SUBJECT: July 9, 2026 Minutes

Action:

Approve July 9, 2026 Minutes

CAROLINA BEACH

Planning and Zoning Commission

Thursday, July 9, 2026 - 6:00 PM

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



MINUTES

CALL TO ORDER

Chairman Hogan called the meeting to order at 6:00 PM.

PRESENT

Chairman Jeff Hogan

Vice Chairman Bill Carew

Commissioner Ethan Crouch

Commissioner Lynn Conto

Commissioner Brad Jones

ABSENT

Commissioner Melanie Boswell

Commissioner Todd Piper

ALSO PRESENT

Community Development Director Jeremy Hardison

Senior Planner Gloria Abbotts

APPROVAL OF MINUTES

1. June 11, 2026, Minutes

ACTION: Motion to approve the minutes

Motion made by Vice Chairman Carew, seconded by Commissioner Conto

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

STAFF REPORT ON RECENT DEVELOPMENTS

Ms. Abbotts reported the following during the past month:

Permitting

- 25 permits (renovation, repair, grading, additions, fences, etc.)
 - 3 residential new construction
- 5 certificates of occupancy

Demos

- 504 Alabama Avenue (mobile home)
- 410 South Lake Park Boulevard (bathroom and storage area at Lake Park)
- 515 Harper Avenue (single-family home)

New businesses

- Shoo-Fly Station Vendor Mall, 1140 North Lake Park Boulevard (former Flaming Amy's location)

Updates and upcoming

- Technical Review Committee (TRC) July 7: minor Planned Unit Development (PUD) of 4 units at 1007, 1009, and 1011 South 2nd Street
- Council July 14: text amendment for pierhead line
- Planning and Zoning Commission August 13: Proximity request to allow short-term rentals and modify amenity space

PUBLIC COMMENT

None

PUBLIC HEARINGS

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

Ms. Abbotts presented the proposed text amendment, explaining that it would add dog grooming as a permissible use within the Town's existing home occupation ordinance. She provided background, noting that the applicant, Zoey Brass, currently operates Island Dog Grooming at 915 North Lake Park Boulevard, Suite F, and has proposed relocating the business to her home. However, the current home occupation ordinance does not specifically allow dog grooming as a home occupation.

Ms. Abbotts provided historical context, indicating that the home occupation ordinance has been in place since approximately the 1970s, with notable updates in 1984, 1990, and 2003. The 1990 update added language prohibiting traffic generation and equipment that produces noise, vibration, or glare and permitted up to four students for tutoring, music, or dance. The 2003 update limited commercial vehicles and expanded the allowable dwelling types from single-family homes to any dwelling unit. Ms. Abbotts noted that neighboring communities carry essentially the same language and similarly do not address pet grooming.

Ms. Abbotts outlined the existing home occupation standards, which include a 25% maximum floor area dedication, prohibition of use in accessory buildings, no exterior visibility of the use, no traffic generation, off-street parking requirements, a limit of one non-family employee, no noise-producing equipment, and no off-site display of products. She noted the Town has issued approximately 70 home occupation permits since 2010.

The proposed ordinance language would add that pet grooming shall be permitted only in a completely enclosed indoor area and shall be limited to two animals at a time. A new definition would also be added: "an establishment at which domesticated animals are bathed, clipped, trimmed, or shorn, or

other such non-medical treatment is administered indoors, and no animals are kept on the premises overnight."

Ms. Abbotts reported that the TRC had reviewed the proposal the prior month and supported adoption. The applicant was reminded at TRC that no signage would be permitted, the use would be limited to 25% of the floor area, and that a building permit, change-of-use review, fire requirements, and ADA improvements would be required given that customers would be coming to the home.

Ms. Abbotts noted that the proposed use conforms with the Town's Land Use Plan, which contemplates increasing the ability for residents to work from home.

Vice Chairman Carew asked about specific ADA requirements applicable to a home-based business. Ms. Abbotts explained that a compliant parking space would be required along with a clear accessible path into the home for customers dropping off animals. Vice Chairman Carew asked whether a ramp would be required if the home had steps, and Ms. Abbotts confirmed that would likely be the case.

Commissioner Conto asked whether a groomer's practice of walking out to the customer's car to collect the animal could serve as an accommodation in lieu of installing a ramp or other ADA improvements. Mr. Hardison clarified that the applicable building code requirements would govern wherever the public is permitted to go on the premises. He noted that the key question is where the stopping point for public access is – whether customers walk inside to a counter or whether the exchange happens outside – and indicated that the extent of ADA compliance requirements would be determined based on that answer.

Commissioner Crouch raised the topic of mobile dog-grooming operations, noting a trend of groomers using equipped trailers or vans. Ms. Abbotts confirmed that mobile grooming would be treated differently and would not be subject to this amendment, as it does not involve the operator's home.

Vice Chairman Carew asked whether there was specific reasoning behind the proposed two-animal limit. Ms. Abbotts explained that the figure was derived by staff as a parallel to the existing one-additional-employee limit: If two people are working, each could be handling one animal at a time. She noted that the Commission was free to modify that figure and that the primary concern in setting the limit was noise impacts on neighbors.

Commissioner Jones asked whether this use would be restricted to single-family dwellings or could apply to any residential unit. Ms. Abbotts confirmed it would apply to any residential dwelling unit, including condominiums. Chairman Hogan pointed out that this would be subject to any homeowners association (HOA) restrictions that might apply.

ACTION: Motion to open the public hearing

Motion made by Chairman Hogan, seconded by Vice Chairman Carew

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

Applicant Ms. Brass of 100 Moorefield Drive distributed a handout and walked Commissioners through the proposed workflow: Customers would drop off their dog, the dog would receive services, and the customer would be texted 10 to 15 minutes before pickup. Ms. Brass explained that she would try not to overlap appointments, giving herself time to clean between clients.

Ms. Brass addressed the two-animal limit directly, requesting that the Commission consider raising it to four, noting that she has several clients who bring four dogs at once. She contended that dogs that know each other tend not to bark as much in each other's company and that accommodating multi-dog appointments would also reduce traffic by cutting down on separate trips.

She described the proposed floor-plan layout, indicating that the business area would occupy less than 25% of the downstairs floor area, and provided exact square footage figures for the working area, walkway, and tub area.

Regarding renovations, Ms. Brass clarified that she did not anticipate major construction; her intent was essentially to swap an existing shower for a tub and a sink for another sink, with no relocation of water lines or drain lines, and she therefore questioned whether permits would be required.

On the topic of ADA parking, Ms. Brass showed on her handout a highlighted area where she planned to install gravel to create accessible parking, noting her preference for gravel over concrete due to the island's flooding concerns. She stated that while she has no clients who are wheelchair-bound, she routinely goes out to the car to collect animals from clients who have difficulty getting around and that in practice, most clients with mobility limitations do not come to the door.

Ms. Brass also noted that, based on her research, designating the restroom as non-public might eliminate the ADA bathroom requirement, though she acknowledged uncertainty about whether this was definitively correct. She indicated no objection to fire safety requirements such as extinguishers and emergency lighting and confirmed her awareness of the sign restrictions. Finally, she noted that her property is only one lot removed from Highway Business zoning and that the neighboring property owner had actually been enthusiastic about the idea.

Chairman Hogan asked if anyone from the public wanted to speak on the matter. No one came forward.

Commissioner Crouch directed the applicant to pose her questions about permits and ADA requirements to Town staff rather than Commissioners.

ACTION: Motion to close the public hearing

Motion made by Chairman Hogan, seconded by Commissioner Conto

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

Commissioner Conto expressed that she was genuinely enthusiastic about the proposal and remarked that she was surprised dog grooming had not been included in the Unified Development Ordinance (UDO) when it was previously rewritten. She wished the applicant well.

Commissioner Jones stated that he was in favor of the amendment, noting that a neighbor of his operates a dog grooming business from her home without it being any kind of nuisance and that he believed the use, managed with the proposed standards in mind, would work well.

Commissioner Crouch expressed general support, characterizing home-based dog grooming as a more typical use well-suited to a small-scale home business. He flagged the number-of-dogs limit as a discussion point.

Chairman Hogan said he had no issue with raising the limit to four and suggested a maximum of one additional employee.

Vice Chairman Carew echoed support for the amendment and expressed appreciation that the applicant had come forward to seek the proper authorization rather than simply operating without permission. He indicated four dogs was acceptable and suggested that when the matter goes to Council the limit might be raised further.

Chairman Hogan confirmed his support and indicated no objection to any of the proposed terms.

Commissioner Crouch asked staff whether changing the limit from two to four dogs would present any concerns. Mr. Hardison indicated it would not change the staff recommendation, noting that the two-dog figure had been a staff-driven suggestion at TRC and the applicant had been agreeable to it. Ms. Abbotts asked that the modification be clearly stated in the motion.

Chairman Hogan asked what percentage of the applicant's clients have four dogs and what the typical grooming frequency is. Ms. Brass said she has at least eight clients who have four dogs, and she indicated dogs typically come in every six to 10 weeks, implying that four-dog appointments would not be a frequent occurrence.

