



PROPOSED AGENDA
KITTY HAWK TOWN COUNCIL
Monday, December 1, 2025
Kitty Hawk Town Hall, Smith Room
6:00 PM

- 1. Call to Order**
- 2. Moment of Silence/Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Remarks by Departing Mayor Craig Garriss**
- 5. Oaths of Office**
 - a) Mayor-Elect Charlotte Walker**
 - b) Council-Elect Jeff Pruitt and Council-Elect Peter Mantz**
- 6. Election of Mayor Pro Tempore**
- 7. Mayor Pro Tem Oath**
- 8. Presentation to Former Mayor Craig Garriss**
- 9. Brief Recess/Reconvene**
- 10. Remarks by Newly Elected Mayor, Mayor Pro Tem and Councilmember**
- 11. Presentation – FY 2025-2026 First Quarter Financials**
- 12. Public Comment** – The public is invited to address the Town Council on any topic. Please sign up with the Town Clerk before the meeting and when your name is called, come forward and speak into the microphone at the lectern. Please limit comments to 3 minutes.
- 13. Consent Agenda** – Items on the consent agenda are considered to be non-controversial, routine in nature, or items not requiring a presentation to discuss by the Town Council in order to consider the items(s). Any item may be removed for discussion by the council or by any member of the audience who wants to hear the item presented and discussed.
 - a) Approval of November 1, 2025, Regular Session Council Minutes** – Approval of the consent agenda will approve these minutes.
 - b) Planning Board Work Plan** – updates with new task
 - c) Financial Reports as of September 30, 2025**

14. Items Removed from Consent Agenda –



15. Public Hearing –

- a) Special Use Permit – 5416 N Croatan Hwy – Gas station.** Applicant proposes a gas station/convenience store.

Note: Public Hearing for Special Use Permit – 4352 B The Woods Rd – RV Park is scheduled for the January 5, 2026 Town Council Meeting.

16. New Business – Appointments to Board/Committee

- a) Tourism Board**
- b) Government Education Access Channel Committee**
- c) Recreation Committee Liaison**

17. Old Business –

18. Reports/General Comments from Town Manager

19. Reports/General Comments from Town Attorney

20. Reports/General Comments from Town Council

21. Adjourn

***To Watch Livestream on YouTube:** <https://youtube.com/live/uCFbidWgxYM?feature=share>

The meeting will also be available to watch on the Town's YouTube channel on demand the next day.

****Send Comments and/or Questions via email:**

You may always send comments or questions at any time to info@kittyhawkncc.gov. If you would like your question or comment read at this meeting, please send it by 2:30 PM on December 1, 2025, and note that you would like it to be read at the meeting. Be sure to include your full name and address. Please keep your comments to three minutes.

Si habla español, los servicios de asistencia lingüística están disponibles de forma gratuita. Llame al 252-261-3552 para obtener ayuda.

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**TOWN OF
KITTY HAWK**

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Minutes
KITTY HAWK TOWN COUNCIL
Monday, November 3, 2025
Kitty Hawk Town Hall, Smith Room
5:00 PM

1. **Call to Order**
2. **Moment of Silence/Pledge of Allegiance**
3. **Approval of Agenda**
4. **Presentation –**
 - a) Town of Kitty Hawk FY 2024-2025 Final Audit Report- Madonna B. Stafford, CPA/Partner, CRI Advisors PLLC & Carr, Riggs & Ingram, PLLC
 - b) 2025 APA-NC Marvin Collins Honorable Mention- Melody Clopton, Town Manager
5. **Public Comment** – The public is invited to address the Town Council on any topic. Please sign up with the Town Clerk before the meeting and when your name is called, come forward and speak into the microphone at the lectern. Please limit comments to 3 minutes.
6. **Consent Agenda** – Items on the consent agenda are considered to be non-controversial, routine in nature, or items not requiring a presentation to discuss by the Town Council in order to consider the items(s). Any item may be removed for discussion by the council or by any member of the audience who wants to hear the item presented and discussed.
 - a) **Approval of October 6, 2025, Regular Session Council Minutes** – Approval of the consent agenda will approve these minutes.
 - b) **Budget Amendment #6 FY 2025-2026 Insurance Reimbursement Premi Repair**
 - c) **Budget Amendment #7 FY 2025-2026 Fiber Internet Upgrade**
 - d) **Resolution- 2026 Town Council Meeting Dates**
 - e) **Resolution- Opposition to Proposed Limits on the Landing of Blue Crabs**
 - f) **Resolution- Operation Green Light in support of honoring veterans**
 - g) **Resolution- In Support of Grant Application for Pedestrian Safety Project**
 - h) **Travel and Expense Policy**
 - i) **Fleet Management Policy**
7. **Items Removed from Consent Agenda –**
8. **Public Hearing –**
 - a) **Zoning Text Amendment – Sec. 42-74. Variances.** Updating language related to align with state statutes.
9. **Planning –Schedule Public Hearing**
 - a) **Special Use Permit – 5416 N Croatan Hwy – Gas station.** Applicant proposes a gas station/convenience store.
 - b) **Special Use Permit – 4352 B The Woods Rd – RV Park.** Applicant proposes expansion of existing RV park onto adjacent vacant parcel.



10. New Business –

- a) Review quotes for schematic design of 101 Veterans Memorial Drive building

11. Old Business –

12. Reports/General Comments from Town Manager

13. Reports/General Comments from Town Attorney

14. Reports/General Comments from Town Council

15. Adjourn

1. Call to Order
2. Moment of Silence/Pledge of Allegiance
3. Approval of Agenda

Garriss: Council, I need a motion to approve tonight's agenda, please.

Walker: So, moved.

Garriss: Motion made by Charlotte. Second?

Tillett: Second.

Garriss: Second by Dylan. All in favor say, "aye".

All Council: Aye.

Garriss: All opposed? Thank you. We have a presentation for our auditor here. Come on up, ma'am. Please state your name. I told her earlier to make sure her presentation did not go over two hours and she assured me that was not going to happen.

4. Presentation –

- a) Town of Kitty Hawk FY 2024-2025 Final Audit Report- Madonna B. Stafford, CPA/Partner, CRI Advisors PLLC & Carr, Riggs & Ingram, PLLC

Stafford, Madonna: That will not be a problem. Good evening. I hope you're all doing well tonight. I'm Madonna Stafford with Carr, Riggs, and Ingram. I'm a partner in our New Bern office. So, first I just like to tell you all thank you for allowing me to be here with you tonight to go over your June 30th, 2025, audit reports. You should have copies of those to follow along if you choose. First, I always just like to start off by reminding everyone what we were engaged to do. For us, that was to come in and do a financial audit of the Town's finances and then issue an opinion on those financial statements and whether those were materially correct. We conducted our audit in accordance with generally accepted auditing standards as well as government auditing standards. I'm pleased to say that we issued an unmodified opinion on the town's finances for June 30, 2025, year. Essentially, that means it was a clean opinion, and we found nothing materially wrong with the statements. The letter of opinion will be on pages one through three of your audit reports and then that will go through our entire procedures and everything that that covers. Moving on, I will spend just a couple of minutes and point out a couple of your financial highlights for the year. We'll start with looking at your governmentwide statements. That's going to be on exhibit one and two of your audit reports. These statements show the Town's financial condition as a total in whole and it's on full accrual basis, which means that's all your fixed assets, your debt, your pension, everything. Everything is included in those two statements. For year end June 30, 2025, the town's net position decreased by \$2.44 million from last year. The biggest factor in this is the \$1.1 million contribution that you made to NC DOT for the sidewalk project. That was a large portion of that decline there. The other major



