



March 2, 2021

**VIA EMAIL**

Michael Zehner  
Director Planning & Development  
Town of Nags Head  
5401 South Croatan Highway  
Nags Head, NC 27959

Re: Support for UDO Text Amendments Pertaining to Nonconforming Hotels

Dear Michael:

Thank you and the rest of the officials from the Town of Nags Head for meeting with us this past week to discuss the reconsideration of the text amendments to the UDO pertaining to nonconforming hotels. It was a pleasure putting faces to all the names and getting the opportunity to delve into both the rationale behind and the practical import of the proposed changes to the UDO.

As first- and second-generation owner-operators of the Surf Side Hotel, we want to express our strong support for the further consideration and enactment of these important changes to the UDO. These amendments would provide owners of legacy hotels in Nags Head with a clear path and a potential economic rationale for investing in properties that are 30-50 years old.

In our case, operating the Surf Side as an existing nonconforming property under the code has resulted in a delay of material renovations over the past several years and protracted internal discussions as to the property's highest and best use. Conversely, the introduction of the proposed text amendments to the UDO have led us to strongly reconsider the merits of a major investment and renovation to the improvements and grounds at the Surf Side.

At this time, we would, however, like to offer two suggestions to the proposed text amendments for further consideration by you, your staff, the Planning Board and the Board of Commissioners.

## 1) Provide Greater Flexibility with Respect to Dimensional Requirements

A very real challenge faced by beachfront legacy hotel owners is the lack of, or insufficient design for, common areas and amenities to meet modern tastes and demands of today's vacationers. Most hotels built in the 1960s – 1980s focused on providing guests with a room and access to the beach. Common elements may have included a pool and modest guest reception, but few operators foresaw the demands for grander lobbies, expansive breakfast rooms, and other amenities such as fitness centers and spas.

Significant discussion of the proposed UDO amendments has centered around the “right” dimensional requirements. It appears that planning staff initially proposed use of the C-2 requirements but were urged by the Board of Commissioners to also consider the original CR requirements. The most recent staff proposal appears to be a hybrid of both.

While any of these proposals has merit, the most recent version may offer legacy hotel owners the least flexibility of any set of requirements; the most restrictive setbacks have been imported from the former CR code in addition to the most restrictive density and lot coverage requirements that apply in the current C-2.

We would encourage consideration of the requirements found in the HO district that do not prescribe density limits based on unit count and which offer a greater level of lot coverage. This combination would provide legacy hotel owners with the most discretion to provide for the missing common elements at many older properties while also ensuring that room counts can be adjusted to generate the revenues that major renovations will require.

## 2) Allow for Integration of Currently Owned Adjacent Properties

We would like to ensure that whatever dimensional requirements are ultimately adopted in the proposed UDO be applied to the entirety of the properties owned by and adjacent to legacy hotel properties, even if these other lands are currently separate legal tracts. In our case, the land on which the Surf Side Hotel is located is flanked by parcels held by the same group of owners – one that has been improved with a 6-unit condominium building, including an indoor pool, and the other that is unimproved.

Both parcels flanking the hotel originally were acquired with the intent to expand or augment the main hotel operations. Zoning codes made it inadvisable or unattractive to legally combine these properties. However, if the proposed UDO amendments clearly contemplated the application of the dimensional requirements to the totality of any lands adjacent to and presently owned by legacy hotel operators, we would likely pursue the steps necessary to create one lot comprised of all three land tracts in order to create the best holistic project and experience for our guests.

Finally, and regardless of the outcome of the consideration of these suggestions, I want to again thank you and the rest of the Town officials for your constructive approach to our conversations and your earnest and clear guidance as to how we might best proceed as we consider the potential application of the UDO changes to the Surf Side. Please note that our meeting with all of you was the kick-off and prelude to a three-day weekend meeting of our entire corporate team in Nags Head to study the existing hotel property and the overall market for tourism in Nags Head.

To a person, I can report that we are all excited by and hopeful for the reforms that the Town has in mind. We would like to think that in another forty years, a fourth or even fifth generation of the Simpler family will be proudly welcoming guests to the Outer Banks.

We appreciate your further consideration of these suggestions as you further deliberate the best course forward for the Town and the future of its legacy hotel properties.

Sincerely,



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Alex Moore, President

cc: Ben Cahoon, Mayor, Town of Nags Head  
Greg Sparks, Manager, Town of Nags Head  
Andy Garman, Asst. Manager, Town of Nags Head  
Kelly Wyatt, Deputy Director Planning & Development, Town of Nags Head  
Cory Tate, Chief Building Inspector, Town of Nags Head  
Ken Simpler, CEO Emeritus, Seaboard Hotels  
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