ACTION: Motion for approval to amend the Unified Development Ordinance Articles 3 and 7 to allow for dog grooming as a home occupation with the added limit of four dogs

Motion made by Vice Chairman Carew, seconded by Commissioner Conto

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

Chairman Hogan suggested that the motion be redone to match the suggested verbiage provided by staff.

ACTION: Motion for approval; the Commission, whereas in accordance with the provisions of 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 with the additional stipulation that the limit on the number of dogs would be four

Motion made by Vice Chairman Carew, seconded by Commissioner Crouch

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

3. 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

Mr. Hardison presented the proposed zoning map amendment and text amendment, characterizing it as a follow-up to the informal discussion held at the prior month's Commission meeting. He framed the core question as whether the current Mixed Use (MX) zoning remains appropriate for the long-term vision of the Town and for redevelopment opportunities.

Mr. Hardison described the affected parcels, noting current land uses include three single-family residences, four vacant lots (some used as surface parking), two retail establishments, and a motel. He described the character of the area as having on-street parking, sidewalks, street trees, and walkable proximity to the Central Business District (CBD) and beach.

He noted that the Town's Land Use Plan classifies this area as mixed-use commercial with higher-density development, contemplating a mixture of residential and commercial uses, mixed-use buildings with active ground-floor commercial, residential on upper floors, a pedestrian-oriented environment, and buildings of four to five stories.

Mr. Hardison described the surrounding land uses: to the north along Raleigh Avenue, a former AT&T building recently converted to residential use, a multi-family rental complex, a motel, and a parking lot; to the south along Charlotte Avenue, a two-family dwelling, three single-family homes, the new AT&T building on the corner of Third Street and Cape Fear Boulevard, and a parking lot serving the motel on Cape Fear Boulevard.

He explained that creating a new zoning district would require amendments to several sections of the UDO.

On dimensional standards, staff proposed a 5-foot front setback – compared to the existing 20-foot MX requirement – noting that virtually no existing building on Cape Fear Boulevard currently meets the 20-foot setback except one recently constructed single-family home. The rear setback would remain 10 feet from abutting MX-zoned properties. Side setbacks would be eliminated except where the lot abuts a residential district or use, with the intent of accommodating driveways to off-street parking.

On density, staff proposed 29 units per acre, which Mr. Hardison described as a midpoint between the lower-end densities and the higher commercial zones. He noted that the T-1 zoning district currently allows 29 units per acre, making that figure consistent with existing code.

Mr. Hardison said staff can approve a 50-foot height, but the Commission may go beyond 50 feet if the project goes through Conditional Zoning (CZ) approval and installs a suppression system.

On lot coverage, a 60% maximum building coverage was proposed. Staff recommends not having impervious coverage on the rationale that exceeding a certain impervious threshold would trigger a requirement to install an engineered stormwater system to retain runoff on-site.

Mr. Hardison noted that the CBD's parking waiver provision – which allows public parking within 500 feet to substitute for required on-site parking – would not be extended to the CT district.

On the table of uses, Mr. Hardison stated that all uses currently permitted in the MX district would be carried forward into the CT district to avoid making any existing uses non-conforming, with the addition of eating and drinking establishments, specifically excluding bars.

On landscaping and buffering, the CT district would require street trees in front of all properties, and a Type A landscape buffer (5-foot buffer) would be required where CT-zoned properties abut existing residential uses.

For signage, CT district properties would be held to the same standards as the MX district, allowing a freestanding sign up to 20 feet in height.

Mr. Hardison concluded by outlining the Commission's options: forward the proposal to Council as presented, forward it with modifications, or decline to recommend a change at this time. He added that if the Commission wants to continue work on the proposal, staff would look for more specific direction to bring back a revised version in August.

Commissioner Crouch asked whether there is a proposed development plan for any of the affected parcels. Mr. Hardison said there is not.

Commissioner Crouch then asked why the 65% impervious surface cap had been removed and what analysis supports removing that limit in a flood-prone coastal context. Mr. Hardison explained that in commercial districts such as the CBD and Highway Business, a 65% impervious cap makes it practically difficult to accommodate both a building and an associated parking lot. He acknowledged there had been no specific stormwater impact analysis but noted that staff could look into a tiered approach: If a development exceeds 65% impervious coverage, it would be required to install a certified engineered stormwater system to retain runoff on-site.

Commissioner Crouch followed up by asking whether a traffic, stormwater, or infrastructure capacity study had been conducted to support the increase in density from 17 to 29 units per acre. Mr. Hardison said no such study had been conducted but noted that the proposal had been reviewed at TRC and no capacity concerns had been raised.

Commissioner Crouch also raised the question of compliance with a policy in the Land Use Plan, which calls for restraint in district-wide rezonings, characterizing such rezonings as "unadvisable." Mr.

Hardison responded that the policy's intent is to ensure caution and public engagement when upzoning and that any rezoning would, by definition, be an upzoning because State law now prohibits downzoning. He framed the provision as a requirement to bring the public along rather than as an absolute prohibition.

Commissioner Crouch further observed that the stated purpose of the CT district – to “promote modest scale structures” – appears in tension with the proposed standards: a 5-foot front setback, 60% lot coverage, and 29 units per acre do not seem particularly modest compared to existing MX allowances, even if they fall short of CBD standards. Mr. Hardison acknowledged the difference, describing CT as a midpoint between the CBD and lower-density commercial zones and characterizing it as consistent with the Land Use Plan's separate classification and character area for this location.

Commissioner Crouch asked whether any thought had been given to requiring a street-facing landscaping buffer where the CT district faces residential zoning across the street, not only where it abuts residential uses on side or rear property lines. Mr. Hardison noted that across the street would be the same CT zoning and that the only lots with a residential-zoned frontage across the street would be the AT&T building and the corner market. He explained that because a 50-foot right-of-way and required street trees already provide some separation, staff had not proposed an additional street-facing buffer.

Commissioner Conto asked about the timeline of the document's preparation, noting she had observed a creation date of February 23, 2026, on the document, and asked why the Commission had not seen it until the informal discussion in June. She framed her concern in terms of the perceived speed of the process. Mr. Hardison responded that work on the document had been ongoing: staff had received direction from Council, reached out individually to affected property owners, held meetings with them, and taken the proposal to TRC before bringing it to the Commission for discussion and then for a formal hearing. He added that there had been no formal motion or vote by Council and that it had been raised informally as a suggestion to explore whether opportunities existed on those properties.

Chairman Hogan noted that he and other Commissioners had spoken with Council Members informally and observed that many were surprised and appeared to be unaware of the initiative. He also asked whether the Town had previously upzoned an entire area in this manner. Mr. Hardison confirmed it had: the 200 and 300 blocks of Carolina Beach Avenue North had been rezoned from T-1 to CBD for a project called Arcadius.

Vice Chairman Carew raised a concern about stormwater capacity, noting that in his experience since arriving here in 2010 the Town has struggled to manage stormwater in major rain events. He questioned whether it is advisable to increase density and impervious surface coverage when the Town's stormwater system is already strained. Mr. Hardison acknowledged the concern and noted that the Town is not idle on stormwater infrastructure, pointing to ongoing upgrades and pump capacity improvements as evidence of a continuing effort. Vice Chairman Carew responded that while he appreciated the progress, he does not believe the Town is at a point where increasing density and impervious surface is advisable from a stormwater perspective.

ACTION: Motion to open the public hearing

Motion made by Chairman Hogan, seconded by Vice Chairman Carew

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

Crystal Lee of 308 Ivy Lane commended Commissioners for representing the interests of average taxpayers and homeowners. She expressed appreciation for the Commission's attention to how the proposed change would impact the neighborhood as well as sewage and stormwater systems. Ms. Lee urged caution before moving forward and said she believed the majority of residents would feel the same way.

No additional members of the public came forward to speak.

ACTION: Motion to close the public hearing

Motion made by Chairman Hogan, seconded by Commissioner Conto

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Crouch, Commissioner Conto, Commissioner Jones

Motion passed 5-0

Commissioner Conto expressed surprise at the pace at which the proposal moved from an informal June discussion to a formal July amendment hearing and questioned what was driving the rush. She stated the topic deserves additional time for community input and a more robust discussion.

Commissioner Conto raised several broader concerns. She questioned who the rezoning benefits, suggesting it may serve one or a few influential residents rather than the Town's approximately 7,000 residents broadly. Commissioner Conto reflected on the Town's evolution and expressed concern that the Town may now be on the verge of overcorrecting a previously perceived lack of business-friendliness. She shared concerns about potential erosion of the Town's character and suggested CZ as a potential path forward.

Commissioner Jones expressed interest in seeing smart development transform the area but stated he would like more time, more information, and additional studies before making a decision of this magnitude.

Commissioner Crouch noted that he had emailed written comments to fellow Commissioners and staff and requested that they be included in the meeting minutes (see attached). He then offered a summary of his analysis for the public record. Commissioner Crouch emphasized that the absence of a development plan was a significant shortcoming, arguing that large-scale changes of this nature require a plan that has undergone substantial community input and accounted for unintended consequences.