TOWN OF KITTY HAWK

change for 2025 was an increase in your public safety expenses and that was due in part to the construction and remodeling of your police building along with some increases on your staffing and that sort of thing too. That's really kind of the two driving factors that we saw. Next, we'll look at your fund statements which are going to be on exhibits three and four. These statements are going to be presented on the modified approval basis, which is also your budgetary basis, and they're going to show a little bit more detail than what we saw in exhibits one and two. So, if you look at your general fund, which is the town's most important fund because that covers all your basic operations, you'll see your fund balance increased approximately \$48,000 this year. This included a decrease in your overall revenues of about 200,000. And that decrease was from your state shared revenues, your occupancy taxes, and then land transfer taxes just as the economy started to kind of level off a little bit as we saw some of those COVID highs. That's now starting to level off a little bit. In addition to that, your expenditure increased by about \$1.5 million this year. Again, the main driving factor there was \$1.1 million for the sidewalk project. And then looking at your fund balance for the general fund, you ended the year at \$14.4 million with 7.3 million of this unrestricted money. So really that's telling you that the town could operate for about seven more months with no money coming in and still be able to cover all your expenses at that current funding level. The town also has a minimum fund balance policy that requires that \$3.4 million 3.5 excuse me to be set aside for unanticipated expenses. So, as you can see at 7.3, the town is in excellent shape with your own minimum fund balance policy. You've got a healthy fund balance and lots of room to reserve. Moving on, we'll look next at your budgetary schedules. Those will start on page 52 of your audit report. actual revenues were about \$320,000 more than was budgeted and your actual expenditure was 1.1 million less than was budgeted. The original adopted budget anticipated using \$1.9 million from reserves, but the Town only needed about \$700,000 to balance the year to close out. So the town performed much better than what was originally anticipated. So that's good news as well. Looking at your overall cash and investment balances for the year, there was a decline there of about 3.2 million and that was pretty much the entire renovation project over at the at the police department. Next, I do want to highlight your tax collection percentage. For fiscal year 25, you were at 99.63%. That is just a very slight uptick from the 24 level at 99.57%. So you guys were doing an excellent job there to maintain that 99% year after year. That looks wonderful. Looking at page 61 and 62 of your audit report, you'll see our report there on internal controls. We don't necessarily issue a specific opinion on internal controls, but we do evaluate controls and test controls throughout our audit procedures. And if there were to be any kind of deficiencies noted during that testing, we would be able and must present those to the board. So, I'm pleased to say we found no significant deficiencies, material weaknesses, budgetary violations, statutory violations, non-compliance, or any other issues that we have to come before the board with tonight. Also of note, the audit has been submitted and approved by the LGC. There was no financial performance indicators noted through the submission process. So, there's nothing there that the town will need to respond to and the town has formally completed its fiscal year 25 audit requirements with the state. In closing, I would just like to thank the finance department for their cooperation this year. It's a new audit, so that just requires a lot more just for us to get into it and know what we're dealing with. Excellent to work with. So, we are very appreciative of their help. And if you have any questions or comments, I'll be happy to address those.

Garriss: Thank you, Miss Stafford. Council, have any questions for Miss Stafford? Great report. Happy. Thank you. Well, thank you very much for your time. You did you did well on the time. Thank you. Thank you so much. Great report. Thank you. That has a lot to do with our finance department, Liliana, and her staff, too. So, thank you. Item 4B, Melody.

Clopton, Melody: Sure. Rob and Mayor, if you come forward. I just want to officially present and acknowledge that the town is pleased to announce that we've received the 2025 North Carolina Marvin Collins Honorable mention award from the American Planning Association for our comprehensive plan category which we also call the landing plan the CAMA Land Use Plan and so forth. It highlights the exceptional work done by Rob and the Planning Department, the Town Council and the community



members who participated in the process and to create a vision for the town's future. I think it went out for 25 years. Is that correct? It's rewarding to see this accomplishment acknowledged by the state and it's very important. Congratulations to everyone involved really in making this possible and thank you for your ongoing commitment to Imagine Kitty Hawk, which is the title of the plan.

Garriss: Thank you, guys. Thank you, Melody and Council, and Rob and your staff. As Melody said that was a group effort. So, thank you so much. Public Comment. Lauren, do we have anyone sign up for Public Comment, please?

5. Public Comment

Garrett, Lauren: Yes, sir. Mr. Gary Perry,

Garriss: Come on up, Mr. Perry. As always, public comments, three minutes. And Mr. Perry, I know I know you know the routine, so just speak directly into the microphone so we can be sure to pick you up there. Good evening.

Perry, Gary: Good evening. Gary Perry, 3831 Herbert Perry Road, the village. A note on the agenda tonight, numerous consent items. Item six, hotel and six India are major town policy changes that you're being asked to pass without open council discussion. Further, you have only had a weekend to review important policy changes. Town management is trying to ram through changes in policy the night before an election that is the first contested mayor's race in 20 years. This is wrong. It's deliberate. Consent items H and I should be pulled from the agenda and placed on the back burner until the next council is seated. Then Council should deliberate the policies in open council. That is unless you are comfortable with policies that allow the police department to continue to purchase two door hot rod Mustangs. I urge you to pull those two items for future debate and consideration.

Garriss: Thank you, Mr. Perry. Anyone else signed up to speak, Lauren, at public comment?

Garrett, Lauren: No, sir.

Garriss: Anyone else here tonight that would like to speak in public comment about any topic? Anybody? Okay, Lauren, let the record show no one else chose to speak. Consent Agenda.

Hines: I'm going to make a comment on that, please. Based on public comments, I'm going to ask to have Item H and I removed from tonight's Consent Agenda. Okay.

Are you making that as a motion?

I am making as a motion.

All right. Do we have a second?

Pruitt: I'll second.

Garriss: Second made by Jeff. Any further discussion? All in favor signify by saying, "aye".

Hines, Pruitt, Tillett, Walker: Aye.

Garriss: All opposed. I'm a nay vote on that. Council has had plenty of time to look over this material that we were provided by the Town Manager earlier. Item 7, we have no items removed from the consent agenda. We did have items removed.

Varnell, Casey: We've got to go back A through G.

Garriss: That's right. So, because H and I have been removed via vote. Okay. A through G.

Hines: I'll make a motion to approve A through G.

Garriss: Thank you, David. Second?

Walker: Second.

Garriss: Second by Charlotte. All in favor, say "aye".

All Council: Aye.

Garriss: All opposed? None. Okay. We have items 6 A through G. Now we have Item 7. We have the two items removed from the Consent Agenda. Items H and I.

7. Items Removed from Consent Agenda –

Pruitt: I'm sorry, I didn't hear the vote.

Garriss: It was 4 to 1.



Pruitt: Thank you.

Garriss: All right. So, items H and I, you want to take item H first. Who wants to discuss the Travel Expense Policy?

Hines: I want to pull it completely. I'm asking for it completely removed. Further discussion. Okay. Would you like to table it or just remove it? All right. Table. Correct. It would be to table. All right. This item first.

Varnell, Casey: So, now you will take that item. So just go H then I and then make your motion. Got it. Okay. We are again talking about item 6H only to table. Understood. Who wants to make that motion?

Hines: I'm making a motion to table item H for further discussion.

Garriss: Thank you, David.

Pruitt: I'll second.

Garriss: Second by Jeff. All in favor signify by saying, "aye".

All Council: Aye.

Garriss: All opposed? None. Thank you. So when will when do you want to table it until?

Hines: I would say at least January or February. Do I need to make that in my motion? I'm going to change my motion. I make a motion to remove from the Consent Agenda item H. We're doing it individually up until the February Town Council meeting 2026. I think that's appropriate. December is way too soon with the new Council. That's my motion.

Pruitt: I'll second that motion.

Garriss: Second made by Jeff. All in favor signify by saying, "aye".

Garriss: All opposed? None. Item 6 I. Fleet management policy.

Hines: I also move to make a motion to remove that from tonight's consent agenda item I until February of 2026. Tabled. Table. All right. We have a motion. Second.

Pruitt: I'll second it. Second by Jeff. Any further discussion? All in favor signify by saying, "aye".

All Council: Aye.

Garriss: All opposed? None. Thank you. That takes care of Item 7. Item 8, we have a Public Hearing Zoning Text Amendment. Council, I need a motion to go into Public Hearing, please.

8. Public Hearing –

- a) Zoning Text Amendment – Sec. 42-74. Variances. Updating language related to align with state statutes.

Hines: So, moved.

Garriss: Motion made by David. Second?

Walker: Second.

Garriss: Second by Charlotte. All in favor, signify by saying, "aye".

All Council: Aye.

Garriss: All opposed? None. We are in Public Hearing. Thank you, Rob. Item 8A. the proposal you have in your packets tonight is for Section 42-74.

