Agenda

Planning Board and Board of Commissioners Joint Meeting

7:00 PM November 19, 2026
Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

1. **Call to order, confirmation of quorum, and public charge**
   The Hillsborough Board of Commissioners and Planning Board pledge to the community of Hillsborough their respect. The boards ask participants to conduct themselves in a respectful, courteous manner with the boards and with fellow participants. At any time should any member of the boards or any participant fail to observe this public charge, the Planning Board chair or their designee will ask the offending person to leave the meeting until that individual regains personal control. Should decorum fail to be restored, the Planning Board chair or their designee will recess the meeting until such time that a genuine commitment to this public charge is observed.

2. **Agenda changes and approval**

3. **Open the public hearing**

4. **Public hearing items**

A. Text Amendment to UDO Section 5.2.40, Use Standards - Public Utilities
B. Omnibus Text Amendment to UDO Sections 1, 3, 5, 6, and 9 (State law changes)

5. **Close the public hearing**

6. **Planning Board business**

A. Adopt Planning Board calendar for 2027
B. Planning Board recommendations on public hearing items
C. Staff and board updates

7. **Adjournment**

Interpreter services or special sound equipment for compliance with the American with Disabilities Act is available on request. If you are disabled and need assistance with reasonable accommodations, call the Town Clerk's Office at 919-296-9443 a minimum of two business days in advance of the meeting.

Public Comment Instructions
For agenda items and items not on the agenda.

Public Comment — Written
Members of the public may send written comments to planning@hillsboroughnc.gov or hand-deliver them to Town Hall (101 E. Orange Street). Written comments must be submitted by noon on the day of the hearing.

Please include the following information with your comments:
- Date of the meeting
- Agenda item you are writing about
- Your name, address, email, and phone number

Public Comment — Verbal
Members of the public can sign up to speak at the hearing. There will be a sign-in sheet at the front door of the meeting room. Staff will explain the public hearing process to the audience before the public hearings begin. Please contact Planning staff at 919-296-9470 or planning@hillsboroughnc.gov with any questions.

Agenda Abstract
JOINT PUBLIC HEARING

Meeting Date:	November 19, 2026
Department:	Planning & Development Services
Agenda Section:	Public Hearings
Public hearing:	Yes
Date of public hearing:	November 19, 2026

PRESENTER/INFORMATION CONTACT
Shannan Campbell, Planning and Economic Development Manager

ITEM TO BE CONSIDERED
Subject: Unified Development Ordinance Text Amendment - Section 5 Public Utilities Setbacks

Attachments:
1. Draft text amendment of Section 5.2.40 PUBLIC UTILITIES

Summary:
In working with Town Utilities and Engineering staff over the last few years on improvements and needed upgrades to the Adron F. Thompson Water and Sewer Facility, there have been numerous issues caused by a setback requirement for Public Utilities that requires “all structures except public water storage facilities [to be] set back at least one hundred (100) feet from the property line”.

This is a very large setback that many existing utility buildings and structures do not meet and that new buildings have a hard time meeting, due to the location of existing equipment and buildings that they need to be connected to. There are landscaping and buffer requirements in place that protect neighboring properties and the public right of way from the visual impacts of public utility buildings. This large setback is overly restrictive, does not improve health, welfare, or public safety associated with utility building impacts, and has caused needed chemical storage upgrade projects to be put on hold or redesigned at a much higher cost.

Comprehensive Sustainability Plan goal:
Town Government Goals and Actions 2:
Adopt local laws, regulations, and policies that help to achieve sustainable and equitable outcomes.

- Strategy:
  Develop and adopt policies that help accomplish town goals.

- Action:
  Regularly review and update town policies as new information is garnered and achievements are met.

Financial impacts: None.

Staff recommendation and comments:
Staff recommend approval of the proposed text amendment for the reasons outlined in the summary above.

Action requested:
Hold the public hearing. After the public hearing is closed, the Planning Board may make its recommendation if prepared to do so.

5.2.40 PUBLIC UTILITIES

5.2.40.1 Standards of Evaluation

The following specific standards shall be used to evaluate an application for approval of these uses:

5.2.40.1a The proposed landscaping shall provide a visual buffer equal to a Type B buffer from adjacent property through new plantings or existing vegetation.

5.2.40.1.b The proposed site meets the needs of the applicant and minimizes potential adverse impacts on the adjacent property.

5.2.40.1.c All required state agency approvals have been obtained, and the proposed operators have been or will be certified by the appropriate state agency; no certificate of occupancy shall be issued until proof of such certification has been submitted to the Town.

5.2.40.1.d Public convenience and necessity shall be served by this facility if installed as proposed.

5.2.40.1.e All outside storage areas and treatment facilities are fenced with a minimum eight (8) foot high cyclone fence topped with barbed wire, or similar perimeter security satisfactory to the permit issuing authority

5.2.40.1.f The architectural elevations of the buildings show that the buildings preserve the character of the surrounding area to the maximum extent practicable.

5.2.40.1.g ~~All structures except public water storage facilities are set back at least one hundred (100) feet from the property line.~~ Elevated public water storage facilities shall observe a setback equal to the greater of the height of the storage facility or the setback required in the district where the facility is located.

5.2.40.1.h All electric power distribution and service lines (not including transformers or enclosures containing electrical equipment such as switches, meters, or capacitors which may be pad mounted), telephone, gas distribution, and cable television lines shall be placed underground in accordance with the specifications and policies of the respective utility companies.

5.2.40.1.i All electric power, telephone, gas distribution, and cable television lines serving new development and/or new structures shall run underground from the point of connection with the existing main lines to all structures on the lot served by those lines. Such lines shall be placed underground in accordance with the specifications and

policies of the respective utility companies.

5.2.40.1.j Whenever it can reasonably be anticipated that utility facilities constructed in one development will be extended to serve other adjacent or nearby properties, such utility facilities (e.g., water or sewer lines) shall be located and constructed so that extensions can be made conveniently and without undue burden, expense or unnecessary duplication of service.

5.2.40.1.k All utility facilities shall be constructed in such a manner as to minimize interference with pedestrian or vehicular traffic and to facilitate maintenance without undue damage to improvements or facilities located within the development.

Agenda Abstract
JOINT PUBLIC HEARING

Meeting Date:	November 19, 2026
Department:	Planning & Development Services
Agenda Section:	Public Hearings
Public hearing:	Yes
Date of public hearing:	November 19, 2026

PRESENTER/INFORMATION CONTACT

Molly Boyle, Senior Planner
Shannan Campbell, Planning and Economic Development Manager

ITEM TO BE CONSIDERED

Subject: Omnibus Unified Development Ordinance Text Amendment (Sections 1, 3, 5, 6, and 9)

Attachments:

1. 2026 End of Session Bulletin from the NC League of Municipalities
2. Draft text amendment

Summary:

Recently, the North Carolina General Assembly passed several bills amending state statutes on planning and development regulations:

- Session Law 2026-39 (House Bill 162) – Parking Lot Reform/Stormwater Control
  Prohibits local governments from requiring off-street parking minimums, with some exceptions made for local governments in coastal areas.
  https://www.ncleg.gov/Sessions/2025/Bills/House/PDF/H162v5.pdf

- Session Law 2026-41 (Senate Bill 257) – Appropriations Acts
  Predominantly deals with budget but Section 39.5 also makes changes to appeal procedures, vested rights, and permit choice.
  https://www.ncleg.gov/EnactedLegislation/SessionLaws/HTML/2025-2026/SL2026-41.html

- Session Law 2026-51 (House Bill 372) – Home-Based Business Fairness Act
  Creates a definition for "no-impact home-based businesses". Cities are allowed to "impose reasonable regulations" on such businesses but they cannot prohibit them or require permits, licenses, or any other approvals for them.
  https://www.ncleg.gov/EnactedLegislation/SessionLaws/HTML/2025-2026/SL2026-51.html

- Session Law 2026-59 (Senate Bill 445) – Regulatory Reform Act of 2026
  Includes a variety of regulatory changes, including limits on window glazing and increased vesting periods.
  https://www.ncleg.gov/EnactedLegislation/SessionLaws/HTML/2025-2026/SL2026-59.html

For additional reference, staff have included the 2026 End of Session Bulletin from the North Carolina League of Municipalities, which summarizes the bills filed during this session. The summaries for the Session Laws above are highlighted in the bulletin.

Comprehensive Sustainability Plan goal:
Town Government Goals and Actions 2:
Adopt local laws, regulations, and policies that help to achieve sustainable and equitable outcomes.

- Strategy:
  Develop and adopt policies that help accomplish town goals.

- Action:
  Regularly review and update town policies as new information is garnered and achievements are met.

Financial impacts:
None.

Staff recommendation and comments:
Staff recommend approval of the proposed text amendment.

Action requested:
Hold the public hearing. After the public hearing is closed, the Planning Board may make its recommendation if prepared to do so.



END OF SESSION BULLETIN
2026

NCLM
NC LEAGUE OF MUNICIPALITIES

WORKING AS ONE.
ADVANCING A

DEAR LEAGUE MEMBERS,

The 2026 legislative short session proved a difficult one for North Carolina cities and towns, as electoral politics and predictions of close November races led to decisions that, while perhaps politically popular, could put long-term strains on municipal services.

After several years of beating back proposals that would have damaged local land-use planning authority, the General Assembly this year approved measures likely to increase litigation and financial risks for local government as changes provide developers more avenues to challenge land-use decisions. Legislators also agreed to put a measure before voters in the fall that could set the stage for future restrictions from Raleigh on property tax increases.

Legislators planned to return to Raleigh for brief re-convenings during the remainder of the calendar year, with a November session the most likely to result in substantial legislation.

The year did mark the first time that the General Assembly had approved a comprehensive, updated state budget since 2023. While the budget bill includes the land-use planning provisions mentioned above, it also provides dozens of directed grants to communities for various infrastructure projects. In total, 188 municipal projects are provided appropriations under "Special Appropriations" sections, totaling $67,706,394. Other key items affecting cities and towns include $1,750 bonuses for all sworn local law enforcement officers in the state, as well as keeping state Powell Bill road money distributions stable at $186 million.

NCLM staff, acting in concert with municipal officials, were able to mitigate or stave off some other detrimental land-use planning legislation. As legislators continue to meet this year, and as they return next year for a new legislative "long session," there will be new opportunities to engage with them to adjust some of legislation approved this year, make the case for the importance of local control over property taxes as a source of local revenue, and seek support for other proposals that enhance our communities for the betterment of our residents.

Local officials working hand in hand with League staff must continue to effectively work to maintain our residents' unique visions for each of our cities and towns.

We thank you all for your commitment to work in this way to make your own city or town a better place for your residents, and to make our state, as a whole, a better place to live, work and raise families.

We present this document to you to provide a detailed account of the legislative session and the legislative actions that affect cities and towns across North Carolina.

Sincerely,

The Officers of the League's Board of Directors



Jody McLeod
President
Mayor
Clayton



Satish Garimella
First Vice President
Mayor Pro-Tem
Morrisville



Ann Schneider
Second Vice President
Council Member
Oak Ridge



Martha Sue Hall
Immediate Past President
Mayor Pro-Tem
Albemarle

Section 4, Item B.

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MUNICIPAL-RELATED LEGISLATION IN THE NEWS

STATE BUDGET APPROVED

For the first time since 2023, state legislators approved a revised state budget. For North Carolina's cities and towns, the $31.3 billion spending plan will provide dozens of directed grants to various communities for infrastructure projects. In total, 188 municipal projects are provided appropriations under "Special Appropriations" sections, totaling $67,706,394. Other key items affecting cities and towns include $1,750 bonuses for all sworn local law enforcement officers in the state, as well as keeping state Powell Bill road money distributions stable at $186 million.

The plan, though, includes a handful of land-use and building permit provisions that could create more barriers for local planning. These include measures that could increase litigation and financial risks for local government as changes provide developers more avenues to challenge land-use decisions.

PROPERTY TAX AMENDMENT

Facing a tough election climate, legislative majorities in the General Assembly decided to put a constitutional amendment before voters this fall that will allow the legislature to establish limits on property tax increases in the future. Assuming voters approve the ballot measure, the change could set the stage for future proposals that could negatively impact the ability of cities and towns to provide services for their residents. The proposed constitutional change could result in a significant shift in local fiscal authority. Property taxes remain the primary revenue source that cities and towns rely on to fund core services such as police and fire protection, street maintenance, parks and development oversight.