Commissioner Crouch also noted the market context of the area, observing that several properties subject to the rezoning are currently for sale and that this type of zoning change would have a material impact on imminent redevelopment. He argued that the gravity of tonight's action extends well

beyond the 10 parcels currently under consideration, warning that the CT district could next be applied to Raleigh Avenue, then Harper Avenue, then Charlotte Avenue, and onward. He said the proposed changes conflict with long-range planning documents and noted the Commission's obligation under State statute to abide by those documents.

Vice Chairman Carew stated that he feels this is a significant change without sufficient planning behind it. He identified himself as a property-rights advocate who seeks to reach "yes" on approval but argued that doing so responsibly requires some level of thought, plan, and caution that he did not see in the current proposal. Vice Chairman Carew acknowledged that further work on the concept – particularly with CZ as a framework – might eventually produce something worth supporting but stated that he did not see a path to approving the proposal as presented tonight.

Chairman Hogan echoed the property-rights sentiment and agreed with Commissioner Crouch's concerns. He stated that without CZ, he would never consider the proposal and that before moving forward, the Commission should hold workshops and conduct broader public input, noting that asking only the adjacent property owners, who stand to benefit financially from an upzoning, is insufficient. Chairman Hogan also noted that only five of the seven commissioners were present tonight and stated that a matter of this significance warrants input from the full body. He indicated his preference to table the matter rather than take a formal vote.

ACTION: Motion to table the matter for further consideration

Motion made by Vice Chairman Carew, seconded by Chairman Hogan

Voting Yea: Chairman Hogan, Vice Chairman Carew, Commissioner Conto, Commissioner Jones

Voting Nay: Commissioner Crouch

Motion passed 4-1

Commissioner Crouch explained that he voted “no” because he wanted to send an actual “no” vote on the proposal to Council rather than tabling it.

NON-AGENDA ITEMS

Mr. Hardison mentioned House Bill 162, a parking-related bill, noting that there is an exemption in the legislation for the 20 coastal communities in North Carolina, that both chambers had passed the bill, and that the Governor had signed it. Commissioners expressed relief.

Chairman Hogan added that if Council still wishes to pursue the CT concept, the Commission would welcome some form of roundtable or workshop to explore whether there is common ground between the existing MX zoning and the proposed CT framework.

ADJOURNMENT

Chairman Hogan adjourned the meeting at 7:03 PM.

Town of Carolina Beach, NC Planning & Zoning Meeting

July 9, 2026

Commissioner Crouch Comments on Agenda Item #3 Rezoning MX to CT

The Town is proposing to create a new Commercial Transition (CT) zoning district and rezone the 200 block of Cape Fear Boulevard from MX to CT. This is a staff-initiated, multi-parcel, district-wide rezoning with **no development plans** submitted for any affected parcel. Despite its 'transition' framing, CT is more permissive than MX in every significant dimensional standard — it is, in regulatory effect, an upzoning.

200 Block of Cape Fear



■ Highlighted parcels subject to rezoning

I oppose this proposed rezoning for the following reasons:

1 Violates LUP Policy LU-1 — Upzoning Without a Development Plan

- LU-1 (p. 51) calls for "restraint" in upzoning "especially prior to any actual proposed development plan" and states district-wide rezonings are "inadvisable."
- This is a staff-initiated, multi-parcel, district-wide rezoning — no development plan has been submitted for any of the seven affected parcels.
- Staff's LUP consistency section does not cite, quote, or address LU-1. The Commission is required under NC G.S. § 160A-333 to reference the Land Use Plan, approving a proposal that contradicts LU-1 without explanation is legally and procedurally vulnerable.

2 Violates LUP Policy LC-9 — No Quality-of-Life Analysis for a 70% Density Increase

- LC-9 (p. 66) states: "Only allow increased density above existing standards if it also maintains the quality of life and environment."
- CT allows 29 units/acre vs. MX's 17 — a 70% increase, exceeding the T-1 Tourist district. No traffic, stormwater, utility capacity, or quality-of-life study is cited in the staff report.
- The Commission has no evidentiary basis to make the finding LC-9 requires. Staff's report does not cite LC-9.

3 Eliminating the Impervious Surface Cap Is Indefensible on a Coastal Barrier Island

- MX caps impervious coverage at 65%. CT has no cap — eliminated entirely, with no explanation in the staff report.
- Carolina Beach is a CAMA barrier island in a FEMA Special Flood Hazard Area with documented nuisance flooding. Every increase in impervious cover increases runoff and flood risk.
- Every peer community reviewed — Nags Head NC, Kure Beach NC, and a seven-town Delaware coastal partnership funded by NOAA — maintains impervious surface limits in commercial zones. The 2019 NOAA Coastal Municipalities Toolkit specifically recommends coastal towns reduce, not eliminate, coverage limits.

4 CT's Purpose Statement Is Legally Inconsistent With Its Own Standards

- CT's stated purpose (§3.3.N) promises to "maintain a modest scale of structures" — language copied from the MX district.
- CT's actual standards allow 29 units/acre, 5-foot front setbacks, 60% lot coverage, and no impervious cap — none of which describes a modest scale.
- Under NCGS 160D, a district's standards must be consistent with its stated purpose. This internal inconsistency creates legal vulnerability that any affected property owner or neighbor could exploit on appeal.

5 The Residential Buffer Protects Only Where Residential Literally Abuts — Not Where It Is Near

- CT is assigned a Type D buffer — zero required street-yard width — the same as the CBD. A buffer is only required where a CT side or rear yard physically abuts a residential district.
- R-1 single-family zoning is immediately west across Cape Fear Boulevard — not technically abutting. Under CT's rules, those homeowners receive no buffer protection, despite a 5-foot front setback facing their street.
- Nags Head NC requires 25 ft. separation from any residential use — not just abutting parcels. Kure Beach NC requires 15 ft. wherever commercial abuts residential. Both standards recognize that 'across the street' is still nearby.

6 This Completes a Block-Wide Pattern the LUP Specifically Warns Against

- 205 Cape Fear Blvd. was rezoned MX → CBD in September 2025. Tonight's CT proposal rezones the remaining seven parcels on the same block. The entire 200 block is being upzoned without a single development plan.
- LU-1 warns specifically against "community- or district-wide rezonings." Viewed together, the September 2025 vote and tonight's proposal are precisely that — accomplished incrementally to avoid the scrutiny a single block-wide action would have attracted.

7 Three Single-Family Homes on This Block — LUP Goal 2 Requires Their Protection

- Three single-family homes currently exist on the 200 block. Goal 2 of the LUP states: "Retain the traditional character and density of single family neighborhoods."
- Rezoning their parcels to CT immediately increases development pressure around them and alters the regulatory environment governing their neighborhood — with no development plan, no timeline, and no community benefit yet defined.
- At minimum, the three residential parcels should be excluded from the CT rezoning until their owners submit an actual development proposal.

Additional information for the basis of my opposition to this proposed change has also been provided below:

MX vs. CT — What Changes

↑ = more permissive than MX | ↓ = more restrictive | Red = significant concern

Standard	MX Now	CT Proposed	Concern
Front Setback	20 ft.	5 ft. ↓	75% reduction — structures build nearly to the street edge, eliminating the residential streetscape transition.
Max Residential Density	17 u/ac	29 u/ac ↑	70% density increase — exceeds T-1 Tourist district. No traffic or infrastructure study cited.
Max Lot Coverage	40%	60% ↑	50% increase in lot coverage. More impervious surface, more stormwater runoff on a flood-prone coast.
Impervious Surface Cap	65%	None ↑	MX cap eliminated entirely. No limit on impervious cover — the most consequential single change in this proposal.

Standard	MX Now	CT Proposed	Concern
Side Setback	7.5 ft.	None*	*Zero by default; only matches abutting residential district if literally adjacent. Parcels across the street get no protection.
Bars & Taverns	Not allow.	Not allow.	Removed from CT in staff revision — a positive change from the original proposal.
Hotels / Motels	CZ	CZ	No change — conditional zoning still required.
Multifamily > 4 Units	CZ	CZ	No change — but 70% higher density ceiling amplifies potential scale of any approved project.

Bottom line: CT is not a transitional middle ground between MX and CBD. It is more permissive than MX in density, lot coverage, front setback, and impervious surface in every category.