Testerman, Rob: I'll save you guys reading all the way through it. It just takes our regulations that we currently have for variances, what standards the board of adjustments is looking at and is aligning that language with the state statutes. The Planning Board reviewed this at their September meeting, and unanimously recommended approval. I'll take any questions. Basically cleaning up like you like you've done before with the language and everything. Yeah, specifically the one that we currently have five that the variance is minimum variance that would make possibly reasonable use of the land building or structure. The state doesn't have that as one of the required findings anymore. We're aligning our ordinance with the state statute.

Garriss: Thank you, Rob. Yep. Council, do you have any questions for Rob in this matter? Any questions for Rob? Is anyone here tonight who would like to speak during this public hearing? Anyone at all? Lauren, let the record show no one else chose to speak. Okay, Council, what would you like to do in this matter? If there's no further discussion, we need to go back into Regular Session.



Hines: I make a motion to go back into Regular Session, please.

Garriss: Thank you, David. We have a motion. Second?

Pruitt: Second.

Garriss: Second by Jeff. All in favor?

All Council: Aye.

Garriss: All opposed? None. Thank you. We are back in Regular Session. Council, what would you like to do in this manner?

Pruitt: Mr. Mayor, I move to approve the proposed Text Amendment to Section 42-74. Town council has found the proposal to be consistent with the Town's adopted Land Use Plan.

Garriss: Thank you, Jeff. Second by David. Any further discussion? All in favor signify by saying, "aye".

All Council: Aye.

Garriss: All opposed? Thank you very much. Thank you, Rob. Now, we need to schedule a couple of public hearings, please. Item 9A, Special Use Permit, 5416 North Croatan Highway, a gas station. Need a motion, please.

9. Planning –Schedule Public Hearing

- a) Special Use Permit – 5416 N Croatan Hwy – Gas station. Applicant proposes a gas station/convenience store.

Pruitt: Mr. Mayor, I move to set a Public Hearing at the Town Council meeting on December 1st, 2025, to consider a Special Use Permit application for a gas station located at 5416 North Croatan Highway.

Tillett: Second.

Garriss: Thank you, Dylan. Motion seconded by David. Any further discussion? All in favor signify by saying, "aye".

All Council: Aye.

Garriss: All opposed? None. Item 9B, we need to also set up a Public Hearing. Schedule Use Permit 4352B, the Woods Road RV Park. Do we have a motion?

- b) Special Use Permit – 4352 B The Woods Rd – RV Park. Applicant proposes expansion of existing RV park onto adjacent vacant parcel.

Pruitt: Mayor, I just have a comment. You know, we've talked about these major public hearings and at the December meetings, especially when there's a Council coming over. It seems to be a mighty busy night. If the applicant wants to continue with December 1st, it's going to be a busy night. I would like to see it moved so you can choose a later date, not unless they're in a rush. It's just that we have had this and I remember we had Carrenda Lane on an opening night. Families are here and it just seems to be a lot of commotion, and I think that one of them seems to be a little bit clearer than the second one and I would like to move it to the January meeting.

Garriss: Okay, thank you Jeff. I just asked if the applicant here anyone representing the applicant?

Varnell, Casey: You provided the foundation for it so I think it's appropriate if you guys would like to the only requirement is that it come before you twice this is the first time the next time will be when the hearing held so yes you can you guys can vote to move.

Pruitt: Mr. Mayor, I move to set the Public Hearing at the Town Council Meeting January. I'm not sure about the date of that meeting.

Varnell, Casey: I think just saying January will suffice.

Pruitt: The January meeting to consider a Special Use Permit application for an RV park located at 4352B the Woods Road. January 2026. Correct. January 2026.

Garriss: Do we have a second?

Hines: I'll second that.

Garriss: Second by David. Any further discussion? All in favor say, "aye".

All Council: Aye.

Garriss: All opposed? None. Thank you, Council.



10. New Business –

- a. Review quotes for schematic design of 101 Veterans Memorial Drive building

Garriss: Item 10. Council, if you remember, we have asked Melody to do some research for us to gather some information here regarding this Town Hall that we're in right now. She has done that and reported back to Council as requested. I assume you've had a chance to read over this. There is a motion attached. If Council would like to make a motion, you can approve, deny, or table again to a further to a future meeting if that's what you'd like to do or just give direction. If you want to stop, we can stop or just skip. We need to give her directions because we asked her to investigate this as Council.

Hines: I'm happy to have a discussion it. Whatever you all want to do. I think it's good road to go down.

Clopton, Melody: What we're trying to accomplish, just for the record, is move three offices from upstairs to downstairs. There's no egress up there. The stairway is not accessible for ADA purposes. Perhaps add additional bathrooms so that we have public and then staff bathrooms. Creating a list of things would be ideal, a dedicated break space that is separate from the copy room. Perhaps create a small conference room and add a few offices for future needs. For this proposal, I reached out to three two local architect firms, Dills Architects, who helped us with the Police Department. I received proposals from two and they're a little bit different and offer different things. It depends on what if and what we want to do. The first proposal is from Beacon Architects. It's more budget friendly. It's well suited if the Town wants to start with a limited feasibility study before committing to a full design. The issue that we have here is this is something we would have to plan for. This is not anything that we could just go and do. I think the cost would be something that we would need to commit to capital reserve or something. So the cost for this one does lack some of the detailed cost estimating and multiple design options. The cost is \$8,000. Option two, Dills Architects is more comprehensive. It includes programming, multiple designs, and a cost estimate offering more clarity for budgeting and decision making. It is more expensive. The price is \$14,500. This provides a better value if the Town aims to move quickly into the schematic and eventual construction phases. We would need to approve a money transfer to accomplish either one of these things. Either \$8,000 or \$14,000. We haven't come to you for that yet because we wanted to get your feedback. Is this something you even want to continue to explore? I'm willing to answer any other questions you may have.

Garriss: Excuse me. As Melody just stated, this is kind of a future planning down the road thing that we're looking at that that this Council has been very good at doing in the past. So, how do you feel? Do you want to pursue it or stop everything right now? That's up to you.

Hines: I mean, I've been talking all night. I'll start. So, I'm fine with continuing to pursue down the road of looking at things to do for the staff. I think we at least, in my opinion, kind of revert everything we talked about tonight. We probably need to push back further discussion until you know January, February before we transfer any money and spend any money. But I do like the fact of what direction they're taking it. I think you know it's time for a little bit of facelift around here for sure.

Garriss: Which option would you be in favor?

Hines: Local, Beacon. Okay.

Tillett: Yes, I think I echo a lot of those same comments. I am a fan of keeping it local. I've worked with Beacon Architecture before. They're a phenomenal firm to work with. I think starting with some more conversation in the future is the right direction. I'm not sure I'm quite ready to decide on pulling the trigger on spending something tonight. But again, agree with the process of proceeding in that direction. That's all I have.

Garriss: All right. Thank you. I think we're all on the same page with this, Jeff?

Pruitt: Dylan and I have talked and, you know, we would like to see the Town Hall stay where it is and in doing so as the Town grows that we are running at title places and it is difficult to maneuver up the steps to get upstairs. I think as we did the Police Department, it's time to start pursuing ideas of how to facilitate the ADA aspects of moving around in in our facility here. I think it's something that we can pursue but if we can wait until you know it is going to be probably a put money aside for a while but if it's a local group, phases



could be an option. So once again, I want to continue moving forward, but we'll just table it until January.

Garriss: Thank you, Jeff. Charlotte?

Walker: I'm good with that. Tabling it until January. I don't have any experience with Beacon, but if Dylan does, I'm happy about that. I know Rob needs a place to be able to spread his plans and show people what he needs to do, and they don't need to be climbing up those stairs to do it. So, thank you.

Garriss: I think we've all stated in the past, this is one beautiful room we're sitting in right now and I would hate to see this go. All right. Thank you, Council. Melody, is that what you need?

Clopton, Melody: Sure.

Garriss: Okay. Very good. Any further discussion on that matter?

Pruitt: Melody, is there a kind of way you can just give us a rough kind of sketch of hand drawn crayon, of what you're looking at?