Lawmakers also enacted legislation delaying implementation of scheduled property reappraisals in several counties. Counties that conducted revaluations last year, for use in 2026, will not be permitted to use those updated values for taxation in the 2026-27 fiscal year, delaying the effects of higher assessments on property owners.

LAND-USE REGULATIONS: GRANNY FLATS AND PARKING MINIMUMS

A number of land-use planning proposals were considered in the General Assembly this year, with some making it into law, while others failed to gain support. A seemingly perennial issue — a state mandate to require that cities of certain sizes allow accessory dwelling units, or "granny flats," in all residential districts — was eventually passed. The same omnibus regulatory reform bill included a change allowing more residential building in commercial and industrial zoned areas for larger cities and towns. With opposition from cities and towns, Senate and House negotiators did decide to drop a permitting shot clock provision that would have shortened the time span in which cities could act on certain permit applications. Regarding accessory dwelling units, the proposal had appeared in legislation as a potential solution to housing affordability even though many of the state's larger cities and towns already allow ADUs by right in many areas.

Separately, legislators approved legislation to undo local parking minimums associated with certain types of development. They did exempt a number of coastal counties from the change. As mentioned earlier, they also included several land-use regulation provisions in the state budget, increasing the potential for litigation and local taxpayer liability for land-use decision-making. As legislators plan to reconvene in November, the opportunity to make changes to these measures may be possible.

HOMELESS ENCAMPMENTS

Legislators approved a controversial measure requiring cities and towns to police and regulate homeless encampments, potentially putting new strains on local law enforcement. Supporters say the legislation will require that public spaces are kept safe; detractors say the state provides no resources to accomplish that goal and that it will not reduce homelessness.

The legislation would require municipalities to clear homeless encampments in public spaces, but approve a temporary location for homeless camps on municipal property under certain circumstances. Local governments would have to provide restroom facilities, water and public safety personnel in those instances. Gov. Josh Stein vetoed the bill, and legislators did not attempt to override that veto when they met in July and August.

BILL SUMMARIES

WORKING AS ONE. ADVANCING ALL.

BILL SUMMARY — OVERVIEW

Over the course of the 2026 session of the North Carolina General Assembly, the League's Government Affairs Team tracked dozens of bills that had implications for cities and towns, with many of those having significant effects. While the number of bills considered was somewhat limited, large omni-bus measures as well as more narrowly focused bills had significant impacts on municipal development oversight, budgeting and service operations.

The General Assembly will be reconvening a handful of times throughout the rest of the year, with a post-election session in November potentially leading to another round of substantial legislation. Nonetheless, this document should represent the bulk of legislative acts affecting cities and towns during the 2026 legislative session.

You will find summaries of bills below, including descriptions of how they could affect the governance of cities and towns and some of the political considerations that affected their ultimate outcome. The bill numbers and titles are linked below. The bill links will take you to actual copies of the bill on the General Assembly website. Beside each bill title, there is a designation explaining the status of the bill.

The designations indicate the following:

Law: Passed by the General Assembly and now Session Law, either with the Governor's signature, with the Governor's inaction regarding the bill, with an override of his veto, or as a local bill or constitutional amendment over which the Governor has no say.

Passed House: Passed the House but not voted on by the Senate.

Passed Senate: Passed the Senate but not voted on by the House.

In Conference: Approved by both chambers, but with changes that have not yet been resolved by the two chambers.

Not Passed: Legislation not approved by either full chamber.

Ratified: Approved by the General Assembly but not yet acted on by the Governor as of the publication date.

Vetoed: Vetoed by the Governor, and currently not overridden by both legislative chambers.

BILL CATEGORIES



TAX & FINANCE

LOCAL BILLS

GENERAL GOVERNMENT

PLANNING & LAND USE

ENVIRONMENT & UTILITIES

If you do not see a bill summarized that you are interested in, please contact any member of the League's Government Affairs team.

TAX & FINANCE

HB 169 Haywood/Cherokee/Leland Occ. Tax. Mods. (Rep. Pless) — Passed Senate

House Bill 169 is a local bill that impacts multiple local governments regarding their occupancy taxes: Haywood County is authorized to levy a higher occupancy tax and required to make changes to the structure of its tourism development authority; Cherokee County is authorized to make similar changes to its tourism development authority; and Leland is given additional authority to spend its occupancy tax revenue. The bill passed nearly unanimously in the House and Senate, but Senate changes mean that the bill has not yet been passed into law. As of this writing, the House had not yet voted to accept those changes, although it also had not formally rejected them.

HB 198 ABC Omnibus of 2026 (Reps. Miller and Pyrtle) — In Conference

While largely a technical and administrative alcohol regulation bill, some provisions in this legislation would directly affect municipalities, particularly those that have established or are considering social districts as a downtown economic development tool. The bill clarifies that businesses located within a social district that are not themselves licensed to sell mixed beverages could nevertheless allow patrons to bring in and consume mixed drinks purchased from another permitted business within the district. It was argued the change would provide greater flexibility for downtown merchants and make social districts more attractive for visitors and businesses.

The legislation also included provisions affecting local ABC operations and permit administration, along with a proposal authorizing the ABC Commission to finance and construct a new automated state warehouse.

Unlike some of the broader alcohol modernization bills considered this session, HB 198 did not make major changes to municipal zoning authority or substantially alter the distribution of local alcohol tax revenues. Instead, the provisions most relevant to municipalities focused on making social districts more flexible and improving the administration of the state's ABC system. At adjournment, the House and Senate had not reached agreement on the bill, leaving it in conference.

HB 240 Currituck/NH Beach Towns/J'ville OT (Rep. Carver) — Law — SL 2026-7, effective June 18, 2026

House Bill 240 is a local bill that impacts five local governments: Currituck County, the towns of Carolina Beach, Kure Beach, and Wrightsville Beach ("New Hanover Beach Towns"), and the City of Jacksonville. Currituck County will lose some discretion in making "tourism-related" capital expenditures (see also related SB 484). The New Hanover Beach Towns gain some flexibility through an authorization to spend occupancy tax revenue on seasonal ocean rescue and lifeguards, as well as police and fire overtime pay related to festivals and special events. Finally, Jacksonville received a ten-year extension on the authority to use occupancy tax, running through 2037. This bill passed the House and Senate on nearly unanimous votes and became law on June 18, 2026.

HB 921 ABC & Gaming Omnibus Bill (Reps. Pickett, Pyrtle, and Cairns) — Not Passed

A major package of changes to the state's alcohol laws failed to pass. The bill contained multiple changes affecting alcohol regulation, gaming activities, raffles, mobile bars and ABC operations, the most significant proposal for local governments involved the creation of a new distribution system for premixed cocktails. The bill would have allowed these products to be sold in grocery stores, convenience stores and other traditional retail outlets rather than being sold only through state ABC stores.

HB 1032 Repeal Two Percent Local Grocery Tax (Reps. Chesser, Paré, Reeder, and Schietzelt) — Not Passed

House members presented a proposal to exempt groceries from local sales tax, thereby repealing the state's 2% local grocery tax. HB 1032 would strip all of the existing statutory authority for the tax and removes any of the special references to county referendums for increased food taxes that would relate to grocery products. This proposal has been introduced in previous sessions, though it has yet to receive much traction. The bill was referred to a House committee but did not receive a hearing during this session.

HB 1042 Affordable Housing Exemption Mods. (Reps. Paré, Howard, Setzer, and Schietzelt) — Passed House

Following the work of the House Select Committee on Property Tax Reduction and Reform during the legislative interim, the committee's leaders presented legislation to address an issue identified during the group's work: "affordable housing" providers using a tax loophole to limit their overall property tax liability on properties. HB 1042 is in response to a 2013 decision by the North Carolina Court of Appeals granting a low-income housing project in Mitchell County, owned by a for-profit limited liability company but controlled by a nonprofit, a property tax exemption. As an example of the harm this loophole has caused, local governments in Wake County have lost millions in property tax revenue, and it has not resulted in the creation of additional affordable housing.

The bill received unanimous approval from the House, but the Senate chose not to consider the bill before adjournment.

HB 1089 Const. Amend. Property Tax Levy Limit (Reps. Echevarria, Howard, Setzer, and Paré) — Law — SL 2026-5, effective various dates

In one of the more significant actions this session, legislators placed a constitutional amendment on the November 2026 ballot that would direct the General Assembly to enact "general laws limiting the amount by which the levy of taxes on property may increase." In lay terms, this means that if voters approve the amendment, legislators will be empowered to enact legislation limiting the amount by which property tax levies may increase. The votes in both chambers went nearly along party lines. In the House, two members who switched their party affiliation this session from Democrat to Unaffiliated joined all Republicans in voting for the amendment, which passed that chamber 73-46. In the Senate, Democratic Sen. Dan Blue joined Republicans in approving the amendment by a 31-15 margin.

This amendment grew out of the work of the House Select Committee on Property Tax Reduction and Reform, which met during the legislative interim. The League and other stakeholders opposed the proposal due to potential effects on local budgets and the ability of locally-elected officials to respond to the service needs of their residents.

HB 1092 Reform NC Property Tax (Reps. Ager, Longest, Buansi, and Johnson-Hostler) — Not Passed; HB 1122 Expand Disabled Veteran Prop. Tax Exclusion (Reps. Crawford, Pittman, Ager, and Alston) — Not Passed; HB 1179 Senior Property Tax Relief Modernization Act (Reps. Rubin, Ager, Cervania, and Carney) — Not Passed; HB 1181 Property Tax Modifications (Reps. Cervania and Rubin) — Not Passed; SB 798 Elderly Prop. Tax Appreciation Exclusion (Sen. Waddell) — Not Passed; SB 898 Citizens' Tax Relief Circuit Breaker Mods. (Sens. Murdock, Mohammed, and Salvador) — Not Passed

In an effort to respond to rising costs for North Carolinians, a bipartisan group of legislators in the House and Senate introduced numerous bills carving out new or modifying existing exemptions and "circuit breakers" within the state's property tax system for a variety of select groups. This included changes to the state's homestead exemption (HB 1092, HB 1179, HB 1181, and SB 898), the elderly and disabled resident exemption (HB 1179, HB 1181, and SB 798), and the disabled veteran exemption (HB 1122). Other proposals would have created exemptions related to a property's area median income (AMI) (HB 1092) and updated exemptions for properties owned by nonprofit entities (HB 1092). Additionally, many of these bills (SB 898, HB 1092, HB 1179, and HB 1181) appropriate money to the NC Association of County Commissioners to

support programs to educate citizens about property tax exemptions or improve the appraisal/reappraisal processes.

None of these bills gained traction, though, with all remaining in committees in their chambers of origin.

SB 474 Adjust Counties/Reappraisal Moratorium (Sens. Berger, Moffitt, and Jarvis) — Law — SL 2026-47, effective July 8, 2026; SB 889 Property Tax Reappraisal Moratorium (Sens. Berger, Jackson, and Jarvis) — Law — SL 2026-8, effective various dates

While the House Select Committee on Property Tax Reduction and Reform focused their property tax efforts on local property tax limitations, Senate leadership began work on temporary moratoriums on property tax reappraisals scheduled for 2026. SL 2026-8 prohibits the following counties (and cities within them) from using their updated property tax reappraisals, which were set to be used for the first time in the 2026 budget cycle: Anson, Bladen, Buncombe, Davidson, Guilford, Harnett, Onslow, Pender, and Scotland. When it became law on June 18, it required the affected local governments to redo their FY26-27 budgets using the prior property valuations, a significant disruption to local services and communities. The bill received strong bipartisan votes in both the Senate and House.

Following the passage of SL 2026-8, legislators approved SL 2026-47, which modified the language of the original bill, requiring that the property tax moratorium only apply to counties that do not have populations less than 12,000; are within 3 years of their sales assessment ratio changing, and have a population under 150,000; have levied a property tax rate over 95 cents per $100 in the prior four years; or are in counties impacted by Hurricane Helene.

Both bills received generally bipartisan votes and were ultimately signed by Gov. Josh Stein.

SB 484 Clarify Tourism-Related Expenditures (Sens. Moffitt, Daniel, and Britt) — Law — SL 2026-15, effective June 22, 2026

In response to a 2026 decision by the NC Supreme Court (Costanzo v. Currituck County), the House Finance Committee advanced legislation intended to constrain local governments' authority to spend room occupancy tax revenue. The Court's decision upheld Currituck County's expenditures for public safety, largely based on the county's determination that the doubling of population during summer tourist season justified the spending on public safety, and that this would attract tourists to the area.