Areas of Concern

△△△ = Significant | △△ = Notable | △ = Worth monitoring

Concern	Why It Matters
△△△ No impervious surface cap	MX caps impervious coverage at 65%. CT has none — on a CAMA coastal barrier island with documented flooding. Directly conflicts with LUP LC-9 and Goal 7. Not addressed in staff's consistency analysis.
△△△ 70% density increase, no supporting study	CT allows 29 units/acre vs. MX's 17. LUP policy LC-9 requires density increases maintain quality of life and environment. No traffic, stormwater, or infrastructure capacity analysis is cited.
△△△ LUP LU-1 not addressed by staff	LU-1 explicitly warns against upzoning absent a development plan and calls district-wide rezonings 'inadvisable.' This is a staff-initiated, multi-parcel rezoning with no development plans submitted for any parcel. Staff's LUP section does not cite LU-1.
△△ Front setback: 20 ft. → 5 ft.	A 75% reduction fundamentally changes the streetscape. CT's stated purpose says it will 'maintain a modest scale of structures' — a 5-foot setback does the opposite.
△△ CT purpose statement copied from MX — but standards are far more permissive	Both MX and CT purpose statements describe 'transitional uses' and 'modest scale structures.' CT's actual dimensional standards — higher density, less setback, more coverage — contradict that stated purpose. This inconsistency is a potential legal vulnerability under NCGS 160D.
△△ Buffer rules apply only to abutting residential — not nearby	CT is assigned a Type D buffer (zero width), same as CBD. R-1 zoning is immediately west, across Cape Fear Blvd. A 5-foot front setback with no street-facing buffer toward residential uses across the street is a significant gap.
△ Part of a larger cumulative upzoning pattern	205 Cape Fear Blvd. was rezoned MX → CBD in September 2025. This proposal would rezone the remaining 200-block parcels to CT — completing a wholesale upzoning of the block without individual

Concern	Why It Matters
 Parking for other districts allowed via CZ	parcel applications. The LUP's LU-1 warns specifically against this pattern. CT would permit parking lots serving CBD uses via conditional zoning — potentially converting residential transition parcels into surface parking for Boardwalk businesses.

Key LUP Language Staff Did Not Address

LUP Policy	Direct Quote	Relevance to CT
LU-1 (p. 51) Upzoning Restraint	<i>"Restraint is advisable in rezoning (especially upzoning) any properties prior to any actual proposed development plan. District-wide rezonings are inadvisable."</i>	Staff-initiated multi-parcel rezoning with no development plans. LU-1 not cited by staff.
LC-9 (p. 66) Restrict Density	<i>"Only allow increased density above existing standards if it also maintains the quality of life and environment."</i>	29 vs. 17 units/acre — 70% increase. No supporting study. LC-9 not cited by staff.
Goal 2 (p. 10) Neighborhood Character	<i>"Retain the traditional character and density of single family neighborhoods."</i>	Three single-family homes on this block. Adjacent R-1 to the west.
LU Tension (p. 7)	<i>"A tension exists between maintaining charm and character while also allowing redevelopment. Increased building heights may conflict with character of existing areas."</i>	Staff resolves this tension entirely in favor of intensification without acknowledging the competing interest.

Questions for Staff

Topic	Question for Staff
Impervious surface	Why was the 65% impervious surface cap removed? What analysis supports no limit on a flood-prone coast?
Density justification	Has a traffic, stormwater, or infrastructure capacity study been done to support the jump from 17 to 29 units/acre?
LU-1 compliance	How does a district-wide, no-plan upzoning comply with LUP LU-1's call for restraint and its statement that district-wide rezonings are 'inadvisable'?
Purpose vs. standards	CT's stated purpose says 'modest scale structures.' How do a 5-foot front setback, 60% lot coverage, and 29 units/acre implement that purpose?
Buffer gap	Should CT require a street-facing landscape buffer where it faces residential zoning, not only where it abuts residential at the side or rear?
Cumulative block impact	What is the combined effect of the September 2025 CBD rezoning at 205 Cape Fear plus this CT proposal on maximum permitted density and coverage across the 200 block as a whole?

Potential Modifications to Consider

- Allow property owners to pursue their own wishes for the zoning of their property without broad scale changes imposed by the Town and maintain status quo.
- **Restore a 65% impervious surface cap (matching MX) or set a reasonable coastal maximum.**
- **Reduce maximum density to 20–22 units/acre rather than 29 — a genuine transition standard.**
- **Restore front setback to at least 10–15 feet to maintain the residential streetscape transition.**
- Require a Type A street-facing landscape buffer where CT parcels face residential zoning across the street, not just where they physically abut residential.
- Phase the rezoning: apply CT initially to vacant and commercial parcels only, leaving the three existing single-family homes in MX until redevelopment is actually proposed.
- Commission a stormwater/infrastructure capacity study before final Council action.



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community
Development

MEETING: Planning and Zoning – August 13, 2026

SUBJECT: Consider a modification to Conditional Zoning Ord. 21-1156 for PID R08814-003-015-000 to update the outdoor amenity areas and allow for 10 percent of the residential units to be short-term rentals.
Applicant: The Proximity at Carolina Beach

BACKGROUND:

The applicant, The Proximity at Carolina Beach, received Conditional Zoning approval on November 9, 2021, for a mixed-use commercial-residential project in the Highway Business District. The development received a Certificate of Occupancy in early 2025. Major changes to approved permits, plans, or development conditions may be authorized only by the permit-issuing authority and must follow the same process required for the original submission. Major changes include, but are not limited to, changes in use, increased development intensity, increased structural ground coverage, site dimension changes of more than 10 percent, reduced approved open space, or changes to access and internal circulation design.

A conditional zoning district permits a specific use only when it meets standards and conditions tailored to the individual development project. Some land uses, because of their nature or scale, may significantly affect nearby properties and the broader community in ways that cannot be fully addressed through general district standards. In some cases, allowing the use by right under a general district would not be appropriate for a particular property. The conditional zoning process allows these uses through property reclassification, with specific conditions to ensure the use is compatible with neighboring properties and their enjoyment.

All applications shall include a site plan and any development standards to be approved concurrently with the rezoning application. Development standards may include such things as parking, landscaping, design guidelines, and buffers. When evaluating an application for the creation of a conditional zoning district, the Planning & Zoning Commission shall consider the following:

1. The application's consistency to the general policies and objectives of the Town's CAMA Land Use Plan, any other officially adopted plan that is applicable, and the Zoning Ordinance.
2. The potential impacts and/or benefits on the surrounding area, adjoining properties.

3. The report of results from the public input meeting.

Prior to scheduling a public hearing on the rezoning application, the applicant shall conduct one (1) public input meeting and file a report of the results with the Zoning Administrator. In approving a petition for the reclassification of property to a conditional zoning district, the Planning & Zoning Commission may recommend, that the applicant add reasonable and appropriate conditions to the approval of the petition. Any such conditions should relate to the relationship of the proposed use to the impact on the following details:

1. Town services
2. Surrounding property
3. Proposed support facilities such as parking areas and driveways
4. Pedestrian and vehicular circulation systems
5. Screening and buffer areas
6. Timing of development
7. Street and right-of-way improvements
8. Infrastructure improvements (i.e. water)
9. Provision of open space
10. Other matters that the participants in the public input meeting, staff, Planning & Zoning Commission, and Town Council find appropriate or the petitioner may propose

If the applicant does not agree with the Planning & Zoning Commission or staff's recommendations of additional conditions, the Town Council shall have the authority to accept none, any, or all of the conditions forwarded from the review process.

No permit shall be issued for any development activity within a conditional zoning district except in accordance with the approved petition and applicable site plan, subdivision plat, and/or permit for the district.

Zoning

The purpose of the Highway Business (HB) district is to accommodate businesses oriented toward the motoring public and which require a high volume of traffic. In many cases, businesses in the HB district serve the entire community and beyond. For the most part, they are located on major thoroughfares so that they can be conveniently reached by automobile and to avoid sending heavy automobile traffic through smaller streets or residential areas. The HB zoning district allows for mixed use commercial-residential with the approval of a conditional zoning district. The ordinance requires parcels that are over 10 acres to provide for 3,000 sq. ft. of commercial space. The existing property includes 10 occupied commercial units and 250 residential units.

Conditional Zoning Process

As part of the application process a community meeting is required. The applicant held the required meetings on June 11, 2026. The applicant has provided summary comments from the meeting. Based off the comments from the meeting the applicant can place conditions on the project to help mitigate the impacts and concerns from the neighboring properties.

The applicant is proposing to amend the following conditions.

1. Allow for 10 percent of the residential units to be short term rentals
2. Update the site plan to clarify where amenity areas are located

The applicant proposed to prohibit short-term rentals (leases or subleases) of less than 90 days on the original conditional zoning application. This was originally created because of discussions and comments from public meetings. The condition was agreed upon by the property owner and the Town. The Town does not have any restrictions on short-term rentals.

The applicant would like to update the site plan to clearly define the areas for amenities. This modification would allow for programming of the common areas within the community, particularly the areas behind the commercial units on Lake Park and the lawn at the rear of the building. Complex amenities are generally treated as accessory to the existing residential and business use, provided they are intended primarily for residents, their guests, and business patrons. Examples may include exercise classes, music, arts and crafts, recreation, etc.

Land Use Plan

The 2020 Land Use Plan vision on this area is higher density area with a mix of uses, within the district and individual buildings. Residential uses allowed only on upper stories; unless associated with a mixed commercial-residential use on a 10 acre or greater lot with a minimum of 3,000 sq ft of commercial space provided per acre.

ACTION REQUESTED:

Consider recommending approval or denial of a modification to the conditional zoning mixed-use commercial residential project located at 1000 N. Lake Park Blvd.

Staff supports approval of the modification.

MOTION:

Approval - whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the adoption of the Modification to the Conditional Zoning District located at 1000 N. Lake Park Blvd. is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans and the potential impacts on the surrounding area, are mitigated by the approved conditions.