Clopton, Melody: I don't have that skill. I know if we do the list, I think it will be a combination of renovation and maybe some new some new space. The Planning Department really would like to have their own suite, and they have drawn out a plan that would go through the front door straight where the monument is and have a whole Planning suite in there because most people that come here are coming for Planning. I don't know how you would, there's a lot of space in the lobby. There's that big office that we've opened up. We would recycle the glass that we just paid to put in there. I'm not sure that I could, but people have talked about enclosing the porches, but I can't make sense of that in my mind because that's an exterior wall. Would you walk through somebody else's office to get to another? I don't have that capability and if somebody does, feel free.

Hines: I can jump in on that a little bit. I had two thoughts on that. Maybe there is no room across the over on the Police Department for Planning over there somewhere so they could spread out now? I know it disconnects the staff a little bit.

Clopton, Melody: We have three suites that we're trying to rent right now over there. That would also require renovation though because they don't work under a medical office scenario. That's going to cost money as well.

Hines: It may not be the right idea but just fixing that staircase alone to be in the code is going to be a big deal because you must have a certain that's going to kind of dictate downstairs right there in and of itself.

Pruitt: I think you're going to run into problems with them.

Hines: So, the staircase is going to be the biggest challenge of what leftover space you're going to have right there.

Clopton, Melody: We've already had staff that couldn't make it up and down the steps, which is why we rearranged a couple of years ago.

Garriss: I think the stairs have not been to code for a long time. Okay.

Clopton, Melody: We want to take care of our building, and we redid the floors and repainted it and it's a nice welcoming space.

Garriss: You want to take care of the building, but you want to take care of the people, too.

Hines: Honestly, you could remove the wall between your office and what used to be the Planning office, and that would be a suite right there.

Clopton, Melody: That used to be the Town Manager's office.

Garriss: But it's still upstairs.

Hines: Rob looks like he can get up there.

Clopton, Melody: Everybody who's up there can get up there.

Hines: I'm just trying to say that staircase alone to get that into compliance is going to be a challenge. A big shift of that renovation down there.

Clopton, Melody: I understand.

Garriss: You got what you need, Melody?

Clopton, Melody: Yes.



Garriss: Thank you so much. Any Old Business? We do not have any Old Business. Reports from Town Manager, Melody.

Clopton, Melody: I did want to say that we have leased suite nine in the medical office building to a new family practice that will be opening in January and we're working on prospects for leasing suites six, seven, and eight. We have a few leads on that and that will be available when Beach Medical closes on January the 1st. Just a reminder, offices are closed next Tuesday in observance of Veterans Day. We currently have Operation Greenlight going on. It's a National Association of Counties initiative that encourages residents and businesses to show their support to local veterans by shining green lights throughout our communities to let local veterans know they are seen, appreciated, and supported. I think ours will start tomorrow, right, Wille? Are they on now? I haven't been outside. I know they're on the ladders today, so we will all be lit up in green if we're not already tomorrow. Staff wise, I want to let you guys know that Rob Testerman recently completed the leading results course at the University of Chapel Hill, North Carolina, Chapel Hill. He was selected as a 2025 Civic Fellow from over 150 applicants. The program focuses on organizational leadership, helping fellows gain insight into their leadership styles and practice critical behaviors with individual coaching. I want to let everyone congratulate Rob on completing this program which is actually paid for by the Civic Credit Union. So, it is at no cost to the town. If you don't mind me sharing Rob, Rob said it was the best training he'd ever been to. Lauren Garrett has recently completed the 2025 Clerk Certification Institute. It's a year-long program for municipal and county clerks. It covers topics like open meeting law, public records law, and local government procedures. By finishing the CCI, Lauren meets the educational requirements for the North Carolina Certified Municipal Clerk designation. This is a significant milestone and in 2026 she is on track to become the first North Carolina Certified Municipal Clerk for the Town of Kitty Hawk. Her participation has already become invaluable to us and please join me in congratulating Lauren on this achievement. It's a big deal. You're the first. That's all I have.

Garriss: Thank you, Lauren. Thank you, Melody. Casey?

Varnell, Casey: I have nothing, Mayor.

Garriss: Okay. Town Council, David.

Hines: We knew that would become valuable at some point. I'd like to congratulate her on that and Rob for their accomplishments and I'm sure to be put to good use. Probably already has. And once again, congratulations. That's all I have. Thank you, Dave.

Tillett: Same thing. Congratulations, Rob and Lauren, for your hard work on that. I know that there was a lot of work being put into both those items. Thank you to the finance department and the planning department for the two presentations we made at the beginning of the meeting. It's great to hear about the good stuff like that. So that's all I have.

Garriss: Thank you, Dylan. I'd like to thank the election workers who are here waiting for us to get out of the way tonight. Thank you. Thank you for being here. I know you're ready to get to work but thank you. Speaking of the election, I sure hope everybody turns out this is a privilege that we have in this country and in our time to turn to vote. If you don't vote and you run your mouth and complain, don't do it to me because I'm going to tell you something. I promise you I will. I've done it before, and I'll do it again. So, turn out to vote. It's a very important election for this Town tomorrow. So, everybody, exercise your right. Please do. Thanks to Rob, thanks to Lauren being the first. Thanks to all the staff, thanks to all this Council very much. That's all I have. Jeff?

Pruitt: Oh, yeah. I'd also like to congratulate Rob on the Land Use Plan. I think everybody on the Council here knows how much I lean on the Land Use Plan. It's dear to my heart. But I believe it tells a lot about the people and the history and the future of what the people of Kitty Hawk would like to see our Town look like in the future. Congratulations Lauren for being first and congratulations to Liliana and the Finance Department for having the excellent report. As Dylan said, it's always nice to hear good reports, especially when it comes to money. Everybody, please turn out to vote tomorrow. It is a great gift that all of us Americans are blessed with. That's all I have.



Garriss: Thank you, Jeff. Charlotte?

Walker: Well, when you're fourth, it doesn't leave much to say. I echo all those wonderful things, Liliana and Lauren and Rob. That was a wonderful report from the Finance Department. The only thing I'd like to add is to be sure you bring your picture ID tomorrow to vote.

Garriss: Very important. Thank you, Charlotte. Okay, Council. If nothing else, I will entertain a motion to adjourn our meeting, please.

Pruitt: So moved, Mr. Mayor.

Garriss: Motion made by Jeff. Second?

Tillett: Second.

Garriss: Second by Dylan. All in favor, signify by saying, "aye".

All Council: Aye.

Garriss: We are adjourned.

Adjourn at 5:45 pm.

The Minutes of the November 3, 2025, Kitty Hawk Town Council Meeting are approved at the December 1, 2025, Kitty Hawk Town Council Meeting.

D. Craig Garriss, Mayor

Lauren Fox Garrett, Town Clerk

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MEMORANDUM

TO: Mayor Walker and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO, Director of Planning & Inspections
DATE: December 1, 2025
RE: Planning Board Work Plan 25/26 Update

Staff proposes to update/revise the Planning Board Work Plan that Town Council approved in June 2025 by adding a task to address setback inconsistencies regarding ground-level patios/decks and pool decks. The proposed added work plan task is as follows:

9. Pool deck setbacks

By definition (Sec 42-1), setbacks apply to structures 30 inches in height and taller. Therefore, ground-level decks or other patio-type features are not bound by the setback requirements, provided that they are no taller than 30 inches in height. Section 42-504(i) dictates that pools and pool decks can encroach as close as 5' to side and rear property lines, provided they are less than 30 inches in height. The inconsistency when dealing with decking and setbacks can lead to confusion and inconsistent application. Staff proposes to develop language to clarify and correct the inconsistencies.

AGENDA ITEM # Consent 13C

DATE: Monday, December 1, 2025

SUBMITTED BY: Finance Director

SUBJECT: FINANCIAL STATEMENTS

REF: Financial reports as of September 30, 2025, The first quarter of Fiscal Year 2025-2026

1. General Fund Operations – Fund 10

- **Revenues:** Property taxes are the largest source of revenue, followed by other taxes. Property tax bills were sent out in late July and are due on September 1. September collections will be reported in October, which explains why the September 30 collection percentage is only 16.79%. Interest Earnings have already met the budget by 108.46%.
- **Expenditure by Department:** All departments have begun their normal expense cycle. The reason non-departmental expenditure shows 50.45% used is that the annual insurance bills are paid at the start of the fiscal year.
- **Shared Revenues Comparison:** We are monitoring our shared revenues and have noticed a favorable change compared to the previous fiscal year due to an adjustment in our participation percentage.