The legislation generally prohibits spending occupancy tax revenue on "services ordinarily provided by a city for its residents" and specifically prohibits the following spending categories: 1) solid waste collection or disposal; 2) water supply, distribution, or treatment; 3) fire protection; 4) law enforcement, public safety services, or emergency services; 5) affordable housing; and 6) education. The bill passed the House and Senate nearly unanimously and was signed into law by Gov. Josh Stein on June 22, 2206. These new restrictions apply to expenditures of occupancy tax proceeds collected on or after that date.

SB 992 Truth in Taxation (Sens. Ford, B. Newton, and McInnis) — Passed Senate

After moving through Senate committees and passing the Senate in less than 10 calendar days, this "Truth in Taxation" bill failed to pass the House before lawmakers adjourned in August. The bill would apply to the local government budget process following a general reappraisal of real property, whenever the local government intends to adopt a property tax rate that is higher than the revenue neutral rate. In that case, the bill would require an additional published notice and mailed notice to all taxpayers in a local government jurisdiction. Initially, the bill allowed for a consolidated mailing by the county clerk to the County board of Commissioners, but that was removed from the bill by a Senate committee. Under the current version, each municipality and county must publish and mail the required notice informing every property owner that the governing board may adopt a rate higher than the revenue neutral rate. The bill remains pending in the House and is eligible for consideration during the November session.

SB 1074 Eden/Mills River/Guilford Art. 46 Local Act (Sen. Berger) — Law — SL 2026-26, effective various dates

While this bill included provisions affecting Eden and Mills River, the most significant provision for local governments was a section addressing Guilford County's proposed 0.25% sales tax. Lawmakers approved changes to both the referendum language voters will see on the ballot and the formula governing how revenue from the tax would be distributed if approved.

The Guilford provisions highlight a recurring theme at the General Assembly, with lawmakers increasingly weighing in on local revenue proposals before they reach the ballot. By adjusting the referendum structure and revenue distribution plan, legislators sought to refine how Guilford County could use a potential new funding source for local needs and infrastructure investments.

LOCAL BILLS

HB 116 Jacksonville Annexation & Conforming Changes (Rep. B. Jones) — Law — SL 2026-56, effective various dates; SB 817 Annex Various Military Property/Jacksonville (Sen. Lazzara) — Not Passed

The General Assembly again took up the issue of Jacksonville's relationship with the military installations that surround the city. Both SB 817 and HB 116 sought to annex portions of Marine Corps Base Camp Lejeune, Marine Corps Air Station New River and facilities at Stones Bay into the City of Jacksonville. While the Senate proposal stalled, lawmakers ultimately approved the annexation through HB 116. Supporters argued the change better aligns municipal boundaries with the community served by Jacksonville.

HB 117 OIB/Topsail Beach Parking Fees (Rep. Iler) — Law — SL 2026-23, effective June 25, 2026

Coastal communities continued to seek greater flexibility in how they manage revenue generated from paid parking. HB 117 allows Ocean Isle Beach and Topsail Beach to use proceeds from on-street parking in the same manner as revenue from off-street parking facilities. The change provides additional flexibility to address infrastructure, public safety and other municipal needs associated with growing seasonal tourism populations.

HB 1035 Various Local Election Changes III (Rep. Humphrey) — Law — SL 2026-18, effective various dates; SB 876 Various Local Provisions X (Sen. Ford) — Law — SL 2026-25, effective various dates; HB 1038 At-Large Elections/Jacksonville City Council (Reps. Gable and Shepard) — Not Passed

State legislators continued their effort to reshape municipal elections across North Carolina through a series of local election bills affecting dozens of communities, with some approved despite local opposition. The measures moved a number of municipalities from odd-year election cycles to even-numbered years, modified terms of office, changed election methods and updated procedures for filling vacancies. Among the more significant changes, SB 876 moves Kannapolis municipal elections and Albemarle municipal elections to even-numbered years and shifts the city to partisan elections.

Lawmakers also considered HB 1038, which would have eliminated Jacksonville's ward-based city council districts and required all six council members to be elected at-large. Reps. Gable and Shepard argued the proposal would create a more unified election system, while critics raised concerns about reducing neighborhood representation on the council. The bill ultimately did not advance.

SB 214 Various Local Provisions VII (Sen. Sawrey) — Law — SL 2026-2, effective various dates; SB 811 Various Local Provisions VIII (Sens. Daniel, Moffitt, and Mayfield) — Law — SL 2026-22, effective various dates

Near the end of session, lawmakers approved several omnibus local government bills containing a mix of annexation, deannexation, extraterritorial jurisdiction (ETJ) changes and municipal boundary provisions that affect municipalities across the state. While many of the provisions were supported locally, others reflected state intervention in local boundaries.

SB 214 removed properties from the corporate limits of Southport, Yadkinville and Kannapolis, modified ETJ boundaries affecting Yadkinville and Sunset Beach, and removed East Spencer's cap on satellite annexations. SB 811 included a similar collection of local government provisions, removing the satellite annexation cap for Bailey, Weaverville and Cherryville, deannexing properties from several municipalities, and limiting development authority by the Village of Walnut Creek.

GENERAL GOVERNMENT

HB 171 Equality in State Agencies/Prohibition on DEI (Reps. B. Jones, N. Jackson, Lowery, and Eddins) — Vetoed

A key part of the Republican party platform coming into 2025 was to restrict or prohibit efforts in state and local government to promote diversity, equity, and inclusion (DEI). After heated debate in the House and Senate, a veto by Gov. Josh Stein and an override vote in the House, House Bill 171 has yet to become law, as the Senate has yet to hold an override vote. Sponsored by top leaders in the House and co-sponsored by roughly three-dozen Republican House members, the legislation ranked as one of the most contentious and politically charged issues considered during the legislative session. The bill would enact broad prohibitions on spending public money on DEI initiatives, or using DEI in hiring, employment, or contracting. Penalties for violations are severe: a $10,000 civil penalty against a person who violates the new law and potential removal from office through the existing Local Government Commission removal authority. In addition, the new law would require local governments to attempt to recoup unlawful expenditures associated with DEI and authorize civil actions by "any person" to stop perceived violations, with an award of attorneys' fees and costs should that person prevail.

House Bill 171 is now pending in the Senate on the question of whether to override the governor's veto. That vote would make the bill law notwithstanding the governor's veto, but it requires a three-fifths majority of the Senate. The next likely opportunity for the Senate to take that vote would be during the November reconvening of the General Assembly.

HB 199 Authorize Municipal Deannexation (Reps. Carson Smith, Budd, Pyrtle, and Logan) — Passed House

In a somewhat surprising move coming late during the legislative session, the House Finance Committee advanced legislation that would establish a municipal-level procedure for removing property from the municipal limits. The legislation was motivated by the rise in requests from cities for local legislation for the deannexation of property, which is presently the only legal mechanism available to remove parcels from the municipality's jurisdiction.

The legislation provides three procedures for deannexation: 1) initiated by resolution of the municipal governing board; 2) upon a petition for a voter referendum signed by 25% of the property owners and its successful passage; and 3) by ordinance in response to a citizen petition. Regardless of the procedure, there are various requirements for notice and public hearing, and specific provisions that would allow the city to determine whether to continue services and to recoup infrastructure costs related to services extended to the area that is proposed for deannexation. Finally, the legislation establishes a procedure for appealing the city's decision to the Superior Court for further review.

HB 437 Drug-Free Zones/Unauthorized Public Camping (Reps. Rhyne, Chesser, and Pickett) — Vetoed

This bill, championed by a national conservative think tank and impacting how local governments address homelessness, was a two-part bill that combined the original HB 437 Establish Drug-Free Homeless Service Zones and HB 781 Unauthorized Public Camping & Sleeping, both of which were passed by the House in 2025. HB 437 prohibits local governments from allowing people to sleep or camp on public land within their jurisdictions regularly and would allow the designation of a specific public place for camping, provided certain detailed requirements are met. The language of the bill generally aligns with President Donald Trump's 2025 Executive Order 14321, which outlines response strategies to address homelessness.

The bill passed both chambers along partisan lines, with only a limited number of House Democrats voting in favor. Gov. Josh Stein vetoed the bill on July 8, stating in his veto message, "I have long called for funding to crack down on drug trafficking, invest in behavioral health, and expand affordable housing options — because homelessness and substance misuse are real problems that deserve real solutions, not this bill." Legislators have not considered an override vote at this time.

HB 481 Pay Exceptions/Special Separation Allowance (Rep. Davis) — Law — SL 2026-33, effective July 2, 2026

Legislators took important steps in increasing law enforcement pay and benefits through both the 2026 budget and legislation passed over the past two years. Provisions that modify eligibility and re-employment provisions for the Special Separation Allowance available to state and local law enforcement officers was signed into law in July and provided clarifications to previous legislation passed in 2025. The change in HB 481 protects the special separation allowance of officers who retire and later return to work and then retire a second time for an employer in the same retirement system.

HB 958 Election Law Changes (Reps. Blackwell and Stevens) — Vetoed

While most attention focused on changes to voter identification, campaign finance and election administration, one provision of HB 958 Election Law Changes could have an impact on municipalities across the state. The legislation moves the municipal primary election date earlier in the election calendar to better accommodate expanded early voting periods, absentee ballot requirements and other state and federal election deadlines that have been added in recent years. Election administrators have increasingly expressed concern about the shrinking amount of time available between primaries and general elections, and supporters say the change provides greater flexibility for counties to meet those requirements. Gov. Josh Stein vetoed the bill and the General Assembly did not immediately override the veto, meaning it will not affect the upcoming election.

HB 1094 Ferry Div. Audit/DOT Omnibus (Reps. Iler and Shepard) — Law — SL 2026-46, effective various dates

This legislation represents this session's annual omnibus proposal to address a variety of programs under the purview of the Department of Transportation. SL 2026-46 included numerous provisions of little to no interest to municipalities, including an audit of the state's ferry system, as well as a myriad of studies and process changes across the department and the Division of Motor Vehicles. Of particular interest to municipalities, though, the legislation authorizes cities to regulate electric-assisted bicycles ("E-bikes"). The legislation establishes a standardized three-tier classification system and provides municipalities with clear authority to regulate e-bikes, addressing existing regulatory gaps. This section takes effect on December 1, 2026.

Both chambers gave this legislation almost unanimous support, and Gov. Josh Stein signed it on July 7.

SB 257 2026 Appropriations Act (Sens. Jackson, Hise, and Lee) — Law — SL 2026-41; various effective dates; HB 56 2026 Budget Technical Corrections (Reps. Pare, Loftis, Zenger, and Tyson) — Law — SL 2026-42; various effective dates

For the first time since 2023, state legislators approved a comprehensive revision and update to the state's budget. Shortly after doing so, legislators then made various adjustments and corrections to the budget. As noted in other sections of this bulletin, the two-bill package that makes up the state budget included various policy changes that are not related to state spending. Of note, the following spending items were included in the budget:

- One-time bonus pay of $1,750.00 for all full-time sworn law enforcement officers.
- Recovery spending for communities impacted by Hurricane Helene through various programs totaling approximately $700 million.
- Hundreds of directed grants for local governments and nonprofit organizations.
- Holding Powell Bill funding for street maintenance at $186 million.
- Adjustments to the Growing Rural Economies with Access to Technology (GREAT) Fund to support middle-mile fiber projects for coastal communities.
- Shifting additional appointment authorities for various state boards and commissions from the governor to other executive branch elected offices, or to the General Assembly.
- Elimination of over 1,000 state government positions that are determined to be "longterm vacancies"
- Gov. Josh Stein signed both bills into law, despite expressing concern with a number of provisions, including provisions he termed "hostile to local governments."

PLANNING & LAND USE

HB 372 Home-Based Business Fairness Act (Reps. Johnson, Chesser, Rhyne, and Schietzelt) — Law — SL 2026-51, effective July 7, 2026

Lawmakers approved HB 372 Home-Based Business Fairness Act, prohibiting cities from banning certain no-impact home-based businesses or requiring owners to obtain permits, licenses, rezonings, variances or other local approvals to operate them. The law still allows for local governments to impose narrowly tailored regulations related to public health and safety, compatibility with surrounding residential uses, and compliance with state and federal law. The law does not override private deed restrictions, covenants or homeowners' association rules that may limit such activities.