Denial - based on inconsistencies with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents and the potential impacts on the surrounding areas.

1121 N. Lake Park Blvd.
 Carolina Beach, NC 28428
 Phone (910) 458-2999
 Fax (910) 458-2997



Permit # CZ21-02 MOD

Item 2.

TOWN OF CAROLINA BEACH

CONDITIONAL ZONING MAJOR MODIFICATION

Major changes to approved plans and conditions of development may be authorized only by the Town Council after review and recommendation by the Planning and Zoning Commission in the same manner as original submission. Major changes include, but are not limited to:

1. Change in use;
2. Increase in intensity of the development; such as increase in density of units, whether residential, office, commercial or industrial; an increase in number of off-street parking or loading spaces; or an increase in impervious surface area;
3. An increase in overall ground coverage by structures;
4. A change in any site dimension by more than ten percent;
5. A reduction in approved open space or screening;
6. A change in access and internal circulation design.

Major Modification to Minor CZ	=	\$ 500.00
Major Modification to Major CZ	=	\$ 1,000.00

This permit modification will be scheduled for the next possible Technical Review Committee.

2026 SUBMISSION DEADLINES AND MEETING DATES:

Technical Review Committee		Planning & Zoning Commission		Town Council	
Submission	Meeting	Submission	Meeting	Submission	Meeting
23-Dec-25	6-Jan	26-Jan	12-Feb	24-Feb	10-Mar
20-Jan	3-Feb	23-Feb	12-Mar	31-Mar	14-Apr
17-Feb	3-Mar	23-Mar	9-Apr	28-Apr	12-May
24-Mar	7-Apr	27-Apr	14-May	26-May	9-Jun
21-Apr	5-May	22-May	11-Jun	30-Jun	14-Jul
19-May	2-Jun	22-Jun	9-Jul	28-Jul	11-Aug
23-Jun	7-Jul	27-Jul	13-Aug	25-Aug	8-Sep
21-Jul	4-Aug	24-Aug	10-Sep	29-Sep	13-Oct
18-Aug	1-Sep	21-Sep	8-Oct	27-Oct	10-Nov
22-Sep	6-Oct	26-Oct	12-Nov	24-Nov	8-Dec
20-Oct	3-Nov	23-Nov	10-Dec	Jan 2027	Jan 2027
17-Nov	1-Dec	Dec-26	Jan 2027	Feb 2027	Feb 2027
22-Dec	Jan 2027	Jan 2027	Feb 2027	Mar 2027	Mar 2027

Please complete all sections of the application.

A. Property Information

Address(es): 1000 N Lake Park Blvd.

PIN(s): R08814-003-015-000

Project Name: The Proximity At Carolina Beach

Size of lot(s): 11.76 Acres Total

B. Application for Modification

1. Reason for modification request:

Please see attached Project Narrative and Proposed modification to condition #8 and an additional condition allowing for outdoor events
within the existing zoning order.

2. Description of modification request:

Modification of Conditional Zoning District Ordinance NO. 21-1156

C. Applicant Contact Information

The Proximity CB, LLC

Company/corporate Name (if applicable):

Mike Brown

Applicant's Name

102 Autumn Hall Drive, Suite 210

Mailing Address

Wilmington, NC 28403

City, State, and Zip Code

910-622-4657

Telephone

mike@capefearcommercial.com

Email

D. Owner Contact Information (if different)

Owner's Name

Mailing Address

City, State, and Zip Code

Telephone

Email



Check the box beside each item verifying that the item has been submitted with this application

I. Site Plan Criteria

For new construction all boxes in this section shall be marked yes by the applicant to be considered a complete application.

- | <u>Yes</u> | <u>No</u> | <u>N/A</u> | |
|--------------------------|--------------------------|-------------------------------------|--|
| ☐ | ☐ | ☒ | The name, address, and phone number of the professional(s) responsible for preparing the plan if different than the applicant. |
| ☐ | ☐ | ☒ | Engineers scale 1 inch = 40 ft or larger |
| ☐ | ☐ | ☒ | Title block or brief description of project including all proposed uses |
| ☐ | ☐ | ☒ | Date |
| ☐ | ☐ | ☒ | North arrow |
| ☐ | ☐ | ☒ | Property and zoning boundaries |
| ☐ | ☐ | ☒ | The square footage of the site |
| ☐ | ☐ | ☒ | Lot coverage (buildings, decks, steps) |
| ☐ | ☐ | ☒ | Location of all existing and proposed <i>structures</i> and the setbacks from property lines of all affected <i>structures</i> to remain on-site |
| ☐ | ☐ | ☒ | Design of driveways and parking |
| ☐ | ☐ | ☒ | Adjacent right-of-ways labeled with the street name and right of way width |
| ☐ | ☐ | ☒ | Location of all existing and/or proposed easements |

Additional information or data as determined necessary by town staff and/or other reviewing agencies including but not limited to the following may be required:

- | <u>Yes</u> | <u>No</u> | <u>N/A</u> | |
|-------------------------------------|--------------------------|-------------------------------------|--|
| ☒ | ☐ | ☐ | Location and design of refuse facilities |
| ☐ | ☐ | ☒ | Approximate locations and sizes of all existing and proposed <i>utilities</i> |
| ☐ | ☐ | ☒ | Existing and/or proposed fire hydrants (showing distances) |
| ☐ | ☐ | ☒ | Adjacent properties with owners' information and approximate location of structures |
| ☐ | ☐ | ☒ | Distances between all <i>buildings</i> |
| ☐ | ☐ | ☒ | Number of <i>stories</i> and height of all <i>structures</i> |
| ☒ | ☐ | ☐ | Locations of all entrances and exits to all <i>structures</i> |
| ☐ | ☐ | ☒ | Calculate the <i>gross floor area</i> with each room labeled (i.e. kitchen, bedroom, bathroom) |
| ☐ | ☐ | ☒ | Exterior lighting locations with area of illumination illustrated as well as the type of fixtures and shielding to be use |
| ☐ | ☐ | ☒ | Location of flood zones and finished floor elevations |
| ☐ | ☐ | ☒ | CAMA Areas of Environmental Concern (AEC) and CAMA setbacks |
| ☐ | ☐ | ☒ | Delineation of <i>natural features</i> and wetlands with existing and proposed topography with a maximum of two foot contour intervals |
| ☒ | ☐ | ☐ | Proposed landscaping including percentages of <i>open space</i> |
| ☐ | ☐ | ☒ | Stormwater management systems |
| ☐ | ☐ | ☒ | Cross-sectional details of all streets, roads, ditches, and <i>parking lot</i> improvements |
| ☐ | ☐ | ☒ | <i>Building</i> construction and occupancy type(s) per the building code |
| ☐ | ☐ | ☒ | Location of fire department connection(s) for standpipes |
| ☐ | ☐ | ☒ | Turning radii, turnarounds, access grades, height of overhead obstructions |
| ☐ | ☐ | ☒ | Dimensions and locations of all <i>signs</i> |
| ☐ | ☐ | ☒ | A vicinity map drawn with north indicated |

- ☒ I have provided a scaled electronic version of each required drawing
- ☒ I have folded all plans to 8 1/2" x 11" size and am prepared to pay the application fee today

SUPPLEMENTAL INFORMATION REQUIRED WITH THE APPLICATION

1. Detailed project narrative describing the proposed site and request.
2. Agent form if the applicant is not the property owner
3. Request for site specific development plan shall be submitted in accordance with Chapter 40 Article

OWNER'S SIGNATURE: In filing this application for a special use permit major modification I/we as the property owner(s), hereby certify that all of the information presented in this application is accurate to the best of my knowledge, information and belief. I hereby designate NA

to act on my behalf regarding this application, to receive and respond to administrative comments, to resubmit plans on my behalf and to speak for me in any public meeting regarding this application.

Michal C. Brown

6/22/2024

Signature

Date

AUTHORITY FOR APPOINTMENT OF PERSON TO ACT ON MY BEHALF

The undersigned owner, NA, does hereby appoint _____ to act on my behalf for the purpose of petitioning the Town of Carolina Beach for: a) an amendment to the text regulations; b) a change to the zoning map; c) approval of a special use permit; d) approval of a special use district; and/or, e) street closing, as applicable to the property described in the attached petition. The owner does hereby covenant and agree with the Town of Carolina Beach that said person has the authority to do the following acts for and on behalf of the owner: (1) To submit a proper petition and the required supplemental materials; (2) To appear at public meetings to give testimony and make commitments on behalf of the owner; and (3) In the case of a special use permit, to accept conditions or recommendations made for the issuance of the special use permit on the owner's property. (4) To act on the owner's behalf without limitations with regard to any and all things directly or indirectly connected with or arising out of any petition. This appointment agreement shall continue in effect until final disposition of the petition submitted in conjunction with this appointment.

Date: _____

Appointee's Name, Address & Telephone:

Signature of Owner: NA

Project Narrative

The Proximity Carolina Beach development is located on 11.76 Acres at 1000 N. Lake Park Blvd, in Carolina Beach NC. The property's Conditional Zoning was approved by Town Council, and the accompanying Conditional Zoning District Ordinance (No. 21-1156) was signed by LeAnn Pierce, Carolina Beach Mayor on 1.11.22.