2. Capital Project Fund 41 - Construction of the Police Department**

We have not yet closed this fund. A few invoices were paid in October, and we are currently awaiting the contractor's sales tax report to process the retainage refund. Additionally, some items related to the warranty work are currently being performed.

DISCUSSION:

RECOMMENDED MOTION:

Consent Agenda Item

TOWN OF KITTY HAWK STATEMENT OF REVENUES
FUND 10- GENERAL FUND as of September 30, 2025

REVENUE SOURCE	ORIGINAL BUDGET	AMENDED BUDGET	YR TO DATE as 09/30/2025	AMOUNT OVER/UNDER	% COLLECTED
TAXES - PROPERTY					
Ad Valorem Tax (\$20 cents)	4,952,317	4,952,317	810,051	(4,142,266)	
Ad Valorem (\$2 cents Town - wide) BN	494,984	494,984	81,165	(413,819)	
Ad Valorem (\$6 cents) MSD	566,046	566,046	108,274	(457,772)	
Ad Valorem Prior Year	10,000	10,000	205	(9,795)	
AD valorem & Vehicle Penalties, fees, interest	6,000	6,000	123	(5,878)	
Motor Vehicle Tax(\$20 cents)	174,426	174,426	39,335	(135,091)	
Motor Vehicle Tax (\$2 cents Town - wide) BN	17,434	17,434	5,021	(12,413)	
Motor Vehicle Tax (\$6 cents) MSD	10,300	10,300	2,022	(8,278)	
subtotal	6,231,507	6,231,507	1,046,196	(5,185,311)	16.79%
TAXES - OTHER					
Local Option Sales Tax	1,871,064	1,871,064	261,052	(1,610,012)	
Local Option Sales Tax - BN MSD	219,214	219,214	-	(219,214)	
Land Transfer Tax	480,000	480,000	-	(480,000)	
Occupancy Tax	2,033,259	2,033,259	476,176	(1,557,083)	
Beer and Wine Tax	20,000	20,000		(20,000)	
Telecom Tax	14,800	14,800		(14,800)	
Electric Utility Tax	512,799	512,799		(512,799)	
Cable Franchise Tax	65,000	65,000		(65,000)	
Piped Natural Gas Tax	3,000	3,000		(3,000)	
PEG Channel	25,600	25,600		(25,600)	
Solid Waste Disposal Tax	2,900	2,900		(2,900)	
Mixed Beverage Tax (ABC)	88,000	88,000		(88,000)	
subtotal	5,335,636	5,335,636	737,228	(4,598,408)	13.82%
Building Permits	191,000	191,000	39,100	(151,900)	
Homeowner Recovery Fee	1,000	1,000	230	(770)	
CAMA Permits	3,500	3,500	338	(3,162)	
Planning Permit and Fees	17,000	17,000	3,753	(13,247)	
Board of Adjustment Fees	100	100		(100)	
Site Plan Review Fees	100	100		(100)	
Sanitation Fees (Garbage Carts)	10,000	10,000	1,175	(8,825)	
subtotal	222,700	222,700	44,596	(178,104)	20.03%
INTERGOVERNMENTAL					
Department of Justice Asset Forfeiture	-	-		0	
Powell Bill Allocation (pass through)	144,263	144,263	71,063	(73,200)	
NCDOR Unauthorized Substance Tax Dist	3,000	3,000	19	(2,981)	
Federal Grant Revenue	-	-		0	
State Grant Revenue -Canal Ditches Debris	-	-		0	
Grants - Other (Government Education Channel)		22,896		(22,896)	
Dare Co. - Sand Fencing (pass through)	24,000	24,000		(24,000)	
Dare Co. -Payment to Bonds (pass through)	150,950	150,950		(150,950)	
subtotal	322,213	345,109	71,082	(274,027)	20.60%
FINES & FORFEITS					
Dare County Court fees	1,500	1,500	347	(1,154)	
Code Enforcement Fines	1,500	1,500	450	(1,050)	
Fines and Forfeitures	500	500	75	(425)	
subtotal	3,500	3,500	872	(2,629)	24.90%
Interest on Investments	75,934	75,934	82,354	6,420	
subtotal	75,934	75,934	82,354	6,420	108.46%

TOWN OF KITTY HAWK STATEMENT OF REVENUES
FUND 10- GENERAL FUND as of September 30, 2025

REVENUE SOURCE	ORIGINAL BUDGET	AMENDED BUDGET	YR TO DATE as 09/30/2025	AMOUNT OVER/UNDER	% COLLECTED
OTHER REVENUE					
Town Merchandise Sales	500	500	712	212	
General Donations	8,000	8,000		(8,000)	
Building Rents	165,237	165,237	50,131	(115,106)	
Sale of Surplus Property	10,000	10,000	600	(9,400)	
Miscellaneous Revenue	15,000	15,000	3,178	(11,822)	
Insurance Claims and reimbursements		8,585	6,444	(2,141)	
Icarus International	3,000	3,000	0	(3,000)	
subtotal	201,737	210,322	61,065	(149,257)	29.03%
FUND BALANCE					
Fund Balance-Appropriated	-	254,363		(254,363)	
subtotal	-	254,363	-	(254,363)	
TRANSFERS IN FROM OTHER FUNDS					
Capital Reserve Fund(Radio replacement	6,500	6,500	6,500	0	
Capital Reserve Fund (Beach Nourishment)	140,000	498,613	358,613		
Capital Reserve Fund (IT development)		8,300			
Capital Reserve Fund (Parks & Recreation)		6,000			
Capital Reserve Fund (Backhoe Repair)		19,000	16,913		
subtotal	146,500	538,413	382,026	-	70.95%
TOTAL REVENUES	12,539,727	13,217,484	2,425,418	(10,792,066)	18.35%

TOWN OF KITTY HAWK STATEMENT OF EXPENDITURES
FUND 10 - GENERAL FUND as of September 30,2025

ACCT. NO.	EXPENDITURES BY DEPARTMENT	ORIGINAL BUDGET	AMENDED BUDGET	YR TO DATE as 09/30/2025	AVAILABLE	% USED
4100	Non-Departmental	694,652	706,802	356,566	356,566	50.45%
4110	Governing Body(Town Council)	47,005	47,005	9,315	37,690	19.82%
4111	Recreation Committee	16,240	16,240	-	16,240	0.00%
4120	Administrative Services	681,915	681,915	145,491	536,424	21.34%
4130	Finance Department	351,170	351,170	117,647	233,523	33.50%
4270	Public Works Department	1,236,341	1,256,499	333,004	923,495	26.50%
4310	Police Department	3,307,281	3,502,357	704,139	2,798,218	20.10%
4311	Police Separation Allowance	85,640	85,640	19,763	65,877	23.08%
4340	Fire Department	2,614,121	2,615,881	700,913	1,914,968	26.79%
4370	Ocean Rescue	283,636	283,636	125,071	158,565	44.10%
4410	Beach Nourishment	1,464,628	1,823,241	49,697	1,773,544	2.73%
4510	Transportation	162,000	252,000	4,094	247,906	1.62%
4710	Environmental Services	1,166,000	1,166,000	147,518	1,018,482	12.65%
4910	Planning & Inspections Department	419,733	419,733	128,263	291,470	30.56%
4980	Planning Board	6,250	6,250	-	6,250	0.00%
4990	Board of Adjustment	3,115	3,115	-	3,115	0.00%
Total Expenditures:		12,539,727	13,217,484	2,841,482	10,382,332	21.50%

Fund Summary	
Revenues	2,425,418
minus Expenses	2,841,482
Total surplus/ (deficit)	(416,064)

Shared Revenues Collections Comparison: last fiscal year 2024-2025 vs current fiscal year 2025-2026