HB 1072 Affordable Housing Infrastructure Development (Reps. Bell, Reives, Humphrey, and Cunningham) — Not Passed

HB 1072 is a rare bipartisan proposal, bringing together House Rules Committee Chairman John Bell and House Democratic Leader Robert Reives as primary sponsors, joined also by Republican Representative Chris Humphrey and Unaffiliated Representative Carla Cunningham. The bill would appropriate $50 million in state funds to establish a revolving loan fund at the North Carolina Housing Finance Agency to support affordable housing development. These loans would be directed towards providing below-market interest rate loans to builders for land acquisition, predevelopment (permit fees, land surveys, environmental due diligence, soil testing, and engineering and site planning), as well as infrastructure costs (water, sewer, utility, stormwater, and road development, and site clearing and grading).

While the bill garnered support from a bipartisan group of 55 representatives, it was referred to the House Housing and Development Committee but did not receive a vote during the session.

HB 1103 Allow Implementation of Chatham Co. UDO (Rep. Reives) — Not Passed; SB 587 Wake Surfing Safely (Sens. Lazzara and Sawrey) — Passed House; SB 1074 Eden/Mills River/Guilford Art. 46 Local Act (Sen. Berger) — Law — SL 2026-26, effective various dates; SB 807 Restore Down-Zoning Auth./ Woodfin (Sen. Mayfield) — Not Passed; SB 828 Restore Down-Zoning Auth./Various Counties (Rep. Burgin) — Not Passed; SB 833 Restore Down-Zoning Auth./Meck. & Others (Sen. Mohammed) — Not Passed; SB 1075 Restore Down-Zoning Auth./Military Counties (Sens. Brinson and Lazzara) — Not Passed

A variety of bills considered this session sought to address local land-use regulation and zoning authority following the fallout from the 2024 downzoning law that severely curtailed local governments' ability to rezone property. Although the bill did not advance, HB 1103 would allow Chatham County's adopted Unified Development Ordinance to be implemented despite the 2024 downzoning law. SB 587, which originally contained League-negotiated language that would restore local zoning authority while protecting private property rights, was gutted by the House, with the replacement language addressing wakeboard surfing. The Senate unanimously approved a local bill (SB 1074) that would remove an exemption from the law previously granted to the town of Mills River, which had been poised to adopt a new zoning code just after the 2024 downzoning bill became law. The act also includes provisions related to the City of Eden annexation agreement. Similarly, SB 807, SB 828, SB 833 and SB 1075 sought to restore local authority to initiate certain down-zonings that were restricted under state law. None of these measures received final legislative approval.

SB 257 2026 Appropriations Act (Sens. Jackson, Hise, and Lee) — Law — SL 2026-41 effective various dates

Buried deep inside the General Assembly's 634-page budget bill were a number of changes to planning and land use law. Many of the provisions were not considered by committees during the session and were added to the budget as "special provisions," apparently just hours before the legislation was finalized. The following provisions related to planning and land use became law through the budget this year:

- **Section 39.5(a)** allows appeals from zoning administrators' decisions to proceed directly to Superior Court without being considered by local boards of adjustment; allows associations of development permit applicants to participate in appeals as a party; and increases the time in which to bring those appeals from one to three years;
- **Section 39.5(b)–(d)** increases the time for filing a legal action to challenge most zoning decisions, including a development regulation, a Unified Development Ordinance, a zoning map amendment, and text adoption or amendments from one to three years.
- **Section 39.5(e)** requires that, upon written request of a development permit applicant, planning and zoning staff provide a written determination as to the applicability or interpretation of an ordinance, which is then binding upon the local government.
- **Section 39.5(g)** expands the permit choice and vesting rights for development applicants related to conditional zoning approvals, rezoning approvals and stormwater permits.
- **Section 39.5(h)** requires that attorneys' fees be awarded to the prevailing party in any action challenging a zoning or development decision under G.S. 160D-1403.1.
- **Section 13.3(a)** establishes a Building Codes and Interpretations Bureau to be housed in the Department of Labor, as a combination of what is currently three agencies, the Office of the State Fire Marshal, the Building Code Council, and the Residential Code Council.

As noted elsewhere in this bulletin, Gov. Josh Stein signed the bill into law, despite expressing concern with provisions he termed "hostile to local governments."

SB 445 Regulatory Reform Act of 2026 (Sen. Jarvis) — Law — SL 2026-59; effective various dates; SB 1047 Regulatory Reform Act of 2026 (Sen. Jarvis) — Passed Senate

Two versions of the annual "reg reform bill" were considered during this year's session.

Senate Bill 445, which was approved, included detailed limitations on window glazing requirements for street façade windows, increased the vesting period for site-specific vesting plans from two to five years, extended vesting rights during a declared state of emergency, allowed residential use by-right in commercial and light industrial districts (only cities with a population of 80,000 or more, located in a county with a population of 1 million or more), required the allowance of at least one accessory dwelling units in single family zoning district (only cities with a population of 50,000 or greater, and not in a coastal areas), and required the publication of a development fee schedule with a right to sue cities for failure to comply. This bill became law on August 11, 2026, with the signature of Gov. Josh Stein.

Senate Bill 1047 failed to pass, but a number of the provisions included in this bill were enacted through other legislation, such as SB 445 (summarized above) and the state budget act (summarized elsewhere in this bulletin). The provisions included in the bill related to "permit shot clocks" was not among them. These shot clock provisions would have applied to most zoning decisions, including imposing time limits on staff and governing boards. The failure to meet those deadlines would result in an automatic approval of the application. The stalling of these provisions will protect local governments' ability to make carefully considered zoning decisions, but the "shot clock" concept remains eligible for consideration in the November session.

SB 695 Incent Development Finance District Funding (Sens. Lazzara and Johnson) — Law — SL 2026-12, effective July 1, 2027

This legislation allows developers to defer 90% of property taxes on qualified improvements within local government-approved incentive districts. SL 2026-12 aims to spur development and grow the property tax base in target areas across the state. The effective date of the legislation is delayed, applying to taxes imposed for taxable years beginning on or after July 1, 2027. Both chambers passed the legislation by nearly unanimous margins, and Gov. Josh Stein signed it on June 22.

SB 730 Ratepayer Protection Act (Sen. Jarvis) — Passed House

A wide-ranging bill related to regulating data centers failed to gain approval at the General Assembly this session. This legislation was mostly focused on protecting Duke Energy customers from costs incurred to provide electrical service to data centers. However, it also included a number of provisions relevant to local governments, such as new site assessment requirements before authorizing construction of a data center, a new requirement that the Department of Environmental Quality adopt water use standards for data centers that mandate a "closed loop" system, and prohibiting local governments from using eminent domain authority or offering economic development incentives to site a data center. The bill as originally filed and passed in the Senate had nothing to do with data center restrictions. The Senate has not acted on the revised bill.

SB 1039 Construction Inspection Efficiency Act (Sens. Chaudhuri and Lee) — Not Passed

This legislation would allow property owners, permit holders, contractors and authorized agents to use certified private construction inspectors or registered private construction inspection firms if a local inspection department failed to conduct a requested inspection within 10 business days or by an agreed-upon date. The bill established qualification, registration, reporting, conflict-of-interest and fee requirements for private inspectors and inspection firms. The bill was referred to the Senate Rules Committee and has received no further action.

ENVIRONMENT & UTILITIES

HB 376 Water/Wastewater Affordability & Capacity Act (Reps. Brody, Zegner, and Riddell) — Law — SL 2026-32, effective various dates

House Bill 376, as initially introduced, was related to regulation of wells and septic tanks. By the time it became law in July, it had become a wide-ranging bill related to wells and septic tanks and water and wastewater utilities more generally, including those operated by local governments. Among other things, the legislation changes the procedural and decision-making requirements when a local government proposes to sell its water or sewer system to a private company; allows a local government utility to establish higher rates, fees, and charges for customers that are outside its jurisdictional boundaries than those paid by customers inside its boundaries; and alters the "built-upon area" definition change for stormwater control that applies when a property is redeveloped, such that the existing development built upon area would be excluded and not require additional stormwater control measures related to that area. Lawmakers enacted that stormwater provision twice within a few days' time, once through this bill and once through HB 162, which the General Assembly then repealed (see related, HB 162).

SB 257 2026 Appropriations Act (Sens. Jackson, Hise, and Lee) — Law — SL 2026-41, effective various dates

The state budget plan adopted by the General Assembly includes a number of changes to laws regulating the environment and utilities, and the funding decisions that affect governmental operations related to them. These include the following:

- **Section 8.9-8.29** provides authorization and funding to support research into PFAS and 1,4dioxine and other "emerging contaminants," and creates a fund under the State Water Infrastructure Authority (SWIA) to provide grants to local governments to respond to these contaminants.
- **Section 5.11** clarifies the authority of cities to own water resources as a part of a public enterprise.
- **Sections 12.5 and 12.6** establish moratoriums and studies on Inter-basin Transfers (IBT) in the Catawba River and the Cape Fear River Basins. These nearly identical provisions impose a moratorium on IBT certificates being issued for certain sized transfers that are in the Catawba and Fear Cape Rivers. The Catawba moratorium was initially imposed last year, but the Cape Fear moratorium became law through the budget this year.

SB 1076 Rocky Mount/Louisburg Utility Rev./Advisory (Sens. Barnes, Newton, and Moffitt) — Law — SL 2026-27, effective various dates

Legislators approved SB 1076 Rocky Mount/Louisburg Utility Rev./Advisory, which imposes new restrictions on the use of municipal utility revenues in the City of Rocky Mount and the Town of Louisburg. The act prohibits Rocky Mount from transferring electric and natural gas utility revenues to other municipal funds through Jan. 1, 2029, and requires excess utility revenues to be used for utility operations, debt reduction or rate reductions. The legislation also establishes a nine-member Rocky Mount Public Utilities Advisory Committee to provide citizen review and recommendations regarding utility budgets, rates, capital projects and proposed fund transfers.

The law similarly prohibits Louisburg from transferring electric utility revenues to other municipal funds and repeals authority allowing electric rate revenues to be used for economic development projects.

APPENDIX I

NCLM Government Affairs Team

WORKING AS ONE. ADVANCING ALL.



NCLM GOVERNMENT AFFAIRS TEAM

The League's Government Affairs Team embodies the organization's ideal of "Working as one. Advancing all." We are working on your behalf to ensure that the concerns of all of North Carolina's cities and towns are represented at the North Carolina General Assembly, and wherever public policy affects the state's municipalities. If you have any questions, please do not hesitate to contact any team member.

Erin Wynia
Director of Government Affairs

ewynia@nclm.org
Office: (919) 715-4126
Cell: (919) 961-6108

Patrick Buffkin
Legislative and Regulatory Counsel

pbuffkin@nclm.org
Office: (919) 715-4323
Cell: (919) 971-2796

Seth Palmer
Director of Urban Affairs

spalmer@nclm.org
Office: (919) 715-3912
Cell: (910) 367-8934

Whitney Murphy
Government Affairs Associate

wmurphy@nclm.org
Office: (919) 715-8154
Cell: (252) 423-0578

Sophia Trentacosta
Government Affairs Project Coordinator

strentacosta@nclm.org
Office: (919) 715-2907
Cell: (443) 904-3314

1. GENERAL PROVISIONS

1.8 VESTED RIGHTS & PERMIT CHOICE

1.8.1 ESTABLISHMENT OF VESTED RIGHTS

A vested right pursuant to North Carolina General Statutes§ 160D-108 shall be deemed established with respect to real property subject to the Town of Hillsborough zoning jurisdiction upon approval by the permit-issuing authority of a site-specific development plan or phased development plan following notice ~~and~~ of legislative or evidentiary hearing as required by this Ordinance.

The establishment of a vested right ~~shall not preclude~~ precludes the application of overlay zoning or other development regulations that impose~~s~~ additional requirements but ~~does~~ do not affect the allowable type~~s~~ or intensity of use~~s~~, or ~~the application of~~ ordinances or regulations that are general in nature and are applicable to all property subject to ~~land use~~development regulation by the Town, including, but not limited to, building, fire, plumbing, electrical, and mechanical codes. Otherwise applicable new ~~or amended~~development regulations shall become effective with respect to property that is subject to a site-specific or phased development plan ~~development plan~~ upon the expiration or termination of the vested right in accordance with this chapter.