The property was developed in accordance with the approved Conditional Zoning Ordinance, site plan, approved construction drawings, permits and required approvals. The development is complete and has been in operation since late 2024.

Proximity Carolina Beach is a mixed-use community consisting of 250 Class A residential units (for rent) and 44,111 SF of commercial area (inclusive of residential leasing office, clubhouse and live work units). Commercial tenants include K-38 Baja Grill, Reflect Gifts Accessories and Décor, Noe Spa and Salon, Nest Realty, Boombalatti's Ice Cream, Emerge Ortho, Drift Cafe, Riko's Pizza, Embody Pilates, and Axis Fitness.

The Proximity Carolina Beach has enjoyed a warm reception from the Carolina Beach community, local residents and visitors.

It has always been our aim to operate the property in a manner which honors the unique identity of the Carolina Beach community and fosters interaction and quality of life amongst residents and visitors of Carolina Beach. The property was designed with architecture, greenspace, walking trails and parking to facilitate this mission. Further the tenant mix was curated with local businesses and concepts which would complement the unique identity of Carolina Beach and be a hub for community interaction.

This application does not seek further approvals with respect to new construction or planned horizontal/vertical development. The applicant is instead requesting two modifications (we consider to be minor) to the zoning order "rules, regulations, and conditions" as follows (also see attached proposed redline changes within the zoning ordinance document):

1. An update to the restriction that prohibits residential units from being rented for a period of less than 90 days, with an added qualifier that this prohibition apply to "Ninety (90%) of" the residential units within the community.
2. The designation of areas as denoted on the attached site plan as "amenity/entertainment areas" which would thereafter allow for events to be hosted onsite without the requirement for a special event permit OR in lieu thereof; additional conditions added to the zoning order (as proposed in the attached redline) which would allow outdoor events to be hosted onsite as an accessory use without the need to secure a special event permit.

Modification #1 would allow for flexibility for shorter term lease agreements to facilitate the lease of certain units within the community to both friends/guests of residents within Proximity Carolina Beach as well as the general public. Though Proximity Carolina Beach has enjoyed a healthy lease occupancy since opening, we have some units that for various reasons would be better suited for shorter term leases. We believe that the addition of some shorter-term rental options comprising less than 90% of the total units would not have a material impact on the character of the development, would not create a nuisance, but would allow for some optionality which would be helpful from a property operations standpoint.

Modification #2 would allow for programming of the common areas within the community, particularly the areas in front of the commercial units on Lake Park and the event lawn at the rear of the building. These spaces were designed to be enjoyed by patrons of the businesses and to also function and gathering spaces for community gatherings. Though this has always been the vision and intent for these spaces, we would like to be able to host events or allow our tenants to utilize these spaces to host events that would be attractive to their patrons and the community at large. Whether that be music on the lawn or a community gathering in partnership with a non-profit organization (“art in the park” by way of example). The ability to program these spaces without the need to continuously secure event permits would be helpful and most practical. Lastly it would be consistent with the intended form and function of a mixed-use community such as Proximity Carolina Beach (to create a thriving and attractive amenity for both those within and outside of the community who wish to visit our restaurants and businesses).

Once these modifications are approved, Proximity Carolina Beach remains fully committed to continued professional management and oversight, to ensure that the community remains attractive, safe and inviting to all. Further, we are very sensitive to the quiet enjoyment of our neighbors and will remain focused on maintaining standards at Proximity Carolina Beach ensure we remain a good neighbor and corporate citizen. This has always been our aim and is of utmost importance to us.

Summary of June 11, 2026 Community Meeting and Engagement

Proposed Modification of Existing Conditional Zoning Ordinance Number 21-1156 associated with the Proximity Carolina Beach - Commercial-Residential Mixed-Use Development

1000 Lake Park Blvd.
Carolina Beach, NC
The Proximity CB, LLC

Written notice of a community meeting for the above referenced modification to the existing conditional zoning order associated the Proximity Carolina Beach development was mailed via First Class Mail to all property owners within five hundred feet (500') of the subject property as listed on the New Hanover County ("County") tax records. A list of all adjacent property owners to whom the written notice was mailed is attached to this report as Exhibit 1. A copy of the written notice is attached as Exhibit 2. A list of the parties who attended the meeting is attached as Exhibit 3.

The meeting was held on June 11, 2026 at the subject property. The meeting began at 5:30 PM and continued until approx. 6:15 PM.

On behalf of the applicant, The Proximity CB, LLC ("Applicant"), the following people were in attendance: Mike Brown, Haley Phillip and Ilene Green with Bell Partners (Property Manager for The Proximity Carolina Beach).

Mike Brown provided a detailed overview of the proposed modification to the zoning order. Attendees were allowed to make comments, ask questions, and provide feedback. Attendees and Applicant had a productive conversation about the proposed application and their experience with the Proximity Carolina Beach in general since it's opening almost 18 months ago.

Outline of Discussion, Suggestions and Considerations

1. Residents surrounding Federal Point Marina alerted applicant that Proximity Carolina Beach residents and/or people parking at Proximity Carolina Beach are walking through their community to reach the water and asked that applicant take steps to curtail this activity. They also asked applicant to make sure any future renters (including short-term renters) be made aware that they are not to access/use private property, private streets, or private common areas in neighboring communities.

Response: Ilene Green will notify residents of this complaint, remind them that Federal Point and the surrounding community and streets are private property and reinforce that Proximity Carolina Beach residents should not use private neighborhood streets or common areas in surrounding communities. Ilene will also direct any residents who observe this activity by others to report it to Proximity Carolina Beach Management so that it can be addressed with the offending resident directly. Expectations will be reinforced with future renters as well.

2. Meeting attendees inquired about the size of events and asked if events would be large in scale.

Response: Applicant shared that our intent is to host limited scale community-oriented events (music on the lawn or “art in the park” by way of example) with the intended audience being Proximity Carolina Beach residents and local visitors/patrons of Proximity Carolina Beach restaurants/businesses.

3. Meeting attendees requested that no event attendees be permitted to park within their neighborhoods.

Response: Applicant let attendees know that this certainly was not our intent, that parking would be accommodated within the Proximity Carolina Beach development and to extent that there was at some point a planned event that might require additional parking, applicant would only host such an event if overflow parking was secured and agreed to by the owner of that parking (a neighboring commercial parking lot, not parking within a residential neighborhoods).

4. Meeting attendees inquired as to whether events might cause an increased traffic burden or congestion.

Response: Applicant shared that their interest was geared towards community focused programming primarily using the lawn behind Building 1 within Proximity Carolina Beach, rather than large scale major events i.e. community/mixed use programming and activation, not a commercial event venue.

5. Meeting attendees asked applicant to consider noise and hours during which amplified sound might be allowed.

Response: Applicant reviewed the stipulations and hours that could be incorporated into the conditions with the attendees and made adjustments to the draft language at the meeting based on their feedback.

Note: Following the meeting, Jeremy Hardison shared that there was already language within the code that covered the stipulations that had been discussed with meeting attendees and that language might not need to be incorporated into the conditions. Nonetheless, the applicant has provided that draft language with this application and is happy to incorporate it as a condition if desired.

6. Meeting attendees expressed their desire to see a median installed on Lake Park Blvd.

Response: Applicant shared that this would be a decision/project that NCDOT would need to take the lead on.

7. Meeting attendees asked us to continue to reinforce with our residents the responsibility for pet owners to pick up pet waste and not walk their dogs on nearby private neighborhood streets. And further, asked that anyone renting on a shorter-term basis be made aware as well or not be allowed to have pets on the property.

Response: Ilene will include this in her reminder to residents to make sure expectations are clear going forward with any future renters.

8. Meeting attendees expressed an appreciation for the level of community engagement and outreach shown throughout the original zoning and development of Proximity Carolina Beach as well as our commitment to being a good neighbor and keeping lines of communication open.

Response: Applicant agreed to continue to keep attendees in the loop at the proposed application proceeds.

9. Meeting attendees expressed an appreciation for dining and retail opportunities within Proximity Carolina Beach as well as the quality of the development and maintenance standards.