Occupancy Tax				Sales tax				Land Transfer			
	CURRENT 2025-2026	2024-2025	difference		CURRENT 2025- 2026	2024-2025	difference		CURRENT 2025-2026	2024-2025	difference
August	476,176.32	470,697.26	5,479.06	July	261,051.68	263,763.77	(2,712.09)	July			
September	411,848.82	382,794.17	29,054.65	August	271,902.56	269,509.35	2,393.21	August			
October		207,489.88		September	244,763.10	242,182.80	2,580.30	September			
November		94,179.18		October		175,844.09		October	130,855.14	114,301.48	16,553.66
December		45,345.99		November		142,171.21		November			
January		32,937.65		December		136,321.90		December			
February		42,812.25		January		142,297.52		January		112,084.96	
March		38,942.19		February		113,815.77		February			
April		60,251.31		March		107,502.40		March			
May		102,372.97		April		148,620.34		April		134,130.73	
June		174,735.88		May		163,185.13		May			
July		376,560.49		June		183,364.49		June		140,087.52	
Total Collections	888,025.14	2,029,119.22		Total Collections	777,717.34	2,088,578.77		Total Collections	130,855.14	500,604.69	

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MEMORANDUM

TO: Mayor Walker and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO
DATE: December 1, 2025
RE: Commercial Site Plan: Gas Station – 5416 N Croatan Hwy

Attachments:

- Invest & Improve Character Area Description
- Construction Plans (Site plan is sheet CS101)
- Building Elevations
- Appraisal Report

Proposal

The applicant requests approval of a Special Use Permit (SUP) and commercial site plan to develop a gas station with an accompanying 4,173 sq. ft. convenience store at 5416 N. Croatan Highway. Gas stations are permitted in the BC-1 zoning district as a special use.

Background Information

The subject property is zoned General Beach Commercial (BC-1) and currently contains a vacant bank building.

Surrounding land uses include:

- **North (Southern Shores):** A bank and fast-food restaurant.
 - **West:** Carawan's Seafood (zoned BR-1).
 - **East:** Atlantic Union Bank (zoned BR-1).
 - **South:** Wal-Mart (zoned BC-3).
-

Staff Analysis

Lot Area:

- Site: 1.16 acres (50,527.5 sq. ft.).

Lot Coverage:

- Maximum: 60% (30,316.5 sq. ft.); up to 72% (36,379.8 sq. ft.) with permeable pavement.
- Proposed lot coverage physical area: 71.75% (36,305.87 sq. ft.).
 - Standard lot coverage: 30,291.9 sq ft (59.9%)
 - Permeable pavers: 5,960.4 sq ft (11.8%)

Building Height:

- Maximum: 35 feet.
- Proposed: 21' 9" to top of parapet, 32'5" to top of gable, 38'5" to top of cupola.
- Sec. 42-7(a) states specifically that cupolas are allowed to extend up to four feet above the maximum building height.
- Proposed heights are compliant.

Building Setbacks:

Requirement	Proposed	Required
Front	120 ft	15 ft
Rear	22 ft	20 ft
Side (W)	78 ft	10 ft
Side (E)	80 ft	10 ft

Additional requirements for gas stations per Sec. 42-250(b)(2):

- **Canopy:** Required 30 ft; proposed 40 ft.
- **Pumps:** Required 50 ft; proposed 52 ft.

Open Space:

- Required: 25%.
- Proposed: 28.25%.

Access:

The site has an existing right-in/right-out access point onto US 158, as well as two access points on the private road serving the adjacent commercial development to the south.

Parking:

- Requirement: 1 space per 350 sq. ft. GFA + employee spaces.
 - 4,710 sq. ft. GFA = 14 spaces + 6 employee spaces = 20 total required.
- Proposed: 33 spaces (including 2 ADA spaces). Compliant.

Buffers:

Not applicable; no adjacent residential zoning.

Waste Management:

A dumpster pad is proposed with three-sided enclosure walls and front gates.

Lighting:

Lighting plan has been submitted, appears to be compliant with requirements of 42-515

Signage:

Elevations indicate a freestanding sign consistent with ordinance requirements. Final review will occur through a separate administrative sign permit application (freestanding, canopy, and wall signage).

Wastewater Disposal:

The proposed development would tie in to the existing private wastewater system. The applicant has submitted an easement agreement indicating permission to do so. The project narrative indicates that the projected daily flow is 2,482 GPD, the capacity of the system, based on a 2017 study is 3,720 GPD.

Flood Zone:

The property is located in Flood Zone X. Town regulations require the lowest floor elevation at or above 8' NAVD. The topographic survey indicates that existing ground elevations will meet the flood elevation requirements.

Recommended Conditions of Approval

Prior to Issuance of a Building Permit:

- Submit copy of stormwater permit or other DEQ documentation.
 - Submit copies of wastewater permits or other related approvals.
-

Land Use Plan

This property is located in an area designated as an “Invest and Improve” character area. This designation is primarily in high traffic corridors, where levels of commercial or employment activity are greatest, or where conditions create the potential for higher intensity uses.

The following policies and objectives relevant to this application are stated in the CAMA Land Use Plan:

Policy 3.1: Manage land use and development to minimize primary and secondary impacts on resources and existing residents through standards for development.

Policy 3.2: Encourage commercial development at appropriate scales in areas zoned for commercial (BC and VC districts)

- Encourage larger scale commercial development to be along US 158

Policy 5.1: Utilize the future land use map, storm surge maps, flood exposure maps, wetlands assessments and projected sea level rise and flood vulnerability data when considering rezoning and development requests.

Special Use Findings

Per Section 42-100(b)8, to approve the application, the town council must make findings that the proposed special use:

- a. Does not materially endanger the public health or safety,
- b. Does meet all required conditions and specifications,
- c. Will not substantially injure the value of adjoining property or be a public nuisance, and
- d. Will be in harmony with the area in which it is located and be in general conformity with the comprehensive plan.

Planning Board Recommendation

At its October 30 meeting, the Planning Board unanimously recommended approval of the proposed special use.

Town Council Recommended Motion

Action by the Town Council may include approval, denial, approval with modifications, or tabling of the proposed special use permit.

If approval of the proposed special use permit is sought, then the following motion can be used:

“I move to grant approval of the special use permit to allow a gas station and associated convenience store located at 5416 N Croatan Hwy. Town Council finds that the proposal is consistent with the CAMA Land Use Plan, and meets the conditions of Sec 42-100(b)8.”

If **denial** of the proposed conditional use permit is sought, then the following motion is recommended:

“I move to deny the proposed conditional use permit for a gas station and associated convenience store at 5416 N Croatan Hwy. [Insert reasoning].”

Directions to the Subject Property

(from Kitty Hawk Post Office, N. Croatan Highway & Kitty Hawk Road)

Drive approximately 3 miles north on N. Croatan Highway.

The subject property is located on the left side of the highway where the vacant Truist building currently sits.

INVEST AND IMPROVE

This designation is for areas primarily in high traffic corridors, where commercial or employment activity already exists, or where conditions create the potential for higher intensity uses and development. Mostly this means existing commercial centers, but could also include offices or mixed-use development. A variety of residential uses may be appropriate in some areas. Areas where significant intensification is not desired are coded under a different designation. For instance, a legacy light industrial warehouse next to a residential home might not be a prime candidate for increasing the intensity of nonresidential activities, but a vacant parcel at a busy intersection on Hwy 158 would be a good candidate for commercial development.

TYPICAL USES

- » Commercial and office uses
- » Employment uses
- » Attached residential and resort uses





**VALBRIDGE PROPERTY ADVISORS |
VIRGINIA**

September 26, 2025

Benjamin M. Gallop, Esq.
GALLOP LAW FIRM, PLLC
P.O. Box 2029 (Mailing)
Manteo, NC 27954
2518 S. Croatan Hwy. Ste. E (Office/Shipping)
Nags Head, NC 27959
(252) 256-3811; bmgallop@galloplawfirm.com

Reference: Royal Farms at 5416 N. Croatan Hwy., Kitty Hawk, NC 27949

Dear Mr. Gallop:

I am pleased to provide the following information regarding the matter referenced above.

Qualifications of the Principal

I have provided my qualifications separately. I am an expert in the valuation of real estate, having been a practicing real estate appraiser for over 35 years. I hold the MAI designation, and the requisite license in the state in which the asset is located. I have appraised billions of dollars of real estate including numerous similar assets.

I am a Certified General Real Estate Appraiser in North Carolina and I hold the Appraisal Institute's MAI designation which is symbolic of advanced training and experience. I have been working in northeast North Carolina and southeast/central

**VALBRIDGE PROPERTY ADVISORS |
VIRGINIA**

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Virginia for 35 years. Over my 37 years as a real estate appraiser, I have appraised thousands of retail projects and hundreds of gas station/convenience stores ("GS/CS") like Royal Farms.

