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MINUTES

The Town of Manteo Planning and Zoning Board met in Regular Session on Tuesday, March 9, 2021 at 6:00 p.m. at the Manteo Town Hall, 407 Budleigh Street

The following members were present:

Chairperson Sherry Wickstrom
Member Fields Scarborough
Member Jamie Daniels
Member Hal Goodman
Member Nicole Northrup

The following members were absent:

Staff present at the meeting:

Melissa Dickerson, Planner
Michele Bunce, Program Manager
Jamie Whitley, Town Clerk

Also present at the meeting:

Sam Moore
Phil Spinella
Melissa Bender
Mayor Pro-Tem Betty Selby
Sumit Gupta (SAGA) - remote
Bob Howsare (SAGA) - remote

Chair Wickstrom called the meeting to order and conducted a roll call at 6:00 pm.

SUBJECT: Adoption of Agenda as presented or amended

MOTION: A motion was made by Member Goodman and seconded by Member Northrup to adopt the agenda as presented and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

SUBJECT: Approval of Minutes Regular Meeting February 9, 2021

MOTION: A motion was made by Member Daniels and seconded by Member Goodman to approve the February 9, 2021 minutes as presented and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

PUBLIC COMMENTS

Members of the public are invited to address the Planning Board. Public Comment is not intended to require the Board to answer any impromptu questions or to take any action on

items brought up during the public comment period. Speakers will address all the comments to the Board as a whole and not one individual member. Discussions between speakers and members of the audience will not be allowed. Time limits are 3 minutes per person or 5 minutes per group. Please come forward to the podium and identify yourself so that your statements can be recorded.

Phil Spinella - Owner of Ron and Phil's Body Shop, 710 Hwy 64, next to /715 N. George Howe Street. He stated that there is currently a drainage problem on N. George Howe Street. If they are going to put more units on that street, we need to address where that water is going to go. Sometimes there can be as much as two feet of water on that road and if Mr. Moore's lot gets raised with fill, then that water will run down to Mr. Spinella's business. He stated that it already runs to his lot and if they allow this development then the water running on his lot will get worse. Twice, there has been as much as 12 inches of water in his shop due to rainstorms. This is his main concern because the trees are gone and there is nothing to suck up all the water.

Melissa Bender - 716 N. George Howe Street, across from 713/715 N. George Howe Street. She is concerned about the flooding as well. She stated that the drainage ditches on N. George Howe are covered in green algae due to them not draining properly and stagnant water. She asked doesn't know how this issue will get solved or who to contact but she asked that someone come and see the what she is talking about.

She is concerned about the precedent that this will set if we allow people to go beyond the capacity that has been set. She loves Manteo and she is afraid to see this happen in Manteo. She is concerned about the number of units and the number of people that are going to be in them. She didn't know how much difference it would make going from 6 units to 5 units. She asked if they are one-bedroom apartments, who is going to regulate to make sure that there are not 10 people living in them? She stated that if we open this up to college students, we know that in college apartments or dorms that five people stay there. Who is going to regulate the number of people and the number of cars? She is concerned because the parking lot for this project will be across from her driveway. She is concerned about the number of traffic that they are going to have on that little tiny flooded road. She is concerned about this project.

She asked if she will receive a notice every time that Mr. Moore makes a change.

Planner Dickerson stated that we send adjacent property owner notices when the public hearing has been scheduled. The Planning Board will make a recommendation to the Board of Commissioners and the Board of Commissioners will set a public hearing and that is when you will get a notification. She clarified that the applicant withdrew his application and submitted a new application.

NEW BUSINESS

SUBJECT: Review of Conditional Use Permit Application for 713/715 N. George Howe Street

This conditional use permit application has been slightly modified from the original application that was previously submitted. The previously submitted application was denied by the Planning Board.

Planner Dickerson welcomed the applicant Sam Moore, who had just arrived for the meeting. She gave a brief overview of the application process for 713/715 N. George Howe Street. Staff received a Conditional Use Permit application in the Fall of 2020. The applicant withdrew that application and submitted a new application with the same site plan. The major difference is that there are the same number of units but he wants them to be short-term rentals. The site plan did not change and it does not meet the standards of the ordinance. It would require a conditional use permit application which requires a recommendation from the Planning Board to the Board of Commissioners. The Board of Commissioners will hold a public hearing.