Exhibit 1

Parcel Number	Owner	Owner Mailing Address
R08818-002-004-000	RILP NC2 LP	11995 El Camino Real San Diego, CA 92130
R08818-002-014-000	CBAD LLC	PO Box 1882 Carolina Beach, NC 28428
R08818-002-005-000	Bertran J and Gloria Pearson	1,905 CAMBRIDGE DR KINSTON, NC 28504
R08818-002-006-000	Peets Retreats LLC	5212 DUTCHMAN DR RALEIGH, NC 27606
R08818-002-007-000	Michael L Passmore	9829 River Road Wilmington, NC 28412
R08818-002-008-000	Town of Carolina Beach	1121 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-002-009-000	Island Breeze of CB LLC	1628 Sound Watch Drive Wilmington, NC 28409
R08818-002-010-000	Longs Rental Investments LLC	107 Carolina Sands Drive Carolina Beach, NC 28428
R08818-007-013-000	CCR Property LLC	113 Winner Ave Carolina Beach, NC 28428
R08818-007-011-000	Hoplite Properties LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-007-019-000	Quality Home Repair & Maintenance Inc.	103 Winner Avenue Carolina Beach, NC 28428
R08818-007-007-000	PDA Ventures LLC	10820 Cahill Road Raleigh, NC 27614
R08818-007-006-000	Gabby LLC	713 Saint Joseph Street Carolina Beach, NC 28428
R08818-007-005-000	Gabby LLC	711 Saint Joseph Street Carolina Beach, NC 28428
R08818-007-004-000	Michael D. and Christina A. Puritis	9009 Saint Stephens Place Wilmington, NC 28412
R08818-007-003-001	Michael D. and Christina A. Puritis	9009 Saint Stephens Place Wilmington, NC 28412
R08818-007-020-000	St. Joseph Business COA	Post Office Box 715 Carolina Beach, NC 28428
R08818-007-002-002	JSL CB Properties LLC	1108 Merchant Lane Carolina Beach, NC 28428
R08818-007-021-000	COMPROP LLC	727 Eastowne Dr Suite 300D Chapel Hill, NC 27514
R08818-007-015-000	Anthony Thomas Management & Marketing In Carolina Beack	716 Lake Park Blvd. Carolina Beach, NC 28428
R08818-007-014-000	Ralph W. Roof Living Trust	221 Lochview Drive Cary, NC 27518
R08818-006-050-000	Island Marina Enterprises LLC	511 Clarendon Blvd. Carolina Beach, NC 28428
R08818-006-052-000	Sound View UOA Inc.	1029 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-006-007-000	Tully Paul S Erika B	411 Carolina Beach St Apt 1 Carolina Beach, NC 28428
R08818-006-030-000	David C. Winner, Jr.	406 Atlanta Avenue Carolina Beach, NC 28428
R08818-006-048-000	Federal Point Yacht Club	910 Basin Road Carolina Beach, NC 28428
R08818-006-042-000	David A. and Nichole E. Weimer	105 Rum Cay Road Carolina Beach, NC 28428

R08818-006-043-000	James C. and Natalie H. Pierce	7201 Laurel Point Drive Gibsonville, NC 27249
R08818-006-044-000	Michael H. Womble	PO Box 333 Caroline Beach, NC 28428
R08818-006-041-000	Susan S. Scandura Revocable Trust	103 Rum Cay Road Carolina Beach, NC 28428
R08818-006-040-000	Keith S. and Melanie C. Steuer	1215 Briers Creek Drive Alpharetta, GA 30004
R08818-003-006-000	Yacht Road Property LLC	8108 Needle Grass Way Wilmington, NC 28412
R08818-003-005-000	Keith Critchely ET UX	222 Hockley Road Downingtown, PA 19335
R08818-003-003-000	Shelley Hancock ETAL	16718 Five Point Road Locust, NC 28097
R08818-006-034-000	Daniel P. and Kimberly Kay Stiff	103 Hopetown Road Carolina Beach, NC 28428
R08818-006-039-000	Rock Raymnd H Jr Cheryl	4080 Barrett Dr Raleigh, NC 27609
R08818-003-002-001	KTS Rental Properties LLC	8108 Needle Grass Way Wilmington, NC 28412
R08818-003-002-000	Hubert Owen McLamb ETAL	2634 Juniper Church Rd Four Oaks, NC 27524
R08818-006-035-000	Christopheher T & Sandra A Coughlin	803 Holt Dr Raleigh NC 27608
R08818-006-038-000	Herbert Jerry and Rebecca J. Byrd	900 Grand Bahama Drive Carolina Beach, NC 28428
R08818-003-008-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-003-001-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-003-007-000	Hubert O. and Margaret McLamb	2634 Juniper Church Rd Four Oaks, NC 27524
R08818-004-011-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-004-010-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-004-009-000	Quality of Life CB LLC	917 Basin Road Carolina Beach, C 28428
R08818-004-014-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-004-008-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08818-004-060-000	CBBY LLC	923 Basib Rd Carolina Beach 28428
R08814-004-016-000	CBBY LLC	701 N Lake Park Blvd. Carolina Beach, NC 28428
R08814-004-062-000	Brian and Jammie Benthem	908 Grand Bahama Drive Wilmington, NC 28405
R08814-004-061-000	Jonathan T. and Wendy Richardson	905 Grand Bahama Drive Carolina Beach, NC 28428
R08818-006-036-000	Earl Clyde Kelly	Post Office Box 84 Semora, NC 27343
R08818-006-037-000	Sweet Mint LLC	PO Box 3886 Merrifield, VA 22116
R08814-004-064-000	Kevin R. and Angela B. Besecker	201 Elm St N Suite 1401 Greensboro, NC 27408
R08814-004-063-000	Dennis and Debbie Triplett	906 Grand Bahama Drive Carolina Beach, NC 28428
R08814-004-007-000	Mona Black Marina LLC	5553 Oleander Drive Wilmington, NC 28403

R08814-003-019-000	PSM North Carolina Holdings LLC	Post Office Box 32018 Lakeland, FL 33802
R08814-004-047-000	Jeffrey M. Lee	1001 Waterview Place Carolina Beach, NC 28428
R08814-003-011-000	PSM North Carolina Holdings LLC	Post Office Box 32018 Lakeland, FL 33802
R08814-004-048-000	Mary Haila Hampton	1020 Saint Joseph Street Carolina Beach, NC 28428
R08814-004-046-000	Herbert T. and Lori L. Jerread	1003 Waterview Place Carolina Beach, NC 28428
R08814-004-045-000	Mark Roundtree	1005 Waterview Place Carolina Beach, NC 28428
R08814-004-044-000	David T. and Denise F. Anderson	1007 Waterview Place Carolina Beach, NC 28428
R08814-004-043-000	Joseph L. and Betty B. Hudson	1009 Waterview Place Carolina Beach, NC 28428
R08814-004-042-000	Barbara M. Bigley Trustee	1011 Waterview Place Carolina Beach, NC 28428
R08814-004-041-000	Farell Donna Life Estate	1013 Waterview Place Carolina Beach, NC 28428
R08814-004-049-000	Randy L JR & Jennifer L Neel	3500 Jordan Oaks Dr, Efland, NC 27243
R08814-003-073-000	Carolina Beach Village HOA	Pleasure Island PLZ Carolina Beach, NC 28428
R08814-003-012-000	SMLP 765 LLC	2800 125th St NW Miami, FL 33167
R08814-003-011-001	New Hanover County ABC Board	Post Office Box 3036 Wilmington, NC 28406Post
R08814-003-009-000	Richard and Cynthia Wallace	Post Office Box 480 Kure Beach, NC 28449
R08814-003-010-000	William T. Lee and Joy Bordeaux Trustees	Post Office Box 552 Carolina Beach, NC 28428
R08814-003-044-000	Thomas L. and Barbara M. Savarese	101 Lighthouse Drive Carolina Beach, NC 28428
R08814-003-045-000	Strategic Alliance Management LLC	1102 Merchant Ln Carolina Beach, NC 28428
R08814-003-046-000	Harry Mark Arthur	105 Lighthouse Drive Carolina Beach, NC 28428
R08814-003-047-000	George and Leah Ryer	23 Collier Drive Carmel, NY 10512
R08814-003-048-000	John M. Rondeau	109 Lighthouse Drive Carolina Beach, NC 28428
R08814-003-049-000	Elizabeth M. Thigpen	111 Lighthouse drive Carolina Beach, NC 28428
R08814-003-050-000	RSP Properties LLC	1028 Waterview Court Carolina Beach, NC 28428
R08814-003-051-000	Deborah S. Sullivan	115 Lighthouse Drive Carolina Beach, NC 28428
R08814-003-052-000	Jane A Lewis Et Ux	429 Shorehaven Dr Erie, PA 16505
R08814-003-053-000	Larry H Stephens	119 Lighthouse Dr Carolina Beach, NC 28428
R08814-003-054-000	Neusa R. Cabral	121 Lighthouse Drive Carolina Beach, NC 28428

Addresses obtained from a review of the New Hanover County GIS tax records.

Exhibit 2

May 27, 2026

TO: Neighboring Property Owners
FROM: Proximity CB, LLC
RE: The Proximity - Notice of Public Input Meeting Regarding Modification to
Conditional Zoning Ordinance No. 21-1156

Dear Neighbors,

I am writing to you on behalf of Proximity CB, LLC, owner of Proximity Carolina Beach located at 1000 N. Lake Park Blvd (Parcel ID Number: R08814-003-015-000) (the "Property").

Proximity Carolina Beach is a community focused mixed-use development featuring a blend of residential, restaurant, retail, office and live-work. Retail tenants include Riko's Pizza, K-38 Baha Grill, Boombalatti's Ice Cream, Drift Coffee, Noe Nail & Hair Salon, Nest Realty, Embody Pilates and Reflect Boutique. The Property includes interactive green spaces and pedestrian & bicycle interconnectivity with the Island Greenway. These amenities alongside our commercial tenants and residents have distinguished Proximity Carolina Beach as destination for community interaction and social engagement at Carolina Beach.