1.8.2 SITE-SPECIFIC AND PHASED DEVELOPMENT PLANS

1.8.2.1 Phased Development Plan

"Phased Development Plan" means a plan of land development which has been submitted to the Town by a landowner for phased development describing with reasonable certainty the type and intensity of use for a specific parcel or parcels of land but with a lesser degree of certainty than any plan determined by the Town to be a Site-specific Development Plan. A "Master Plan" is a type of Phased Development Plan. Approval of a Master Plan pursuant to Section 3.7 of this Ordinance shall trigger a vested right. A Phased Development Plan shall be deemed approved upon the effective date of the permit issuing authority's action.

1.8.2.2 Site-Specific Development Plan

"Site-specific Development Plan" means a plan of land development submitted to the town by a landowner that describes with reasonable certainty the type and intensity of use for a specific parcel or parcels of land. A Special Use Permit issued pursuant to Section 3.8 of this Ordinance is the only site-specific development plan recognized in this ordinance.

1.8.2.2.a To qualify as a Site-specific Development Plan, the plan submitted, shall include the following information: total acreage of the site; approximate boundaries of the site; significant topographical and other natural features affecting development of the site; the approximate location on the site of all proposed buildings and other structures (including roads and parking facilities); maximum gross floor areas and impervious surface; and the infrastructure on the site, including water, sewer, roads, and pedestrian walkways.

1.8.2.2.b The permit-issuing authority may approve a Site-specific Development Plan

upon such terms as may be reasonably necessary to protect the public health, safety, and welfare. The specific requirements of other sections of this Ordinance shall be the presumptive minimum standards which applicants must meet.

1.8.3 VESTED RIGHT

1.8.3.1 "Vested right" means the right to undertake and complete the development and use of property under terms and conditions of an approved building permit, or an approved site-specific or phased development plan, including any amendments thereto. Conditional approval of a site-specific or phased development plan shall result in a vested right, although failure to abide by such terms and conditions will result in forfeiture thereof.

1.8.3.2 A variance shall not constitute a site-specific or phased development plan, and a site-specific or phased development plan with a condition that a variance be obtained shall not confer a vested right unless the necessary variance is obtained. Neither a sketch plan nor any other document which fails to describe with reasonable certainty the type and intensity of use for a specified parcel or parcels of property may constitute a site-specific or phased development plan.

1.8.4 DURATION AND TERMINATION OF STATUTORY VESTED RIGHTS

1.8.4.1 An approved Site-specific Development Plan ~~which~~ that has been vested as provided for in this section shall remain vested for a period of ~~two (2)~~five (5) years from the date of approval. This vesting shall not be extended by any amendments or modifications to a Site-specific Development Plan unless the property owner (or authorized agent) requests an extension in writing, and the permit-issuing authority expressly approves such extension.

1.8.4.2 An approved Phased Development Plan ~~which~~ that has been vested as provided for in this section shall remain vested for a period of ~~five (5)~~seven (7) years. The developer or landowner must submit a site-specific development plan for approval with respect to each phase in order to obtain final development approval for such phase. This vesting shall not be extended by any amendments or modifications to a Phased Development Plan unless the property owner (or authorized agent) requests an extension in writing, and permit-issuing authority approves such extension.

1.8.4.3 Following approval or approval with conditions of a Site-specific or Phased Development Plan, nothing in this section shall exempt such a plan from subsequent reviews and approvals by the Town to ensure compliance with the terms and conditions of the original approval, provided such reviews and approvals are not inconsistent with said original approval. Nothing in this section shall prohibit the Town from revoking the original approval for failure to comply with applicable terms and conditions of approval or this Ordinance. Upon revocation, the vesting of rights provided for under this section shall be terminated.

1.8.4.4 A property owner who claims a common law vested right for a property may request the Planning Director to acknowledge in writing the existence of common law vested rights for the property.

1.8.5 VESTED RIGHT EXCEPTIONS

Subject to Section 1.8.4 of this Ordinance, a vested right, once established as provided for in this section, precludes any ~~zoning action~~development regulation by the town which would change, alter, prevent, diminish, or otherwise delay the development or use of the property as set forth in an approved site-specific development or phased development plan, except:

1.8.5.1 With written consent of the affect landowner;

1.8.5.2 Upon findings, by ordinance after notice and an evidentiary hearing, that natural or man-made hazards on or in the immediate vicinity of the property, if uncorrected, would pose a serious threat to the public health, safety, and welfare if the project were to proceed as contemplated in the site-specific development plan;

1.8.5.3 To the extent that the affected landowner receives compensation for all costs, expenses, and other losses incurred by the landowner. Compensation shall not include any diminution in the value of the property which is caused by such action;

1.8.5.4 Upon finding, by ordinance after notice and an evidentiary hearing, that the landowner or his representative intentionally supplied inaccurate information or made material misrepresentations which made a difference in the approval by the town of the site-specific or phased development plan; or

1.8.5.5 ~~Upon enactment or promulgation of a state of~~As required by State or federal law or regulation ~~which precluded~~that preclude development as contemplated in the site-specific development plan or phased development plan, in which case the Town may modify the affected provisions, upon finding that the change in the ~~state~~ State or federal law has a fundamental effect on the plan, by ordinance after notice and an evidentiary hearing.

1.8.6 PERMIT CHOICE

1.8.6.1 The provisions of Section 143-755, *Permit Choice*, of the North Carolina General Statutes shall apply if

1.8.6.1.a A land development regulation is amended between the time a development permit application was submitted and a development permit decision is made, and/or

1.8.6.1.b A land development regulation is amended after a development permit decision has been challenged and found to be wrongfully denied or illegal.

3. ADMINISTRATIVE PROCEDURES

3.11 APPEAL

3.11.1 INTENT

This section establishes the process to be followed by the Board of Adjustment when it considers appeals from any order, requirement, decision or determination made by the Planning Director concerning the enforcement or interpretation of this Ordinance.

***

3.11.2 APPLICABILITY

~~The Board of Adjustment shall hear an appeal taken by any person with standing pursuant to North Carolina General Statutes, Section 106D-405 or the by Town regarding a decision or determination made by the Planning Director concerning the enforcement of this Ordinance in this Ordinance, within the times provided by this Ordinance.~~ Any person with standing pursuant to Section 160D-405 of the North Carolina General Statutes may, within the times provided by this Ordinance, appeal a decision or determination made by the Planning Director regarding enforcement or interpretation of this Ordinance. Failure to appeal to the Board of Adjustment shall not be deemed a failure to exhaust administrative remedies for purposes of a civil action brought under Section 160D-1403.1 of the North Carolina General Statutes.

3.11.3 GENERAL STANDARDS

~~In deciding appeals, the Board of Adjustment may hear those arguments based upon an allegedly improper or erroneous interpretation of the ordinance. The Board of Adjustment will:~~

~~**3.11.3.1** Interpret the meaning of parts of this Ordinance, and~~

~~**3.11.3.2** Apply the Ordinance provisions to particular fact situations in the application.~~

The Board of Adjustment shall hear appeals of administrative decisions rendered by an administrative official charged with enforcement or interpretation of this Ordinance consistent with Section 160D-1403.1(a1) of the North Carolina General Statutes.

3.11.4 PROCEDURE

3.11.4.1 Appeal requirements

~~The appeal requirements, checklists, and time for filing an appeal are provided in the *Administrative Manual*.~~ Unless another time is specifically established by this Ordinance, appeals to the Board of Adjustment shall be filed with the Planning Department within thirty (30) days from the receipt of the written notice regarding the matter subject to appeal. Any other person with standing to appeal shall have 30 days from receipt from any source of actual or constructive notice of the decision, (as described below) within which to file an appeal.

***

3.14 ZONING COMPLIANCE PERMIT

3.14.2 APPLICABILITY

It shall be unlawful to begin construction, place, or move any structure (including signs) or to begin to grade or excavate for immediate construction until the Planning Director has issued for such work a Zoning Compliance Permit. A Zoning Compliance Permit signifies a determination that the site plan, building specifications and the intended use of such structure conform in all respects to the provisions of this Ordinance.

Also, it shall be unlawful to change the type of use or type of occupancy of any building, or to alter or extend any use of any lot on which there is a non-conforming use, until the Planning Director has issued for such intended use a Zoning Compliance Permit~~, including a determination that the proposed use conforms in all respects to the provisions of this Ordinance~~ or has determined a Zoning Compliance Permit is not required based on the provisions of this Ordinance.

***

5. USE STANDARDS

5.1 USE TABLE

5.1.3 USES PERMITTED IN ALL DISTRICTS

5.1.3.1 Within all districts there are certain uses permitted as a matter of right that are not specifically included within Table 5.1.5, *Use Table-Residential* and Table 5.1.6, *Use Table–Non-Residential*. The following uses are allowed in all districts without a Zoning Compliance Permit provided they meet other applicable requirements of this Ordinance:

5.1.3.1.a Above ground and buried utility lines for local distribution of electricity, telephone, and cable television service; accessory and appurtenant apparatus such as poles, guy wires, transformers and switching boxes. **High voltage transmission lines are not included in this exception**.

5.1.3.1.b Temporary buildings and structures used in connection with the construction of a permanent building.

5.1.3.1.c ~~Off~~ Off-street parking as ~~a required~~an accessory use to a permitted use.

5.1.3.1.d Public and private streets and roads and railroad rights-of-way.

5.1.3.1.e Sanitary sewer collection lines, water, gas, and liquid fuel distribution lines, and any necessary on-line pumping stations.

***

5.1.4 COMBINATION USES

5.1.4.1 A combination use is a use consisting of a combination on one lot of two or more principal uses separately listed in the Permitted Use Table. Combination uses shall be permissible on a lot only if each component principal use is permissible in the district where the lot is located.

5.1.4.2 When a combination use consists of two or more principal uses each of which requires a different type of permit (Zoning Compliance Permits or Special Use Permit) then the permit authorizing the combination use shall be:

5.1.4.2.a Special Use Permit if any of the principal uses combined requires a Special Use Permit.

5.1.4.2.b Zoning Compliance Permit in all other cases.

5.1.4.3 When two principal uses are combined, the ~~total~~ maximum amount of parking ~~required~~ allowed for the combination use shall be determined by adding together the amount of parking ~~required~~ allowed for each individual principal use according to the relative amount of space occupied by that use, taking into consideration any shared parking allowed under this Ordinance.

***

5.1.5 ACCESSORY USES

5.1.5.2 The following list provides examples of expected accessory uses in non-residential zoning districts. This list is not exhaustive. When determining whether an activity is an allowed accessory use, the definition of accessory use and the impact of the activity shall be considered. Zoning Compliance Permits are not needed for allowed accessory uses. Items not included on this list may be allowed as combination used in compliance with Section 5.1.4.

5.1.5.2.a Special events permitted pursuant to a separate permitting process established in the Town Code

5.1.5.2.b Special events that do not exceed the permit thresholds for event process in town code

5.1.5.2.c Parking of storage containers, wholly behind the building in locations not needed for ~~required~~ parking or traffic circulation, and screened from adjoining properties

5.1.5.2.d Outdoor dining or customer seating when provided in a manner and location that is not assigned or required for another purpose.

***

5.1.6 TEMPORARY SEASONAL SALES ON NON-RESIDENTIALLY ZONED PROPERTY

5.1.6.3 USE STANDARDS

5.1.6.3.a The display of items, temporary structures (including tents) and parking associated with the seasonal sale shall comply with the applicable building setback for the property.

5.1.6.3.b Signage and lighting associated with the seasonal sale shall comply with the requirements for the zoning district.

5.1.6.3.c On single business tracts, a seasonal sales may occupy or use up to 25% of the ~~required~~ parking areas unless either the temporary or permanent use is particularly hazardous or a high traffic generator or such encroachment on ~~required~~ parking presents a clear danger to the public health or safety, as determined by the Planning staff.

5.1.6.3.d On multi-tenant tracts, a seasonal sale may occupy or use up to 25% of the ~~required~~ parking for the sponsoring tenant. Such sales shall be located so as not to occupy or clearly impact the parking for neighboring uses.