Chair Wickstrom noted the reasons that this project does not meet the ordinance requirements:

1. The number of structures did not change (Exceeds the density).
2. There was no sidewalk on the site plan.

Member Goodman stated that looking at what they looked at previously, he still thinks that we are trying to stuff 10 pounds worth of merchandise in a 5-pound bag. He stated that this just doesn't fit on this small of a site.

Member Daniels asked for clarification that the Planning Board doesn't regulate the length of rentals just the density. That is correct. He asked if a hotel is allowed on that site. A hotel would be different there a residential apartment building.

Planner Dickerson confirmed that hotels are listed as a conditional use for B-2.

Member Northrup recommended denial of the application because nothing has changed except for the nature of the rental.

MOTION: A motion was made by Member Northrup and seconded by Member Goodman to deny the Conditional Use Permit application as submitted and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

SUBJECT: Review and approval of updated plans for Lot 25, Marshes Light

Chair Wickstrom gave the Planning Board a summary of the discussion from the Preservation and Architectural Review Committee (PARC) review of the updated plans on March 1, 2021. The Owner, Mr. Linton, made the recommended changes to the plans as requested by PARC. PARC unanimously recommended approval to the Planning and Zoning Board.

MOTION: A motion was made by Member Goodman and seconded by Member Daniels to approve the plans as submitted and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

SUBJECT: Review of Zoning Permit Application for McDonald's (515 S HWY 64 Parcel #028799000)

Chair Wickstrom informed the Board that the review of this application is to make changes to the parking lot for compliance with the American Disabilities Act (ADA).

Planner Dickerson explained that the site plan for McDonalds is to add some striping and add new concrete to the handicap parking spaces. It is very similar to the CVS work that was done in 2019. There is not much that is changing except the improvement of accessibility. Her recommendation is approval but it is the Planning Board's decision.

MOTION: A motion was made by Member Goodman and seconded by Member Daniels to approve the plans as submitted and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

SUBJECT: Review of Zoning Text Amendment Application to add "Apartment Complexes "to definitions and establish zoning regulations for Apartment Complexes in B-3 Entrance District.

INTRODUCTION

Planner Dickerson informed the Board that representatives for the applicant were attending the meeting virtually. The staff report raised some questions about how the proposed text doesn't have a cap on the density which is a noted concern because of the capacity of our wastewater treatment plant.

Chair Wickstrom opened the floor for the Board to ask Planner Dickerson any questions. This is a unique area because it is at the entrance of the Town of Manteo. She reminded the Board that this is a change to the zone and that if the Board decides to make a change in the zone, then it will apply to all others within that zone which would allow them to do apartment complexes as well. There are a number of considerations here that require discussion.

Mr. Sumit Gupta of SAGA Construction (SAGA) addressed the Board remotely. He stated that everyone is aware of the critical need to develop rental-based housing options to support our workforce and that is the goal of this text amendment. SAGA has been working closely with the county and some of the other towns to help study this problem and seeing if they can offer any solutions.

LOCATION OF PROPERTY

They have searched a lot of sites in Dare County and have identified a few sites that they believe would be good candidates for apartment communities. One of the properties that they have in mind that would fit nicely for apartments is located in the B-3 zoning district right there at the entryway. The property is a four-acre property between Highway 64/264 and Russell Twiford Rd. This property is what initiated this text amendment. They studied the property and hired some architects and engineers and have been able to design a proposed 72-unit apartment community.

DESCRIPTION OF PROPOSED SITE PLAN

The proposed 72-unit apartment community design was presented the Board. The design consists of three buildings with 24 units per building, which adds up to 72 units, a community center and necessary parking.

REQUESTED CHANGES TO B-3 ZONING CODE

To accomplish this design, there will have to be changes to the current zoning code. The B-3 entryway zoning district has a few properties in that district and changing the zoning code for that district will affect those properties as well. The applicant has limited the text by saying that the property has to be four acres or larger and it has to be an apartment complex which they have defined. Because the property is in the B-3 entryway zoning, this severely limits the number of properties in the town that are impacted. Furthermore, the four-acres or larger requirement limits the number of properties that can meet this requirement, if there are any other properties in that zone that can meet this requirement. So, this will really only impact this property.

This text amendment created a new class of apartment complexes instead of impacting multi-family. This would only impact a plan, under B-3, that was four acres with purpose-built apartments that could not be sold individually and would be under one overall management company to manage it. Currently, there is no difference between apartments or multi-family because it is all seen as residential and residential lot coverage is 35%. If this property is developed commercially, then you can go up to 65% lot coverage.