The property was rezoned for its current use in the fall of 2021 and thereafter constructed and opened to the public. Given the benefit of almost two years of operations, we believe two minor adjustments to the "rules, regulations, and conditions" included in the original zoning order would be helpful.

1. An update to the restriction that prohibits residential units from being rented for a period of less than 90 days, with an added qualifier that this prohibition apply to "Ninety (90%) of" the residential units within the community.
2. An addition of conditions under which outdoor events could be hosted onsite as accessory use without the need to secure a special event permit for each event i.e. by way of example live music on the lawn or another similar community event hosted onsite that would foster public engagement.

You are invited to attend a neighborhood meeting to discuss these proposed modifications to the Conditional Zoning Order for Proximity Carolina Beach.

Please join us on June 11th, at 5:30 p.m. at the Property Residential Clubhouse (next to the pool). Representatives of The Proximity team will be available. We look forward to

The Proximity – Neighborhood Meeting
Page 2

the opportunity to meet with you and welcome your questions and comments. Please register via email at haley@capefearcommercial.com.

If you have any questions regarding the topics to be covered at the meeting or wish to comment on the proposed application outside the context of this community meeting, please contact me at mike@capefearcommercial.com.

Best regards,

A handwritten signature in black ink that reads "Mike Brown". The signature is written in a cursive, slightly slanted style.

Mike Brown
Cape Fear Development
Proximity CB, LLC

Exhibit 3

Proximity Carolina Beach Community Meeting
June 11, 2026

PLEASE SIGN IN

	Name	Address	Email
1.	Howard Fineman	901 Basin Rd	HFINEMAN@gmail.com
2.	NAT HARRISON	1036 WATERVIEW CT	NATHARRIS@GMAIL.COM
3.	Darrell & Linda Lee	1001 Waterview Pl	dlee45@triad.rr.com
4.	Sandra & Christopher T Coughlin	8104 Hopetown Rd	Carolina Beach
5.	Kim Stiff	103 Hopetown Rd	kkstiff@hotmail.com
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			

BULK REQUIREMENTS (HB- HIGHWAY BUSINESS DISTRICT)

	REQUIRED	PROVIDED
MIN. LOT AREA	10,000 SF	523,155 SF (12.01 AC)
MIN. LOT WIDTH	100'	653'
MIN. FRONT SETBACK	30'	30'
MIN. SIDE INTERIOR SETBACK	10'	10'
MIN. CORNER SIDE SETBACK	10'	N/A
MIN. REAR SETBACK	15'	15'
MAX. LOT COVERAGE (BUILDINGS)	60% (314,939 sf)	17% (89,650 sf)
LANDSCAPE BUFFER	10' - TYPE B	10' - TYPE B
MAX. BUILDING HEIGHT	50' MAX.	50' MAX.
BUILDING 1 - 3		50' (4 STORY)
BUILDING 4 - 5		50' (3 STORY)
CLUBHOUSE/ AMENITY BUILDING		50' (3 STORY)
GARAGES		45'

PROXIMITY PROJECT - GROUND FLOOR COMMERCIAL USE SUMMARY

BUILDING 1 -	25,517 SF COMMERCIAL RETAIL
BUILDING 2 -	4,921 SF FITNESS CLUB
BUILDING 3 -	2,860 SF RESTAURANT
BUILDING 4 -	5,075 SF LIVE/WORK
BUILDING 5 -	5,000 SF CLASS A OFFICE
BUILDING 6 -	4,121 SF LEASING

44,111 TOTAL HEATED COMMERCIAL AREA

57,711 TOTAL COMMERCIAL AREA (INCLUDES OUTDOOR DINING, RETAIL & AMENITY & POOL AREA)

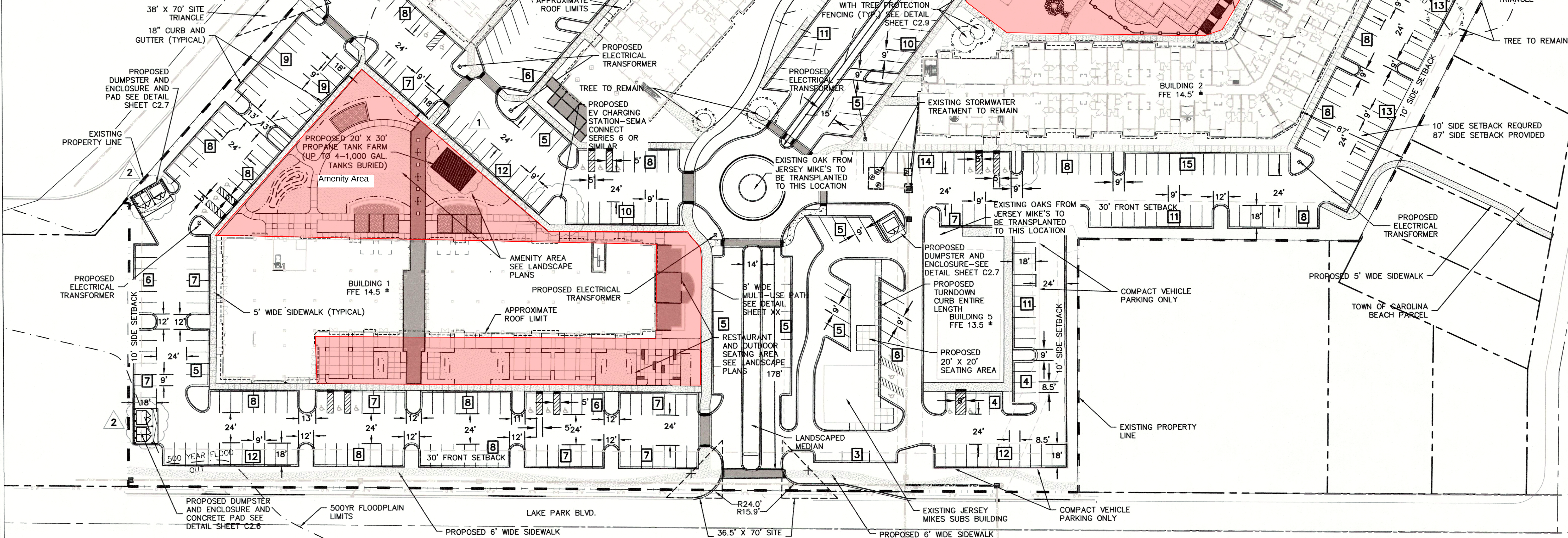
MIXED-USE COMMERCIAL - RESIDENTIAL OFF-STREET PARKING

	REQUIRED	PROVIDED
BUILDING 1 RETAIL (25,517 SF / 200)	127.59 SPACES	127.59 SPACES
OUTDOOR SEATING (400 SF / 200)	2.00 SPACES	2.00 SPACES
BUILDING 2 FITNESS (4,921 SF / 200)	24.61 SPACES	24.61 SPACES
BUILDING 3 RESTAURANT (2,860 SF / 200)	14.30 SPACES	14.30 SPACES
BUILDING 4 LIVE / WORKS (5,075 SF / 200)	25.38 SPACES	25.38 SPACES
BUILDING 5 OFFICE (5,000 SF / 200)	25.00 SPACES	25.00 SPACES
BUILDING 6 LEASING (4,121 SF / 200)	20.61 SPACES	20.61 SPACES
JERSEY MIKES (1,840 SF / 110)	16.73 SPACES	16.73 SPACES
OUTDOOR SEATING (400 SF / 220)	1.82 SPACES	1.82 SPACES
POOL AREA (1,349 SF/75)	18.99 SPACES	18.99 SPACES
TOTAL COMMERCIAL PARKING	276 SPACES	276 SPACES

RESIDENTIAL INCLUDED IN MIXED-USE COMMERCIAL - RESIDENTIAL (1 space / unit)	250 SPACES	250 SPACES
TOTAL PARKING:	526 SPACES	526 SPACES

RESIDENTIAL UNITS

	UNITS
BUILDING 1	44
BUILDING 2	84
BUILDING 3	100
BUILDING 4 - LIVE/WORK	6
BUILDING 6 - CLUBHOUSE	10
BUILDING 7 - CARRIAGE UNITS	6
TOTAL COMMERCIAL PARKING	250 UNITS



BUILDING ADDRESS
BUILDING 1 ADDRESS: 1000 N. LAKE PARK BLVD.
BUILDING 2 ADDRESS: 906 N. LAKE PARK BLVD.
BUILDING 3 ADDRESS: 1004 N. LAKE PARK BLVD.
BUILDING 4 ADDRESS: 1008 N. LAKE PARK BLVD.
BUILDING 5 ADDRESS: 908 N. LAKE PARK BLVD.
BUILDING 6 ADDRESS: 904 N. LAKE PARK BLVD.
BUILDING 7 ADDRESS: 1010 N. LAKE PARK BLVD.
JERSEY MIKES RESTAURANT ADDRESS: 910 N. LAKE PARK BLVD.