***

5.2 USE-SPECIFIC STANDARDS

5.2.5 CEMETERY

5.2.5.1 Standards of Evaluation

The following specific standards shall be used in deciding upon an application for approval of this use:

5.2.5.1.a Proof that the requirements of the North Carolina General Statutes Chapter 65 the standards of the North Carolina Cemetery Commission shall be met, to the extent that they apply to the applicant entity.

5.2.5.1.b There shall be adequate space within the site for the ~~parking and~~ maneuvering of the funeral cortege at each proposed burial site.

***

5.2.6 CHILD DAY CARE

5.2.6.1 Standards of Evaluation

Child day care centers, including pre-schools, shall be licensed as a childcare center by the State, shall comply with all state regulations for childcare centers, and must satisfy the following standards:

5.2.6.1.a Proof that a license from the State of North Carolina has been applied for. A copy of the approved license shall be provided to the Planning Department within 30 days of the Certificate of Occupancy for any approved Child Day Care requiring a license. No unconditional Certificate of Occupancy may be issued until a copy of all required state licenses have been issued.

5.2.6.1.b If not located in a stand-alone building, a child day care center shall be located on the first floor of a principal structure, and must be segregated and secured (including the restrooms) from the remaining portion of the building in which it is located.

5.2.6.1.c Child day care centers shall not be established within one thousand (1,000) feet of any adult uses nor within five hundred (500) feet of any bar.

5.2.6.1.d Outdoor recreation areas associated with the facility must meet the State's requirement for the licensing level being sought for the facility, and must satisfy the fencing and buffering requirements with particular attention paid to protecting the privacy of adjacent property owners and to maintaining the character of a residential neighborhood.

5.2.6.1.e All ~~required~~ provided parking spaces shall be located off the street right-of-way. In addition, safe and adequate access shall be provided from the parking spaces to the building and to the street.

***

5.2.7 CHURCH OR PLACE OF WORSHIP

5.2.7.1 Standards of Evaluation

The following specific standards shall be used in deciding upon an application for approval of uses in this category:

5.2.7.1.a The written description of the operation indicates compliance with the stated, applied for use and that use is permitted by right of with a Special use permit within the zoning district.

5.2.7.1.b The lot area is of sufficient size that all ~~required~~ parking, access, yard areas, and screens are provided without any variance to the stated standards of this Ordinance. A combination of on-street, on-site, and shared parking may be allowed with the approval of the permit issuing authority.

***

5.2.8 DWELLING, ACCESSORY

5.2.8.1 Accessory dwelling units in freestanding structures

New or existing accessory buildings may be used as dwelling units in addition to the principal dwelling unit in the R-10, R-15, and R-20 districts, subject to the following conditions:

5.2.8.1.a The lot is developed, or proposed to be developed, with a single-family dwelling and customary accessory outbuildings.

5.2.8.1.b The lot has direct access to a public street or a private street that conforms with the requirements for private streets in UDO Section 6.21.4, *Design Standards – Private Streets* and the Town of Hillsborough Street Manual.

5.2.8.1.c One (1) accessory dwelling unit is permitted per lot, whether within the principal dwelling or as a freestanding structure.

5.2.8.1.d The structure containing the accessory dwelling must meet the applicable primary building setbacks established in Table 6.3.1, *Dimensional Requirements – residential* OR Section 7.5.3, *Non-conforming lot setback requirements*. The existing, primary dwelling may be non-conforming in regard to building setbacks required in the zoning district. The setback provision in Section 9.1.5.2.c of this ordinance is available for an accessory building containing a dwelling unit.

5.2.8.1.e An accessory dwelling unit in a freestanding structure shall be located to the side or rear of the primary dwelling and behind the primary dwelling's front façade.

5.2.8.1.f All structures containing dwellings are connected to municipal water and sewer service.

5.2.8.1.g The accessory dwelling unit shall not exceed fifty (50) percent of the gross floor area of the principal dwelling unit or 1,000 square feet in gross floor area, whichever is greater. In no case shall the accessory dwelling unit exceed the gross floor area and/or height of the principal dwelling unit.

5.2.8.1.h The accessory unit is constructed to the state building code for one- and two-family dwellings (i.e., is not a manufactured home).

~~**5.2.8.1.i** There is sufficient off-street parking on the parcel to accommodate two spaces for the principal dwelling and one space per bedroom in the accessory unit, which may include garage spaces.~~

5.2.8.1.~~j~~i The application materials indicate storage locations for solid waste and recycling containers for both dwellings consistent with Town Code requirements.

5.2.8.1.~~k~~j A platted, deeded public utility easement shall be required and existing utility lines shall be upsized if deemed necessary by the Utilities Department.

5.2.8.1.~~l~~k Units that existed on August 12, 1996 that do not meet one or more provisions of this section may continue as legal non-conforming uses.

5.2.8.2 Accessory dwelling units within a principal single-family dwelling

Accessory dwelling units may be located within a principal single-family dwelling in

any zoning district, subject to the following conditions:

5.2.8.2.a The lot is developed, or proposed to be developed, with a single-family dwelling and customary accessory outbuildings.

5.2.8.2.b The lot has direct access to a public street or a private street that conforms with the requirements for private streets in UDO Section 6.21.4, *Design Standards – Private Streets* and the Town of Hillsborough Street Manual.

5.2.8.2.c One (1) accessory dwelling unit is permitted per lot, whether within the principal dwelling or as a freestanding structure.

5.2.8.2.d Both dwellings are connected to municipal water and sewer service.

5.2.8.2.e The accessory dwelling unit shall not exceed fifty (50) percent of the gross floor area of the principal dwelling unit or 1,000 square feet in gross floor area, whichever is greater. In no case shall the accessory dwelling unit exceed the gross floor area of the principal dwelling unit.

5.2.8.2.f The accessory dwelling unit must have its own exterior access. Any interior access to the principal dwelling must be lockable from both dwellings.

~~**5.2.8.2.g** There is sufficient off-street parking on the parcel to accommodate two spaces for the principal dwelling and one space per bedroom in the accessory unit, which may include garage spaces.~~

5.2.8.2.~~h~~g The application materials indicated storage locations for solid waste and recycling containers for both dwellings consistent with Town Code requirements.

5.2.8.2.~~i~~h A platted, deeded public utility easement shall be required and existing utility lines shall be upsized if deemed necessary by the Utilities Department.

5.2.8.2.~~j~~i Units that existed on August 12, 1996 that do not meet one or more provisions of this section may continue as legal non-conforming uses.

***

5.2.9 DWELLING, ATTACHED

5.2.9.5 Zoning District Specific Standards for attached dwellings

5.2.9.5.a *Central Commercial (CC) District*

(a) It is the intent of these provisions to allow attached dwelling developments on lots zoned Central Commercial in an effort to mix land uses within the Central Commercial zone to the extent that it does not detract from the function of the zone as a commercial center. It is not the intent of this section to impede the location of retail establishments in the CC district.

(b) Any lot within the CC zone may contain a single dwelling unit along with a non- residential enterprise or as an individual use.

(c) An existing building in the CC zone may renovate existing gross floor area into attached dwellings when:

i. The ground floor area is used for non-residential uses and access to the dwelling(s).

ii. The conversion does not require an addition of enclosed building area other than creating access from the ground level, if necessary.

iii. Applicant provides construction drawings verifying there is adequate water, sewer, and solid waste collection service to the property to comply with paragraphs e, f, g, h, and k in Section 5.2.10.2 above and all other applicable town and building codes. The requirements in Section 5.2.10.2a, b, c, d, i, j, l, and m, Section 5.2.10.3, and Section 5.2.10.4 do not apply to these units.

(d) New buildings in the CC zone may be constructed for attached dwellings when:

i. The ground floor area of all buildings(s) is used for non-residential uses and access to the dwelling(s).

~~ii. Off-street parking is provided at a rate of 1.2 spaces per dwelling unit~~.

~~ii.~~iii. Applicant provides a site plan and construction drawings verifying compliance with the relevant requirements of Section 5.2.10.2 and all other applicable town and building codes.

~~iii.~~iv. The requirements in Section 5.2.10.3 and Section 5.2.10.4 apply to any site containing twenty or more dwelling units

~~iii.~~v. The requirements of Section 6.10, Landscaping (Parking Lot), apply to parking and vehicle accommodation areas proposed to be constructed or modified as part of the project.

***

5.2.18 HOME OCCUPATION

5.2.18.1 All home occupations shall comply with the following conditions:

~~**5.2.18.1.a** A home occupation is the base of operations for the business and the primary function of the business takes place on the residential property for which the permit is issued. For example: an employee who telecommutes to their place of business in RTP is not engaged in a home occupation and does not require a home occupation permit, but the person who owns a computer consulting business and conducts business from their home does. A self-employed business owner who keeps his business records at his home and is contacted at his home to arrange work but does not do any of the job function at the home does not need a home occupation permit.~~

5.2.18.1.~~b~~a A home occupation is located within a dwelling unit or in an accessory building on the same lot or parcel as the dwelling unit. A home occupation involving the growing or raising of an agricultural product may also be allowed so long as the area outside of a structure involved in raising the product sold meets the area requirement below.

5.2.18.1.~~c~~b The area of a home occupation shall not account for more than 1,000 square feet of total area on a parcel (dwelling, outbuilding, and/or area involved in raising an agricultural product), except when the home occupation is a short-term rental, in which case the area of the home occupation shall not exceed the gross floor area of the short-term rental unit ~~and any off-street parking required under this section~~.

5.2.18.1.~~d~~c The principal person or persons providing the business or service must reside in the dwelling on the premises.

5.2.18.1.~~e~~d The operator of the home occupation may not employ more than one (1) non-resident person on the premises.

5.2.18.1.~~f~~e The home occupation shall not cause or result in any change in the external appearance of the existing dwelling and structures on the property.

5.2.18.1.~~g~~f All vehicles used in connection with the home occupation shall be of a size and/or type customary for residential use, and shall be located on the premises in such a manner, so as to not disrupt the quiet nature and visual quality of the surrounding area. No more than two (2) business-related vehicles may be parked at the site of the home occupation. In no instance shall any vehicle with a gross vehicle weight exceeding 5,000 pounds be parked, stored, or otherwise maintained at the site of a home occupation.

5.2.18.1.~~h~~g Home occupations shall not result in regular and on-going business-related vehicular traffic to the home where located.

~~**5.2.18.1.i** There shall be sufficient off-street parking for patrons of the home occupation, with the number of off-street parking spaces required for the home occupation to be provided and maintained in addition to the space or spaces required for the dwelling itself.~~

5.2.18.1.~~j~~h There shall be no advertising devices on the property, or other signs of the home occupation, which are visible from outside the dwelling or accessory building.

5.2.18.1.~~k~~i The site of the home occupation shall not contain any outdoor display or storage of goods, equipment, or services associated with the home occupation.

5.2.18.1.~~l~~j The home occupation shall not create adverse impacts on health, safety, or comfort of customers or neighboring residents which can be detected by the normal senses off the premises. Such impacts shall include but not be limited to fire or explosive hazards; interference with electronic communication; loud, raucous or disturbing noise; dust; odors; fumes; glare; or vibration.

5.2.18.1.~~m~~k The home occupation shall not create or exhibit an increase in noise, traffic or parking demands markedly beyond that normally associated with a residential use.

~~**5.2.18.2** Home occupations shall obtain a Zoning Compliance Permit in accordance with Section 3.14, *Zoning Compliance Permit.*~~

~~**5.2.18.3**~~**5.2.18.2** The following uses are not permitted as home occupations in residential zoning districts except as a legal non-conforming use:

5.2.18.3.a Boarding of domesticated animals

5.2.18.3.b Dealerships for firearms or motor vehicles

5.2.18.3.c Motor vehicle maintenance, service, or repair

5.2.18.3.d Any use that will routinely generate five or more customers within one hour or more than 10 customers in one day.

5.2.18.3.e Any use that is only permitted with a or Special Use Permit if otherwise located.