Qualifications of the Firm

Valbridge Property Advisors is one of the largest, independent, national real estate valuation and advisory services firm in North America. The firm has offices throughout the country with approximately including over 100 MAI-designated appraisers. Valbridge provides valuation services involving most types of commercial real estate in all 50 states. The firm also provides additional special expertise in unique properties, and expert witness/litigation support. Each office is led by at least one senior managing director who holds the MAI designation of the Appraisal Institute.

The local Valbridge offices are led by Lawrence J. Colorito, Jr., MAI, and Michael F. Berry, MAI. These Senior Managing Directors are complemented by other Director-level, MAI-designated appraisers. Clients also benefit from other senior and junior professionals and support staff. Together with the resources available at other locations, the local offices are able to provide quality independent valuation and advisory services to their clients on all types of real estate assets throughout the region.

Royal Farms

GS/CS are common in North Carolina and neighboring Virginia. Admittedly, they are less prevalent on the OBX but that is primarily due to a land shortage. Wherever they are located, these operators typically choose highly visible locations along major roadways in developed areas like the proposed subject property location. Therefore, they tend to be adjacent to other retail as well as residential land uses.

The subject parcel is zoned BC-1 General Beach Commercial and the adjacent existing properties abutting it are mostly retail followed by residential. The retail

provides a buffer of compatible land uses before the complementary residential land uses.

I have been asked to examine the potential impact of the subject, if any, on the surroundings. To do so my colleagues and I examined real estate prices in surrounding areas before and after similar GS/CS projects were completed.

Retail

First, we examined the retail market. It is well accepted in the retail market that GS/CS are a positive addition. They are synergistic to surrounding retail because they act like a "shadow-anchor" bringing in customers even though not technically part of the neighboring retail land uses. Local commercial real estate agents confirm this.

To the south in the adjacent town of Kill Devil Hills, a Wawa GS/CS was constructed at 1900 N. Croatan Highway. On the Currituck County mainland, Royal Farms was developed at 6511 Caratoke Hwy, Grandy, NC. Further north, a 7-11 opened at 271 Caratoke Hwy., Moyock, NC. These projects were completed over the last few years and there have not been enough nearby retail property transfers afterward to show a trend.

Continuing north into VA, there is a Wawa at 101 Hillcrest Pkwy., Chesapeake. This is part of the Edinburgh mixed-use project not far from the NC line. This GS/CS is surrounded by other retail including Home Depot, Wal-Mart, Target, and associated in-line retail space. There is also residential of mixed price points. Since the Wawa was erected in 2007, all the retail space has remained generally full and tenant retention has been good. Additionally, there has been no shortage of retail development in the Edinburgh project at ever increasing land prices.

There is another Wawa at 471 Kempsville Road in Chesapeake. Kempsville Road is an artery much like Croatan Hwy. The Wawa is surrounded by mostly single-family residential and retail. The retail includes a Wal-Mart Marketplace-anchor shopping

center, a 7-11, and 2 other unanchored strips down the street and across the street.

Since Wawa opened in 2014, all the retail space has remained generally full and tenant retention has been good. In 2019 a high-end automatic car wash/detailing business opened on the parcel behind Wawa and the shopping center next door. I appraised that property. The location was not directly on the main road (Kempsville) and without Wal-Mart and Wawa the land would have been much less valuable. The owner settled on the site, in part, because of the exposure and synergy of being next to Wal-Mart Marketplace and Wawa. There are other similar examples throughout South Hampton Roads, VA.

Residential

To locate relevant data, we examined the area from Southern Shores to Nags Head. To the south in the adjacent town of Kill Devil Hills, is the previously mentioned Wawa. From early 2021, the development plan for this site to be a GS/CS was public knowledge. This site is on the west side of Croatan Highway and abuts Wright's Shore residential neighborhood to its west. We discovered and analyzed three separate properties that illustrate a trend.

-201 Orville Court, Kill Devil Hills, NC – this property initially sold 11/04/2021 for \$425,000. It resold again 02/15/2024 for \$565,000, reflective of about a 32.9% increase in value, over about 2.25 years (27 months), or about 14.62% increase per year on a straight-line basis.

-209 Orville Court, Kill Devil Hills, NC – this property initially sold 08/31/2021 for \$390,000. It resold again 05/26/2023 for \$457,500, reflective of about a 17.3% increase in value, over about 1.75 years (21 months), or about 9.89% increase per year on a straight-line basis.

-315 Wilbur Court, Kill Devil Hills, NC – this property initially sold 09/30/2022 for \$699,000. It resold again 12/05/2024 for \$759,000, reflective of about an 8.6%

increase in value, over about 2.17 years (26 months), or about 3.96% increase per year on a straight-line basis.

The three examples indicate an average annual appreciation rate of 3.96% to 14.62%, based on a simple not compounded rate. The mid-point is about 9.29%, the mean is about 9.49% and the median is about 9.89%. The period of appreciation analyzed was from August 2021 to December of 2024.

We compared this to market averages. As none of the resale comparables were water influenced, water influenced homes in west side Kill Devil Hills were excluded from statistical calculation. This research indicated the following:

- 2021 average sales price of residential real estate in west side Kill Devil Hills \$386,227
- 2022 average sales price of residential real estate in west side Kill Devil Hills \$489,726
- 2023 average sales price of residential real estate in west side Kill Devil Hills \$519,799
- 2024 average sales price of residential real estate in west side Kill Devil Hills \$547,152
- 2025 average sales price of residential real estate in west side Kill Devil Hills \$534,701 (to 09/25/2025, approximately 9 months, 0.75 years)

This results in the following average appreciation rates:

- 2021 to 2022 = 26.8%
- 2022 to 2023 = 6.1%
- 2023 to 2024 = 5.3%
- 2024 to 2025 (to date of available data) = -2.3%

The range of appreciation over this period is -2.3% to 26.8%, with a midpoint of 12.25%. The mean of all periods is 8.98%, and the median is 5.7%.

The average sales price west side Kill Devil Hills in 2021 was \$386,227 and the average sales price in 2024 was \$547,152. This is reflective of a 41.7% increase over a full four-year period, or about 10.4% annually on a non-compounded basis. Given the run-up in the overall market in the years late 2019 to early 2022 from limited inventory, pent-up buyer demand, increases in material cost, labor, and units of production, as well as historically low interest rates, appreciation rates in the years of 2019-2022 have been higher than the previous years. The increase in value from the first quarter of 2022 to current date indicates a slowing in appreciation. The market appears to be reacting to the increase in interest rates and uncertainty in the overall economy.

The three properties analyzed that are near the Wawa indicate appreciation rates of 3.96% to 14.62%, which bracket and falls in line with comparison of overall average appreciation rates and the aforementioned trends from 2021 through December of 2024. Therefore, they indicate no impact from the GS/CS.

Interviews were also conducted with several real estate brokers active within the Kitty Hawk market and familiar with the subject property. The consensus was that the use of the subject as proposed would not create a negative impact on the marketability of an existing residential property in the vicinity. The subject's location is among other compatible commercial development, and the character of the area is commercial because it is along Croatan Highway. In fact many buyers may consider Royal Farms a positive factor because they are looking for nearby services.

Based on this analysis, we have concluded that the proposed special use will be in harmony with the area in which it is located. Furthermore, the proposed special use will not injure or negatively impact the value of adjoining property(s).

Thank you for the opportunity to be of service.

Sincerely,

Valbridge Property Advisors

A handwritten signature in black ink, appearing to read 'L. Colorito, Jr.', with a stylized, cursive script.