PREVIOUSLY APPROVED SITE PLAN – SALT MEADOW LANDING

There was a previously approved site plan for this property called "Salt Meadow Landing" which was a mixed-use development.

The Salt Meadow Landing site plan was presented to the Board. This site plan had 34 multi-family units, 24,000 square feet of retail and commercial space and a 100-seat restaurant, as well as about 131 parking spaces.

The purpose of this text amendment is to create a new class for apartment complexes and to treat them as a commercial development with commercial parameters of lot coverage. For overall impact, it is his opinion that the 72 apartments would fit on this property. It would not really impact the property more than the approved site plan for Salt Meadow Landing, it may be less impactful in many ways.

PROPOSED PROJECT

They are not asking for additional height but they are asking for increase in building size just for this particular apartment development. The apartments need to come with a certain scale. The price point is not to make necessarily luxury apartments but to create low to mid income apartments. The idea is to look at this as a commercial development type of apartment complexes.

The density limitation for a multi-family unit on this property allows for six-units per acre and that can go up to as much as 12-units if you create all affordable units because you get one additional for every affordable unit. The proposed property would equate to closer to 20 units per acres which is a sizeable increase but we are not putting any other commercial development along with it. So even though they took out the density cap, which is something that they are willing to consider, this is just a proposed text amendment that they tried to that would be limited for apartments and would impact minimal sites. They are open to revisions on things that they have not considered. The reason that they left the density cap out was because a lot of hotels and commercial nature developments do have limited density but there may not be a number on it. They are limited by height, lot coverage and many other parameters. For this project, you could not get more than 72 or 76 apartments based on the lot coverage and other criteria. There are limitations there but they are driven by parameters so that is why they left no cap. From a planning perspective, it was their idea to look at this like a hotel development or a mixed use or a retail.

They are open to conversations. They have been working with the county and other towns because there is a critical need for long-term rental housing. He stated that he, his company and partners do not see this endeavor as a "profit motivated" because they feel some sense of responsibility to help. They have been contacted by county officials and they struggle as well hiring people because we can't get long-term housing options.

OTHER APARTMENT COMPLEX DEVELOPMENTS BY SAGA

SAGA developed one of the first apartment complexes called "Run Hill" in Kill Devil Hills. It is a 96-unit luxury apartment complex with price points of $1,800 - $2,000. They had a learning curve but it has been successful and it 100% leased and has a waiting list of over 100 people. They are looking at other similar developments.

They just got an apartment community approved in Kill Devil Hills called "Somerset". They redesigned the plans from Run Hill and made smaller units to hit the price point of $1,200 - $1,300, which is the goal of that development. They have already broken ground. This will add to the need here but one or two of these communities is not enough; we need several.

He believes that some of these remaining parcels they we can do apartments on. They really need to be looked at closely so that they are not developed in a different way when we really need long-term housing. They wanted to take a property like this and see how they can get more apartments on there. He encouraged any questions because they wanted to be completely transparent with their request. There are a lot of changes but they have tried to limit it and look at it consciously. They think that the proposed plan would be a great option for this site.

QUESTIONS FROM THE PLANNING BOARD

Chair Wickstrom asked for clarification about the $1,200-$1,300-unit price point.

- Mr. Gupta clarified that he was referencing another development that SAGA did called Somerset. They did luxury apartments called Run Hill that had a starting price point of $1,800-$2,000.
- For this proposed site, they have submitted a tax credit application in January. They have found a great partner who does tax credit workforce housing developments and they've done literally over a hundred. In order to do that, they need to develop with a partner that has prior tax credit experience to even qualify for the application. They submitted the application using these buildings and the site plan. It is very heavily regulated and their partner is moving forward and feels very confident that they will get awarded. They are working on this and it can become a reality but it needs the right entitlements and the ability to build 72 units. This is the number that they came up with and it is heavily regulated and for low income. The criteria for low income may range in the $500-$800 range.
- There is no guarantee that they will get awarded that but if they do then the focus is to continue with this particular development. If they don't get awarded, he still believes that this is a great site for apartments. His goal is to still purchase the property and bring apartments but they would be without subsidization so the price point would be in that $1,200-$1,400 range. He still thinks that is huge because of the need in this area for apartments of all various price points.
- Summary: If they get the tax credits is approved then this will be a tax credit development. If the application is not approved then he still wants to build apartments but they will be at a higher price point.

Chair Wickstrom asked when does the SAGA expect the announcement of the award.