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5.2.24 MOBILE HOME PARK/MANUFACTURED HOME PARK

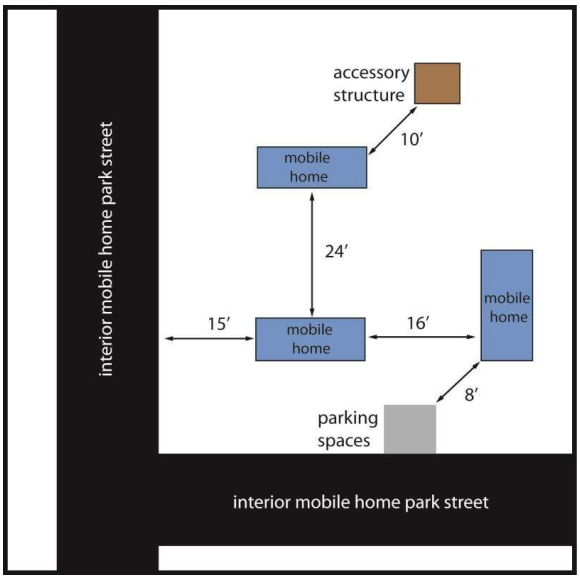
5.2.24.1 Standards of Evaluation

The following specific standards shall be used to evaluate an application for the approval of this use:

5.2.24.1.a The minimum lot area of a new mobile home park shall be five (5) acres exclusive of any public rights-of-way.

5.2.24.1.b The maximum number of units per forty thousand (40,000) square feet of lot area shall be seven (7). The minimum distances between mobile homes, the access road and property lines are as shown.

Figure 5-1: Mobile Home Park Structure Spacing



5.2.24.1.c The owner and developers have submitted a plan to maintain the mobile home park.

5.2.24.1.d The rules and regulations for the park tenants shall address, at a minimum, the following:

(a) Accessory storage of goods.

(b) Outside storage of goods.

(c) Maintenance of units, skirting, lawns, parking areas, common facilities and recreation areas; and

(d) Non-functioning motor vehicles.

5.2.24.1.~~e~~ ~~Off-street parking spaces shall be provided as required in Section 6.13, *Parking, Loading, and Circulation.*~~

5.2.24.1.~~f~~e The proposed street names shall not duplicate any other street name in Hillsborough's zoning jurisdiction. All street intersections shall have a road name sign for each intersecting street. The signs shall be made to conform to the existing street name signs erected by the Town.

5.2.24.1.gf Each unit in the park shall be numbered in a logical sequence. The unit numbers shall be reflective and placed on the side of the unit facing the road. The park owner shall ensure that new units are numbered and that existing units maintain their numbers.

5.2.24.1.hg A school bus stop shall be provided at the entrance of the park. The space shall be a minimum of twelve (l2) feet wide by twenty-four (24) feet long. There shall be a weather shelter of not less than fifty (50) square feet. This shelter may be in conjunction with central mail distribution boxes.

5.2.24.1.ih Mobile home parks containing spaces or lots for more than eight units shall comply with the active recreational facilities and usable open space requirements applicable to other multi-family developments as described in Section 6.15, *Recreation Sites*, except that the number of recreational points required of a mobile home park shall be based on the number of mobile home spaces.

5.2.24.1.ji All electrical, telephone and cable TV service lines shall be installed underground. Only those facilities such as transformers normally not buried may be above ground.

5.2.24.1.kj The lighting plan for the mobile home park shall meet the minimum requirements of the Ordinance.

5.2.24.1.lk Trash and recycling receptacles shall be provided in adequate numbers and locations to meet the requirements of this Ordinance and the Orange County Solid Waste Management Ordinance.

5.2.24.1.ml The pedestrian circulation system shall connect each unit with all common areas in the park, with the off-street parking spaces and with the public road. The pathways shall be a minimum of three (3) feet wide and surfaced with an all-weather material such as asphalt or gravel. The number of intersections of the interior pedestrian pathways and the road system shall be kept to a minimum.

5.2.24.1.nm Each unit within the park shall have individual connections to the public water and sewer systems.

5.2.24.1.on The water and sewer line extension plans have been approved by the State and the Town.

5.2.24.1.po Each mobile home unit shall be skirted before a Certificate of Occupancy will be issued.

5.2.24.1.qp The landscape plan meets the requirements for a Type B buffer around the perimeter of the park.

5.2.24.1.rq The entrances and exits for the development are directly off a paved public road(s) which is either a collector or arterial street, and meet the driveway standards in Section 6.9, *Driveway Connections*.

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5.2.28 MOTOR VEHICLE SALES/RENTAL

5.2.28.1 Standards of Evaluation

The following specific standards shall be used to evaluate an application for the approval of this use:

5.2.28.1.a Outside display of vehicles between the primary façade (i.e., the façade facing the public right-of-way) and the street is limited to an area not greater than five (5) percent of the gross floor area of the building on the site or twenty (20) vehicles, whichever is less.

5.2.28.1.b ~~Outside displays shall not be permitted in designated parking spaces. Vehicles designated as available for sale, lease or rent shall not be parked or displayed in designated parking spaces required to meet the minimum parking requirements of this Ordinance.~~Outside display of vehicles available for sale, lease or rent shall not be parked or displayed in designated parking spaces.

5.2.28.1.c Outside display of vehicles available for sale, lease or rent are considered "parked cars" and the display area must meet requirements for parking lots in terms of landscaping, vehicle maneuvering, and similar requirements. Vehicles available for sale, lease or rent shall be parked only in areas designated as outside display areas on approved plans.

***

5.2.29 OUTLET SALES

5.2.29.1 Standards of Evaluation

The following specific standards shall be used to evaluate an application for the approval of this use:

5.2.30.1.a Outlet sales areas may not exceed ten (10) percent of the gross floor area of the building on the parcel where such sales are to occur.

5.2.30.1.b ~~Parking spaces shall be provided for outlet sales areas using the same formula for determining the required number of spaces as is used for retail sales.~~ Parking spaces shall be conveniently located towards the sales entrance.

***

5.2.43 RETAIL SALES AND RENTAL OF GOODS

5.2.43.1 Standards of Evaluation

The following specific standards shall be used in evaluating an application for approval of this use:

5.2.44.1.a Areas proposed for outside storage and display of retail items shall be clearly delineated on the site plan.

5.2.44.1.b Areas proposed for outside display and storage of retail items shall be located ina fenced or buffered area.

5.2.44.1.c Fenced areas must be enclosed on all sides by fencing or buildings, may be open to the sky, and the fence must be of adequate height to secure the area, but shall not exceed 8 feet in height.

5.2.44.1.d Outside displays may not encroach on pedestrian ways, fire lanes, ~~required~~ parking spaces, travel lanes, or landscaped areas.

***

5.2.46 SHORT-TERM RENTAL

5.2.46.1 Standards of Evaluation

The following specific standards shall be used to evaluate an application for approval of this use:

5.2.46.1.a ~~A home occupation permit shall be required for all s~~Short-term rentals shall be regulated as home occupations and are subject to the use standards in Section 5.2.18, *Home Occupation*.

5.2.46.1.b Short-term rentals shall be used for lodging and overnight accommodations only and shall not be used for public events as defined in Section 9.2 *Definitions*.

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6. DEVELOPMENT STANDARDS

6.7 DESIGN REQUIREMENTS FOR NEW NON-RESIDENTIAL AND MULTI-FAMILY BUILDINGS

6.7.5 ~~FENESTRATION~~GLAZING AND TRANSPARENCY

6.7.5.1 Buildings shall not have a blank wall oriented to a street or public right of way.

6.7.5.2 ~~Ground-floor building facades adjacent to existing or proposed public or private streets shall include window and glass door openings comprising a minimum of 40% of ground floor façades and 25% of upper floor facades. On buildings with at least one tenant space 30,000 sf or larger, openings such as windows and doors shall account for a minimum of 30% of the front façade.~~ Storefront uses: Ground-floor façade areas (excluding loading docks, service bays, mechanical areas, emergency exits, vehicular doors, and other functional areas not reasonably treated as storefront façades) shall include window, glass, and glass door openings comprising a minimum of thirty-five percent (35%) of the ground floor façade areas of a commercial or mixed-use building. Glazing shall be focused on front façade(s) and/or street and public right of way facing façade(s) to the maximum extent practicable.

6.7.5.3 Non-storefront uses: Ground-floor façade areas (excluding loading docks, service bays, mechanical areas, emergency exits, vehicular doors, and other functional areas not reasonably treated as storefront façades) shall include window, glass, and glass door openings comprising a minimum of twenty percent (20%) of the ground floor façade areas of a non-storefront building. Non-storefront uses include all of the following:

(a) Religious assembly or sanctuary spaces
(b) Medical or dental examination, treatment, or healthcare services
(c) Educational instruction or counseling
(d) Civic or nonprofit services
(e) Funeral services
(f) Lodge or meeting hall use
(g) Storage or back-of-house operations
(h) Other institutional, assembly, or service uses not primarily operated as a walk-in retail, restaurant, bar, entertainment, or commercial storefront uses.

6.7.5.4 For the purposes of measuring the glazing standards in 6.7.5.2 and 6.7.5.3, all percentages shall be calculated on the building plan exterior elevations and the "ground floor" shall be measured from grade to ten (10) feet above grade.

6.7.5.~~3~~5 Street level glazing shall be visually transparent, although UV coatings are permitted. Mirrored glass is prohibited. Spandrel and faux glass are permitted where interior views are not possible or feasible due to interior location of equipment, kitchens, production or stock areas, restrooms, and other uses where interior views are not appropriate. Transom windows are encouraged and may be used in meeting the requirements of 6.7.5.2 and 6.7.5.3 in these locations to provide natural light to the interior of the structure.

6.7.5.~~4~~6 ~~Windows shall have a vertical-to-horizontal ratio of 1:2 except where storefront glass is employed.~~ Windows shall have a vertical orientation and have a minimum ratio of 1:2 except where storefront sheet glass or picture windows are employed. Two or more vertically oriented windows may be grouped together provided grouped windows are the same size. This does not apply to buildings with at least one tenant space 30,000 sf or larger.

6.7.5.~~5~~7 Design treatments intended to simulate windows that have been covered or filled in are prohibited. Example below:



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6.10 LANDSCAPING (PARKING LOT)

6.10.3 LANDSCAPING REQUIREMENTS

6.10.3.1 Parking lots shall contain at least 1 shade tree for every seven parking spaces ~~required~~ for the site. These trees shall be located a sufficient distance from existing overhead utility lines to ensure the health and growth of the tree.

***

6.13 PARKING, LOADING, AND CIRCULATION

6.13.1 PURPOSE AND INTENT

It is the general intent of this section to provide for off-street parking and loading areas that are safe, convenient and of adequate size for the particular use or uses proposed. No Zoning Compliance Permit or Certificate of Occupancy shall be issued for uses of land, structures, and/or buildings, ~~either initially, or for a change in use, or expansion of an existing use,~~ unless the off- street parking and loading requirements of this section are met.

Pursuant to Section 160D-702 (c)(2a) of the North Carolina General Statutes, the town cannot require an off-street parking lot to meet a minimum number of parking spaces per development or structure, regardless of occupancy or use. However, that does not mean the town has a sufficient number of parking spaces to accommodate all future development. Applicants are strongly encouraged to consider the vehicular parking needs of their proposed developments and provide off-street parking as appropriate.

6.13.2 APPLICABILITY

The requirements of this section apply to all developments, regardless of zoning designation, with the exception of one- and ~~two~~ two-family detached houses.

6.13.3 OFF-STREET PARKING PROVISIONS

~~**6.13.3.1 General**~~

~~Except as detailed in Section 6.13.3.2, *Minimum Number of Parking Spaces Required in the CC District*, the required number of off-street parking spaces shall be calculated using Table 6.13.3.4, *Minimum Number of Parking Spaces Required*. When a calculation results in a fraction, fractions of less than 0.5 shall be rounded down and fractions of 0.5 or more shall be rounded up. This same rounding convention applies when calculating allowable reductions or additions as detailed in this section. The term "per employee" shall mean per employee at the time the maximum number of employees is present.~~

~~**6.13.3.2**~~6.13.3.1 ~~**Minimum**~~ **Recommended Number of Parking Spaces** ~~**Required in**~~ **Within the CC District**

~~Due to the presence of on-street and off-street public parking and the overlapping and walkable nature of areas zoned Central Commercial, the requirement of parking applies by square feet of building within the entire Central Commercial district rather than use by use.~~

In ~~2010~~2025, the town conducted a parking study, which included ~~prepared~~ an inventory of ~~downtown~~ existing parking areas downtown. It is recommended that a~~A~~ny off-street parking shown in that inventory ~~(Parking Study, Phase 2)~~ should be retained by the private property owner or replaced, space for space, if proposed to be built over.

