Town of Nags Head
Planning Board
March 17, 2026

The Planning Board of the Town of Nags Head met on Tuesday, March 17, 2026, in the Board Room at the Nags Head Municipal Complex.

Planning Chair Meade Gwinn called the meeting to order at 9:00 a.m. as a quorum was present.

Members Present

Meade Gwinn, David Elder, David Thompson, Basil Belsches, Brad Carey, Valerie Netsch

Members Absent

Beverly Head

Others Present

Kelly Wyatt, Joe Costello, Lily Nieberding

Approval of Agenda

Chair Gwinn called for Approval of the Agenda. David Elder moved to approve the agenda as presented. David Thompson seconded, and the motion passed by unanimous vote.

Public Comment/Audience Response

None

Approval of Minutes

Chair Gwinn asked for a motion to approve the minutes of the February 17th, 2026, meeting. David Elder moved to approve the minutes as presented; Valerie Netsch seconded, and the motion passed unanimously.

Action Items

Consideration of Vested Right/Special Use Permit/Site Plan Amendment submitted by WithersRavenel on behalf of Outer Banks Hospital, requesting a reduction in required parking spaces in order to accommodate a 280 square foot expansion of the existing HVAC mechanical area and redesigned stormwater management infrastructure. This expansion is necessary to support ongoing operational and equipment needs of the existing Cancer Treatment Center. The property is zoned SPD-C, Village Hotel and is located at 4927 S. Croatan Highway.

Planning Director, Kelly Wyatt presented a site plan and explained that the request is for a reduction of 3 parking spaces to accommodate mechanical equipment upgrades at the Cancer Treatment Center at 4927 South Croatan Highway. She explained that the facility was originally approved in 2020 with reduced parking capacity, recognizing that typical medical office parking standards significantly overestimated needs for an infusion treatment facility.

Ms. Wyatt noted that parking studies conducted at the 6 months and 1 year mark after opening showed only 32 spaces were occupied during peak periods, representing just over 56% of available parking. The proposed 280 square foot HVAC expansion requires relocating Stormwater management features to the east which will consuming the 3 parking spaces that the applicant is requesting the reduction for. Ms. Wyatt noted that even after the reduction, there will still be adequate parking based on the analysis. Staff reviewed the request against the site standards and the proposal continues to remain compliant with building coverage, with lot coverage, parking, landscaping requirements, buffering requirements, Stormwater management, fire code, building code and traffic circulation. Based on their review, Ms. Wyatt noted that Staff would recommend approval of the vested right special use site plan amendment as submitted. Ms. Wyatt noted that she as well as the applicants were present and available to answer any questions for the Board.

Michael Strader from WithersRavenel clarified that this was not an increase in intensity of use but merely mechanical improvements needed to control temperature and humidity. Amy Montgomery from Outer Banks Health explained that the original air handling system cannot maintain correct conditions during peak summer months, creating regulatory compliance issues for their pharmacy operations where chemotherapy is mixed. She noted the project would cost $1.9 million but is necessary for efficient operations.

Mr. Strader confirmed for Mr. Elder and reassured the board that there would be no changes in the current access patterns, ensuring that emergency vehicles and patient access remain unimpeded. Ms. Netsch expressed gratitude towards the facility, highlighting it as a vital community asset that significantly reduces the need for residents to travel long distances for infusion treatments. She emphasized the convenience and necessity of such a center for the town’s residents, reflecting on the positive community impact. Mr. Belsches took a moment to commend the thorough and detailed data package presented.

Ms. Wyatt confirmed for Mr. Carey that due to recent legislation the parking spots could be 9-feet wide, but the Town continues to encourage the previous 10-foot requirement.

There being no further discussion, David Elder moved to recommend approval of the Vested Right/Special Use Permit/Site Plan Amendment as presented. David Thompson seconded and the motion carried unanimously.

Consideration of text amendments submitted by Albemarle & Associates, Ltd on behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant), to create a new use titled "Restaurant Waiting Lounge" together with associated supplemental regulations, parking requirements, and necessary definitional clarifications.

Ms. Wyatt presented the proposed text amendment to create a new accessory use called "Restaurant Waiting Lounge." She explained that Blue Moon Restaurant's success at their new Dove Street location created parking and waiting challenges, leading owners Scott and Melissa Shields to purchase the property at 101 East Dove Street (formerly Keepers Galley). The property’s previous owner had allowed them to use the property previously for overflow parking.

The amendment would establish a detached, fully enclosed structure accessory to a principal restaurant where patrons could gather before being seated. Ms. Wyatt emphasized that the town does not allow standalone bars, taverns, or drinking establishments, and this amendment includes several safeguards to prevent evolution into such uses.

Ms. Wyatt reviewed the key provisions which include requirements that the waiting lounge operate the same hours as the restaurant, serve only restaurant patrons, incorporate the restaurant name in signage, and be approved through special use permit with unified development plan review. The amendment also adds clear definitions for bar, tavern, and drinking establishment to distinguish prohibited uses.

Mr. Belsches raised concern regarding what steps could be implemented to ensure the restaurant waiting lounge would only serve patrons of Blue Moon Restaurant, questioning how control would be maintained in that respect. Ms. Wyatt responded by acknowledging the possibility that some non-patrons might occasionally enter the facility. However, she reassured the board that the special use permit process includes safeguards allowing for the revocation of the permit should any violations occur. This process provides a means to address and resolve potential misuse effectively.