- Mr. Gupta stated that the application deadline was January 22, 2021 and they submitted their application on January 21, 2021.
- The site scores should come in mid-May and they have to show that this property is zoned properly for the development.
- This is time sensitive so whether they have the approvals formally or not, they believe that if they can get a letter showing that they are in the process that would meet that requirement.
- He feels that this is going to score perfectly on the site.

- An independent group that the county hired identified this site as one of the top sites for a tax credit apartment community.
- The award would technically not happen until September.
- Due to all of the processes, they would not able to move forward with construction until next summer.

Member Northrup asked if Mr. Gupta's intent was to have the proposed development be similar to Run Hill or for it to be a little bit different.

- Mr. Gupta stated that there are similarities. It is an apartment community and has a community center.
- These are three-story buildings and Run Hill has four-story buildings.
- Run Hill is more of a luxury apartment complex with slightly larger unit sizes.
- This layout in front is associated with the tax credit and with this site they have already applied for the tax credit application.
- He has made a commitment to this group that he will follow through with this tax credit and cater around low-income housing needs.
- He has seen the sites and they don't look like low-income with the specs of the outside of the buildings, they will look as nice as Run Hill.
- There may not be a community pool or some of the other luxury amenities but there is a canal there.
- The idea is to build housing for a long-term workforce that still feels like a nice community and looks nice.
- If the plan doesn't pan out then the plan is to still do something similar to this but have a slightly different layout and the buildings may change.
- These buildings have been developed many times and have worked for this developer partner that SAGA has pulled in who specializes in these tax credit developments.

Member Northrup asked what would be the minimum density that Mr. Gupta could foresee being able to do this with.

- Most of the tax credit developments fall roughly between 65-85 units, that is where 90% of these developments fall.
- There is a certain scale and management scale. For this property, 72 units broke down into four acres is 18 units per acre. He thinks that it is already calculated but once you remove the wetland you have 3.6 acres so then you have 20 acres per acre.
- It is hard to get more units than that but you could possibly get a little more.
- A team ran the numbers and this is what they feel is needed on this property.
- He is learning a lot about tax credit developments and government subsidization. The government is not giving money to make a bunch of profit.
- This project is about a $12-$13 million project with a projected cash flow of about $25,000-$26,000 that will be split between two partners.
- This is not about cash flow. It is about bring this type of housing to this area.

- People that do this type of development own dozens of them. This is a really long-term investment.
- The minimum density will be around 20 to meet the 72 units.
- They didn't do a density cap because they want this property to be commercial in nature and let the lot coverage and other limitations limit this site.

Member Northrup stated that it will be going from six to twenty.

Member Goodman commended Mr. Gupta for dealing with the affordable housing issue because it is something that is need here. He had three major concerns:

1. Has Mr. Gupta contacted the North Carolina Department of Transportation (NCDOT) because that is a really nasty traffic area for people coming down the causeway and flying around the corner? People trying to get out of that apartment complex is going to be an issue.

- Mr. Gupta stated that part of the application process there is a conversation with NCDOT. His partner has done this and they have a great reputation in this. They have done some preliminary work as part of the application process. This has to go through all types of approvals and complete site construction documents.
- He pointed out that in the deed and the deed of the adjacent property that they have to share an access road and the previously approved site plan has a similar access road. The previously approved site plan went through NCDOT. He stated that it looks like it can be addressed but he has not vetted that completely.

2. Member Goodman was concerned about stormwater. He stated that with 65% lot coverage, the BMP (Best Management Practice) on the preliminary plans doesn't look big enough to take care of all the runoff from the roofs and parking lot area.

- Mr. Gupta used the previously approved site plan from Salt Meadow Landing to compare to his plans. Salt Meadow Landing was allowed 70% of lot coverage but the property is at 66% lot coverage and their BMP is about the same size as the one proposed in SAGA's plans.
- They have not gotten into the detailed civil engineering but the architect and civil engineer did run some initial talcs and this plan is at least feasible on a preliminary level.

3. Member Goodman was concerned about sewer capacity with an addition of 72 units that is a lot of sewage. We have a limited amount of available capacity that is not being used right now.

- Mr. Gupta believes that there is some capacity there but it is something that Town staff and engineers will have to look at. They will need to access that capacity for the apartments. He stated that there was sewer capacity when the Salt Meadow Landing site plan was approved so there were thoughts about it back then. He doesn't know

what the calculation are for the sewer needs but it can't be much more than what it was for Salt Meadow Landing. His understanding is that there is sufficient capacity.