By: Lawrence J. Colorito, Jr., MAI
Senior Managing Director

Curriculum Vitae (CV)

Lawrence J. Colorito, Jr., MAI Senior Managing Director Valbridge Property Advisors | Virginia

Employment

- February 2002 to March, 2013 – Principal & Co-Owner, Axial Advisory Group, LLC with offices in Chesapeake, VA; Williamsburg, VA; & Richmond, VA
- March 1995 to February 2002 - Vice President/Real Estate Appraiser with Anthony J. Oddo & Associates, Inc. in Yorktown, Virginia and Northern Virginia
- August 1990 to March 1995 – Appraiser with Dominion Realty Advisors, Inc., Newport News, Norfolk and Northern Virginia
- June 1988 to August 1990 – Appraiser with Krauser, Welsh, Sorich and Cirz, Inc., in Morristown, NJ

Professional Experience & Competencies

- Appraised or consulted on various forms of real estate in approximately 20 states
- Property types including small & large office buildings, both single & multitenant; free-standing retail; neighborhood, community, “power”, & regional shopping centers; regional & super-regional malls; bank branches; churches; light & heavy industrial; multi-family condominium & apartment projects; attached & detached single-family; mixed-use; attached & detached single-family subdivisions; commercial & industrial subdivisions; residential, agricultural, commercial & industrial land, partial takings by right of eminent domain.

Professional Licenses & Affiliations

- Designated Member Appraisal Institute (MAI) with Continuing Education Completed
 - Hampton Roads Chapter Education Chairman, 1997 and 1998
 - Hampton Roads Chapter Vice President, 1999
 - Hampton Roads Chapter President, 2000
 - Hampton Roads Chapter Regional Representative, 1999-2001
 - Young Advisory Council (YAC) participant, 1997 - 1999
 - Leadership Development & Advisory Council (LDAC) Discussion Leader, 2000
 - LDAC Vice Chair, 2001
 - LDAC Chair 2002
 - Seminars Subcommittee, 2000-2001
 - Seminars Subcommittee, Vice Chair, 2002
 - Regional V Chair, 2005
 - National Board of Directors, 2003-2005
 - Governance Restructure Project Team, 2003-2004
 - National Strategic Planning Committee Chair, 2006
 - Education Trust Fund Trustee, 2007 – 2012
 - National Nominating Committee, 2011
- Certified General Real Estate Appraiser in the Commonwealth of Virginia - #4001-002033
- Certified General Real Estate Appraiser in the State of Maryland - #10849
- Certified General Real Estate Appraiser in the District of Columbia - #GA10440
- Certified General Real Estate Appraiser in State of North Carolina - #A4887

- Certified General Real Estate Appraiser in State of New Jersey - #42RG00282400
- Certified General Real Estate Appraiser in the Commonwealth of Massachusetts - #1000257
- Temporary Practice Permits granted in numerous other states
- Pennsylvania State University Smeal College of Business Institute for Real Estate Studies Advisory Board, Executive Committee-2016-present
- Old Dominion University E.V. Williams Center for Real Estate
 - Executive Committee, 2013 – 2015
 - Chair, 2016-2021
- Member-Hampton Roads Association of Commercial Real Estate (HRACRE)
 - Programs Committee Chair, 2005
 - Strategic Planning Committee Chair, 2007-2010
 - Board of Directors, 2006 – Present
 - Secretary/Treasurer, 2008-2009
 - President Elect, 2010
 - President, 2011
 - Immediate Past President, 2012
 - Past President's Council Representative to the Executive Committee, 2013-2014
- Member-Urban Land Institute (ULI)
- Adjunct Faculty-Mason School of Business-College of William & Mary-2016
- Adjunct Faculty-Strome College of Business-Old Dominion University-2016-present
- Adjunct Faculty-Smeal College of Business-Penn State University-2020-present
- The Appraisal Foundation-Board of Trustees-2022-2024

Undergraduate & Graduate Education

- Penn State University – Smeal College of Business, B.S., Finance, 1988
 - Profiled as Featured Alumnus in the Spring 2010 issue of the Institute for Real Estate Studies Smeal College of Business Newsletter
- University of Denver – Daniels College of Business, Burns School of Real Estate, M.S., Real Estate & Construction Management, 2013
 - Member of Alpha Sigma Gamma International Real Estate Honorary Society

Other Real Estate & Appraisal Specific Education

- Attended and successfully completed all courses for Qualifying Education (QE) necessary for a Certified General Real Estate Appraiser license & the MAI designation issued by the Appraisal Institute. The latter includes Peer Review, a Demonstration Appraisal Report & a Comprehensive Examination, 1989 – 1995
 - Real Estate Appraisal Principals, 3/89
 - Basic Valuation Procedures, 3/90
 - Capitalization Theory & Techniques, Part A, 9/91
 - Capitalization Theory & Techniques, Part B, 9/91
 - Standards of Professional Practice, Part A, 4/92
 - Standards of Professional Practice, Part B, 4/92
 - Case Studies in Real Estate Valuation, 7/92

- Report Writing & Valuation Analysis, 7/92
- Demonstration Appraisal Report & Comprehensive Examination, 1993 to 1995
- Courses & Seminars for Continuing Education (CE) by the Appraisal Institute, 1995 – present
- Other Real Estate related courses, presentations, seminars, symposiums, & CE by New York University, Old Dominion University, Virginia Commonwealth University, VDOT, RICS, IAAO, ULI, Hampton Roads Association of Commercial Real Estate, Alpha Omega, McKissock, various attorney and accountant groups & others, 1995 – Present

Expert Witness

- United States Bankruptcy Court, Eastern District of Virginia
- Circuit Court of the City of Virginia Beach, VA
- Circuit Court of the City of Portsmouth, VA
- Circuit Court of the City of Norfolk, VA
- Circuit Court of the City of Chesapeake, VA
- Circuit Court of the County of Arlington, VA
- Circuit Court of the County of Louisa
- Maryland Tax Court
- District of Columbia Superior Court
- Virginia State Corporation Commission (SCC)
- Consulted on and/or deposed on numerous other occasions involving litigation on real estate matters both eminent domain & non-eminent domain related.

Speaking & Writing

- Discussion Leader on the topic of Leadership Development for the Appraisal Institute's LDAC Conference, 2000
- Panel Member addressing the topic of Valuation of Contaminated Property on an HRACRE panel discussion
- Speaker on the State of the Real Estate Appraisal Industry & the Appraisal Institute to groups such as the Hampton Roads Chapter of the Appraisal Institute, Virginia Commonwealth Chapter of the Appraisal Institute, North Carolina Chapter of the Appraisal Institute, & the Blue Grass Chapter of the Appraisal Institute
- Co-Author of "Recommendations – March 2000" published in Valuation Insights & Perspectives by the Appraisal Institute, 2000
- Guest Lecturer on the subject of Land Use & Value for Finance 498 at Old Dominion University, 2011
- Guest Lecturer annually on the subject of Real Estate Appraisal for Risk Management class at Penn State University, 2011 – 2014, 2017, 2018

- Authored "Is There Value in High Performance Buildings?" published in Inside Business – The Hampton Roads Business Journal, 2012
- Guest Lecturer on Argus DCF industry software at College of William & Mary, 2013
- Guest Lecturer on Valuation Theory and the Appraisal Profession – Penn State University, Smeal College of Business Real Estate Boot Camp, 2017 –
- Asked to comment on real estate related issues in various publications

Clientele

- Local, state and federal agencies, city and county governments and housing authorities, regional and national banking and financial institutions, insurance companies, local and national corporations, accountants, attorneys, developers, investors and private individuals.

Approved Appraiser Lists

- Approved to provide valuation services by numerous banks, insurance companies, credit unions, and private lenders. Also approved by various Federal, State, and local government departments including, but not limited to, the U.S. Department of the Interior, Virginia Department of Transportation, and the City of Norfolk.

Agenda Item 16A

December 1, 2025

To: Mayor and Town Council

From: Town Clerk, Lauren Garrett

Subj: Appointment to Tourism Board

Tourism Board

The Tourism Board has one vacancy. The motion below may be used.

I make a motion to appoint _____ as a member of the Dare County Tourism Board.

December 1, 2025

To: Mayor and Town Council

From: Town Clerk, Lauren Garrett

Subj: Appointment to Government and Education Channels Committee

Government and Education Channels Committee

The Tourism Board has one vacancy. The motion below may be used.

I make a motion to appoint _____ as a member of the Government and Education Channels Committee.

Agenda Item 16C

December 1, 2025

To: Mayor and Town Council

From: Town Clerk, Lauren Garrett

Subj: Appointment as the Recreation Committee Council Liaison

Recreation Committee Council Liaison

The Recreation Committee Council Liaison position is vacant. The motion below may be used.

I make a motion to appoint _____ as the Recreation Committee Council Liaison.