~~In the CC district, parking shall be provided at a rate of one parking space per 500 square feet of gross floor area. If a property owner proposes to build additional building area or renovate space not occupied during the 2010 inventory, the owner shall provide additional parking to reflect the demand generated by the addition of occupied square footage.~~

~~**6.13.3.3**~~6.13.3.2 ~~**Maximum**~~ **Number of Parking Spaces** ~~**Required outside the CC District**~~**Allowed**

The following Table establishes the formulas to be used to calculate the maximum number

of parking spaces ~~required~~ allowed for a particular use. If no specific parking standard is established in this Table for a particular use, the permit issuing authority shall apply the most analogous standard. Some uses identified in this Table are not identified in the Table of Permitted Uses as specific uses. Nevertheless, parking standards for the most similar use shall apply.

~~**6.13.3.3.a Allowable Parking Reductions and Additions**~~

~~The number generated by applying the parking standard is the required number of parking spaces for a defined use. This constitutes both a minimum and maximum with the following exceptions:~~

~~**(a)** Uses requiring 5-20 spaces after rounding are allowed to build up to 2 more or 2 fewer spaces.~~

~~**(b)** Uses requiring 21-99 spaces after rounding are allowed to build up to 5 more or 5 fewer spaces.~~

~~**(c)** Uses requiring 100 spaces or more after rounding are allowed to build up to 10 more or 10 fewer spaces.~~

6.13.3.4 Table: ~~MINIMUM~~ MAXIMUM NUMBER OF PARKING SPACES ~~REQUIRED~~ALLOWED	
Use Type	**Parking Standard**
Adult Day Care	1 per staff person plus 1 per 8 clients
Adult Use	1 per 200 sf GFA
Amusement arcade	1 per game table, video game or amusement device
Athletic Field	10 spaces
Artisan Studio	1 per 300 sf GFA
Bank & Financial Institution	1 per 300 sf GFA
Bar	1 per 2 seats
Bed and Breakfast Facility	1 per guest room + 2 for owner's residence
Billiard or Pool Hall	2 per table or lane
Botanical Garden & Arboretum	2 spaces per acre
Brewery	1 space per employee + 1 space per every 2 seats in a public tasting room area + 1 space per 300 sf GFA of any retail/merchandise areas + 1 space per 75 sf GFA of any restaurant areas
Building/Trade Contractor's office	1 per 300 sf GFA
Cemetery	None
Child Day Care	1 per staff person plus 1 per 8 students
Church, Place of worship	~~1 per 8 seats (minimum) or~~ 1 per 2.5 seats (maximum)
Detention facility	1 per staff person on max employment shift plus 10 visitor spaces
Dwelling: Accessory	2 per primary dwelling plus 1 per bedroom in accessory dwelling
Dwelling: Attached (1-4 units)	2 per unit
Dwelling: Attached (5-19 units)	2 per unit
Dwelling: Attached (20+ units)	2 per unit when the development has 100 or fewer units, 1 per bedroom plus 1 visitor space per 25 units when the development has more than 100 units
Dwelling: attached (20+ units, 100% of units affordable to households making 80% AMI or less at time of construction)	1 space per bedroom and no more than 2 spaces per unit.
Dwelling: Mobile Home A	NA
Dwelling: Mobile Home B	NA
Dwelling: Mobile Home C	NA
Dwelling: Single-family	NA
Electronic Gaming Operation	none
Event Center	1 per 100 sf GFA
Extended Care Facility	0.3 per room
Family Care Home	0.3 per room

6.13.3.4 Table: ~~MINIMUM~~ MAXIMUM NUMBER OF PARKING SPACES ~~REQUIRED~~ALLOWED	
Use Type	**Parking Standard**
Family Child Care Home	1 per 375 sf GFA
Farm, Bona fide	None
Farmer's Market	1 per 300 sf GFA of public sale area
Flex Space	1 per 300 sf GFA
Food Preparation Business	1 per staff person on max employment shift plus retail standard if direct retail sales allowed
Funeral Home	1 per 4 seats
Gallery/Museum	1 per 1000 sf GFA
Government Facilities & office Buildings	1 per 300 sf GFA
Government Maintenance Yard	1 per 375 sf GFA
Greenhouses/Nursery	1 per 375 sf GFA
Group Care Facility	0.3 per room
Health Care Facility	1 per 250 sf GFA
Health/Fitness Club	1 per 250 sf GFA
Homeless Shelter	1 per 3 residents at maximum capacity
Hospitals	1 per 400 sf GFA
Hotels & Motels	0.8 per room plus 1 per 800 sf public mtg and restaurant space
Junkyard/Outside Storage of Junked or Wrecked Motor Vehicles	1 per employee
Kennels, Boarding	1 per 300 sf GFA
Library	1 per 300 sf GFA
Mail Order Houses	1 per employee plus 3 visitor spaces
Manufacturing Complex	1 per employee plus 3 visitor spaces
Meeting Facility	1 per 6 seats or 1 per 30 sf GFA if no permanent seats
Micro-brewery	1 space per employee + 1 space per every 2 seats in a public tasting room area + 1 space per 300 sf GFA of any retail/merchandise areas + 1 space per 75 sf GFA of any restaurant areas
Mobile Home Park	2 spaces per dwelling unit, plus 1 visitor space per 5 units
Motor Vehicle Fuel Station	1 per 300 sf GFA of building
Motor Vehicle Maintenance, & Service	1 per 375 sf GFA
Motor Vehicle Repair	1 per 375 sf GFA
Motor Vehicle Sales & Rentals	1 per 375 sf GFA
Office operations	1 per 250 sf GFA
Offices and professional services	1 per 250 sf GFA
Outlet sales	1 per 300 sf GFA

6.13.3.4 Table: ~~MINIMUM~~ MAXIMUM NUMBER OF PARKING SPACES ~~REQUIRED~~ALLOWED	
Use Type	**Parking Standard**
Park, Athletic or Community	Facility requirements
Park, Cultural or Natural	4 per developed acre plus facility requirements
Park, Neighborhood	None
Park and Ride Facility	None
Parking as Principal Use, Surface or Structure	None
Performance Facility	1 per 6 seats or 1 per 30 sf GFA if no permanent seats
Personal service business	1 per 250 sf GFA
Personal Vehicle Sales	1 per 375 sf GFA
Petroleum Products (storage & distribution)	1 per employee
Postal and Parcel Delivery Services	1 per employee plus 1 per 250 sf of public access area
Processing Facility	1 per employee plus 3 visitor spaces
Public Safety Services	1 per 250 sf GFA
Public Utilities	1 per employee
Recreational Facilities	Broken out by type
Research Facility	1 per employee plus 3 visitor spaces
Restaurant	1 per 75 sf GFA
Retail sales/rentals of goods with outside display/storage of merchandise	1 per 300 sf GFA
Retail sales/rentals of goods within wholly enclosed structure	1 per 300 sf GFA
School: Art & Music	1 per 4 students
School: Dance, Martial Arts	1 per 4 students
School: Elementary, Middle & Secondary	2.5 per classroom
School: secondary	1 per 4 students
School: Higher Education	1 per 4 students
School: Low Impact	2.5 per classroom
School: Vocational	1 per 200 sf
Skating Rink	5 per 1000 sf GFA
Storage & Warehousing: Inside building, excluding explosives & hazardous wastes	1 space per employee plus 3 visitor spaces
Storage & Warehousing: Outside	1 space per employee plus 3 visitor spaces
Storage & Warehousing: Self	1 per employee plus 2 customer spaces plus 1 space per 20 units for facilities with interior access only

6.13.3.4 Table: ~~MINIMUM~~ MAXIMUM NUMBER OF PARKING SPACES ~~REQUIRED~~ALLOWED	
Use Type	**Parking Standard**
Swimming pool	1 per 100 sf of pool area
Telecommunication Tower, 200' or taller	1 per service employee
Telecommunication Tower, less than 200' tall	1 per service employee
Tennis/Squash/Racquetball	2 spaces per court
Transit Passenger Terminal	1 per employee plus spaces required to satisfy projected peak parking needs
Transmission Lines	None
Vehicle Restoration	1 per 375 sf GFA
Veterinarian/Animal Hospital	1 per 300 sf GFA
Water and sewer pump stations	None
Wholesale sales, indoor	1 per 375 sf GFA
Wholesale sales, with outdoor storage/display	1 per 375 sf GFA

6.13.4 JOINT PARKING FACILITIES

The ~~required~~ proposed parking for multiple, separate and complementary uses located in any zoning districts may be combined in one lot, subject to the following requirements:

6.13.4.1 The off-street parking spaces allotted to each use shall be shown on the application for a Zoning Compliance Permit.

6.13.4.2 The distance between the primary entrance of the structure housing the use to be served and the farthest allotted parking space for that use shall not exceed one thousand three hundred twenty (1,320) feet.

6.13.4.3 Spaces assigned to one use may not be assigned to another use at the same time or any other time, except that upon the presentation of competent evidence demonstrating the adequacy of shared parking facilities, up to one-half of the parking spaces required for uses such as, but not limited to, churches, theatres, and assembly halls, the peak attendance at which is expected to be outside typical business hours (Monday through Friday 8 a.m. to 5 p.m.) may be assigned to another use which will experience peak usage during the day. The Planning Director shall make the determination relative to peak usages.

6.13.4.4 Cross easements shall be executed and recorded at the Orange County Register of Deeds to ensure the continued availability of the parking facility to the use it serves.

6.13.5 OFF-SITE PARKING

The permit issuing authority may allow off-site parking to account for up to 50% of the ~~required~~ proposed parking for any single use if sufficient operational specificity and rationale are provided during the permit review including some of the following:

6.13.5.1 Public transit service is available between the remote parking site and the use(s) it is

intended to serve.

6.13.5.2 Private shuttle or transit or valet is available between the remote parking site and the use(s) it is intended to serve.

6.13.5.3 Private shuttle or transit service is provided for customers of the business, bringing them to and taking them away from the site at their request or scheduled intervals.

6.13.5.4 Shared parking with another facility utilizing spaces not needed to meet the second facility's requirements under this Ordinance.

6.13.5.5 Leasing of off-site spaces not allocated to another use under this Ordinance.

6.13.6 COMPACT PARKING SPACES

In parking lots with more than twenty-five (25) parking spaces, compact car spaces may constitute up to twenty-five (25) percent of the total number of spaces provided. Compact spaces shall be clearly and permanently designated on the site plan and in parking areas.

6.13.7 OFF-STREET PARKING SETBACK AND LOCATION

6.13.7.1 Parking spaces are considered structures for the purpose of determining setback requirements as described in Section 6.3, *General Dimensional Standards*.

6.13.7.2 All proposed parking ~~required by this ordinance~~ shall be located on the parcel where the use that ~~required~~ necessitates the parking is located with the following exceptions:

6.13.7.2.a Uses that are specifically approved to use on street parking to meet the ordinance requirements or uses occupying buildings in the CC district that existed on the date of this ordinance and have not been enlarged.

6.13.7.2.b Uses that have approved joint parking arrangements.

6.13.7.2.c Uses that have approved off-site parking arrangements

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9.2 DEFINITIONS

Development Permit	An administrative or quasi-judicial approval that is written and that is required prior to commencing development or undertaking a specific activity, project, or development proposal, including all those listed in Section 143-755(e)(2) of the North Carolina General Statutes.
Home Occupation	An accessory commercial use of a residential property by a resident thereof, which is clearly incidental and subordinate to the principal use of the property as a residence. The residence must be the base of operations for the business and the function of the business must take place at the residence to require a permit. "Home-based business" and "home-based business, no impact", as defined under Section 160A-205.8(d)(3) of the North Carolina General Statutes, are home occupations.
Land Development Regulation	Any State statute, rule, or regulation, or local ordinance affecting the development or use of real property, including all those listed in Section 143-755(e)(3) of the North Carolina General Statutes.

Meeting Schedule: 2027
PLANNING BOARD

Meetings start at 7 p.m. in the Board Meeting Room of the Town Hall Annex, 105 E. Corbin St., unless otherwise noted.

Times, dates, and locations are subject to change.

Regular meetings
Regular meetings typically occur on the third Thursday of the month.

January 21	
March 18	
April 15	
June 17	
July	No meeting
September 19	
October 21	
December 9	Moved due to holidays

Joint public hearings
Joint public hearings with the Board of Commissioners typically occur on the third Thursday of the month.

February 18
May 20
August 19
November 18