Planner Dickerson stated that in her review of the land use plan she looked at the issue of density, which is how we manage growth, and how we manage our remaining capacity of the wastewater treatment facility. She referenced table 35 on page 60 of the land use plan. When the land use plan was written in 2007, the Salt Meadow site plan was approved so the land use plan envisioned that those buildings would be built. She did a rough calculation that if there are 72 one- and two-bedroom apartments then they would use upwards of 20,000 gallons per day. There is some homework to be done to make sure that we have the ability to do this.

Member Daniels stated that there are three basic business districts that increase in density from B-3 to B-1. He doesn't think that this development fits with the intent of B-3. It is like the Sam Moore property; it is something that we need but it doesn't fit. He doesn't know if they have the authority to work on it or send it to the Board of Commissioners but it feels like it is more their decision. In the land use plan that was how that land was planned and the Planning Board is to stick with and maintain that plan. It is up to the Board of Commissioners to make changes as they see fit.

Chair Wickstrom asked how this will show the Manteo Way of Building.

- Mr. Gupta stated that he was apprehensive about showing them the proposed look but he wanted to show them something. He stated that during the formal site plan process, we can come back and address all of these things including the Manteo Way of Building. He is hoping that we can work through this in a reasonable way and achieve something that looks good and has aesthetic quality. He knows that they will have to refine this to meet those requirements.

Chair Wickstrom expressed the importance of preserving the village-like atmosphere at the entrance that says a welcome while preserving an aesthetic quality appropriate to a small town, which is what we are. She stated that we have to be respectful of our written code and the intent of the language for the B-3 district.

Mr. Gupta gave some final remarks about the sewer capacity being 24,000 for the pervious approved plans and asked that Town staff look into this. He stated that the density allows for 6 units per acre and up to 12 units for affordable units. He stated that unless we do some changes, we are not going to get these types of developments. There are exceptions made for major infrastructure like water towers and schools and this is very necessary infrastructure at this point.

Chair Wickstrom stated that there are a lot of questions that are simply unanswered and so it leaves the Planning Board feeling somewhat uncomfortable.

MOTION: A motion was made by Member Daniels and seconded by Member Goodman to recommend to the Board of Commissioners to deny the text amendment

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and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

MOTION: A motion was made by Member Daniels and seconded by Member Goodman to approve the consistency statement and was approved by the following vote: Ayes: Chair Wickstrom, Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

BOARD COMMENTS

Member Northrup: She would like to see a crosswalk that she can push a button at either Budleigh or Ananias Dare Street because it takes forever if you are walking to get across that that road. (She originally said Sir Walter Raleigh but meant to say Budleigh)

Chair Wickstrom: She stated that she is happy to see the progress that is being made in such as short amount of time at the house located at Lot 29 of Marshes Light.

There being no further business to come before the Board or other persons to be heard a motion was made by Member Goodman and seconded by Member Scarborough to adjourn the meeting at 7:16 p.m. and was approved by the following vote: Ayes: Chair Wickstrom and Members Scarborough, Goodman, Northrup, and Daniels. Nays: None. Absent: None. **Motion carried unanimously.**

This the 9th day of March 2021.

Sherry Wickstrom

Sherry Wickstrom, Chair

ATTEST:

Jamie Whitley

Jamie Whitley, Town Clerk

TOWN OF MANTEO CORPORATE SEAL 1899 NORTH CAROLINA

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THE TOWN OF MANTEO
PRESERVE PROSPER

Consistency Statement:

The Town of Manteo Planning and Zoning Board finds the action to amend Article IX Entrance District of the Town of Manteo's Zoning Ordinance to be inconsistent with the Town's 2007 Land Use Plan. The proposed text amendment is a deviation from the Town's density rules, as there is a certain density per acre established for residential uses in each zoning district in the Town of Manteo's zoning ordinance. The density requirements included in the Town's ordinance are an important tool in how the Town of Manteo manages growth and wastewater treatment capacity.

Recommendation to the Board of Commissioners:
The Planning Board finds action to amend Article IX Entrance District of the Town of Manteo's Zoning Code to be inconsistent with the Town's Land Use Plan per §160A-383, in a 5 to 0 vote, the Planning Board recommends that the Board of Commissioners deny the request to the Town's Zoning Code with the proposed language for Article IX Entrance District.

This the 9th day of March, 2021.

Sherry Wickstrom

Sherry Wickstrom, Chair

ATTEST:

Jamie Whitley

Jamie Whitley, Town Clerk

TOWN OF MANTEO CORPORATE SEAL 1899 NORTH CAROLINA

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