Applicant Jay Overton, from Albemarle and Associates, addressed the Board and further clarified the operational intent behind the waiting lounge, emphasizing that it would **not** function as a standalone bar or separate establishment. Instead, the facility aims to enhance the dining experience by offering a comfortable waiting area for patrons within the Blue Moon Restaurant's operational scope.

Mr. Overton elaborated on the operational dynamics of the lounge, emphasized its role in maintaining the cohesiveness of the overall dining establishment. The Board discussed these provisions, recognizing the efforts made to balance operational needs and regulatory compliance.

Mr. Overton assured them that the Shields family, owners of Blue Moon Restaurant, prioritize maintaining their reputable dining environment, aligning with the Town's expectations and standards.

As this amendment is not site specific, Mr. Elder, expressed concerns about setting a precedent for future applications. Ms. Wyatt addressed these concerns by noting that strict requirements, such as maintaining the same ownership, management, and requiring unified development plan approval, would limit similar opportunities for other establishments.

Mr. Thompson noted that the Board should consider addressing broader restaurant parking issues town-wide at a future date, with Ms. Wyatt being amenable but cautioning about creating nonconformities for existing establishments.

There being no further discussion Basil Belsches moved to recommend approval of the text amendments as presented. David Thompson seconded and the motion carried unanimously.

Consideration of Special Use Permit/Site Plan Amendment submitted by Albemarle & Associates, Ltd on behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant) seeking approval of the unified development plan for Blue Moon Restaurant and a proposed Restaurant Waiting Lounge pursuant to the supplemental standards proposed in Section 7.31.3 of the UDO. The subject properties are zoned C-5, Historic Character Commercial District, and located at 101 & 102 E. Dove Street, Nags Head.

Ms. Wyatt presented the unified development plan for Blue Moon Restaurant and the proposed restaurant waiting lounge. She highlighted that the principal restaurant has 2,513 square feet of customer service area, while the waiting lounge is planned to encompass 1,249 square feet. This configuration aligns with the ordinance requirements, clearly establishing the waiting lounge as an accessory and subordinate component to the primary restaurant. The combined on-site parking requirements call for 72 spaces; however, the development plan exceeds this with 86 spaces available.

During the meeting, there was an in-depth discussion regarding pedestrian safety, due to Dove Street separating the two properties and their proximity to the bypass. Mr. Elder expressed concerns about the safety of patrons crossing the street and proposed the creation of designated pedestrian pathways.

Ms. Netsch shared her personal experience of safely traversing between the buildings with her grandchildren. She recommended directing pedestrian flow toward the rear of the restaurant to prevent patrons from crossing near the busy highway entrance. This suggestion aimed to enhance safety by steering pedestrians away from high-traffic areas and reducing potential conflicts with vehicles entering the parking lot.

Ms. Netsch emphasized the importance of incorporating "Blue Moon" in the waiting lounge name to reinforce the connection and prevent independent operation.

Mr. Thompson raised concerns about ALE compliance, noting that open alcoholic beverages cannot be carried across the street. The board discussed various options including crosswalks and signage to direct pedestrian flow. Mr. Overton agreed that directing traffic through the rear of the properties would be beneficial for both safety and operational flow.

Mr. Elder suggested and Ms. Wyatt and the Board agreed that the previously approved amendments be modified to include pedestrian connectivity.

There being no further discussion Basil Belsches moved to recommend approval with the condition that there be some sort of delineated connectivity to help with pedestrian safety between the two buildings. David Thompson seconded and the motion carried unanimously.

Report on Board of Commissioners Actions – March 4th, 2026

Ms. Wyatt briefly reviewed the actions from the March 4th Board of Commissioners meeting, including presentations by the Arts and Culture Committee, updates to the memorandum of agreement with the North Carolina Sedimentation and Erosion Control Commission, approval of the TWs Bait and Tackle special use permit, approval of pickleball court lighting and approval of the Dare County EMS station site plan. Ms. Wyatt also noted that the Commissioners had heard a presentation from the Town's lobbyist Whitney Campbell Christensen from Ward and Smith.

Town Updates

None

Discussion Items

Planning & Development Director's Report – March 4th, 2026

Ms. Wyatt briefly reported on the Septic Health Advisory Committee meeting in February, noting the program's success and plans for increased public outreach. She also reported strong participation in sand relocation and dune management cost share programs.

Update on Estuarine Shoreline Management Plan.

Deputy Planning Director Joe Costello provided a comprehensive overview of the Town's Estuarine Shoreline Management planning efforts. He explained the continuum of shoreline treatments from natural vegetation to hard bulkheads, emphasizing the environmental benefits of living shorelines over traditional bulkheads.

Mr. Costello detailed specific projects including the Villa Dunes Drive site, Soundside Road improvements, and the major Harvey Sound living shoreline project featuring offshore breakwater structures and marsh restoration. He showed dramatic erosion patterns over 50 years, with some areas losing nearly 300 feet of shoreline.

The presentation included examples from other communities and discussed the Catfish Farm living shoreline project between Villa Dunes condos and Sugar Creek restaurant. Mr. Costello is hoping for innovative oyster restoration projects where water salinity allows.

Mr. Elder praised the natural approaches as appearing safer and more attractive than hard structures. The Board expressed appreciation for the comprehensive presentation and the Town's proactive approach to shoreline management.

Planning Board Members' Agenda

None

Planning Board Chairman’s Agenda

Adjournment

A motion to adjourn was made by David Elder. The time was 10:48 AM.

Respectfully submitted,
Lily Campos Nieberding