

CASE SUMMARY • CONDITIONAL DISTRICT REZONING

City Council Legislative Hearing • April 7, 2026

Project Planner | Zac Smith | 910.341.3257 | planreview@wilmingtonnc.gov

1. Case Overview and Status

Application to rezone ± 1.26 acres located at **4118 Market Street** from RB, Regional Business to MD-17(CD), High-density Multiple-dwelling Residential District (Conditional District) for a 76-unit multi-dwelling development. (Nicholas Silivanch, Applicant; Premier Hotels LLC, Owner).

Staff Recommendation

- Denial

Planning Commission

- 3/4/2026, Conditional Approval, 3-1

City Council

- Legislative Hearing scheduled for 4/7/2026



CD-4-126

Attachment 2
Aerial Imagery
4118 Market St

- Site
- Parcels



0 50 100
Feet

11/21/2025

Report Organization

1. Case Overview & Status
2. Executive Summary & Recommendation
3. Analysis
4. Attachments

2. Executive Summary & Recommendation

2.1 Proposal

- The applicant proposes to rezone the subject site from RB, Regional Business to MD-17(CD), High-density multiple-dwelling residential district (Conditional District) for a 76-multiple-dwelling unit development.
- The project includes the conversion of an existing hotel with 76 rooms into 76 studio-style apartments.
- The project includes 20 workforce housing units, which will be designated for a period of 15 years.
- Access to the site is provided via two existing driveways located along Market Street. There is an existing sidewalk along the Market Street frontage.
- The maximum density permitted within the proposed MD-17 zoning district is 17 units per acre, which would allow for up to 21 units on site. With the proposed workforce housing component, the density may be increased to 36 units per acre, for a total of 45 units. The applicant is proposing a density of 60 units per acre.
- On October 16, 2025, the applicant was granted a variance by the Board of Adjustment to exceed the allowable density of the zoning district to allow for 60 units per acre.
- The minimum required open space in the MD-17 zoning district is 20% of the total tract area.
- On October 16, 2025, the applicant was granted a variance by the Board of Adjustment to reduce the open space requirement for this project to 5.17%.
- Per the residential parking requirements set forth in the Land Development Code, the applicant is required to provide 80 off-street parking spaces. The required off-street parking includes a reduced parking ratio for the 20 designated workforce housing units. The applicant is providing a total of 68 spaces as part of this project, of which 5 spaces are designated for ADA compliant parking.
- On February 19th, 2026, the applicant was granted a variance by the Board of Adjustment from the minimum residential parking standards to allow for 68 spaces, which is less than one space per unit.

Figure 2.1-A: Proposed Site Plan

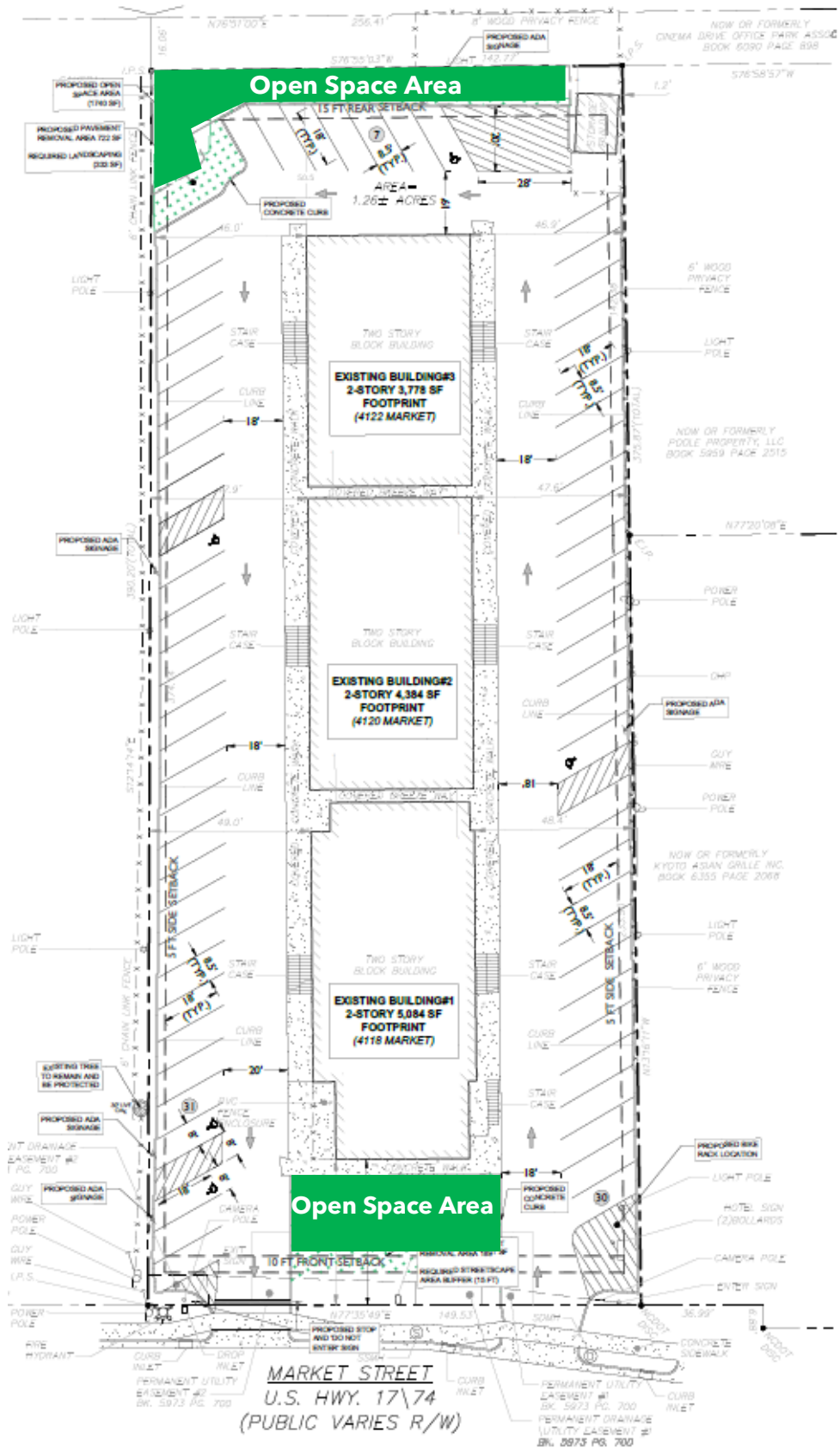


Figure 2.1-B: Proposed Elevations (provided by the applicant, no changes proposed)



FRONT ELEVATION
EXISTING CONDITION

2.2 Community Outreach

2.2.1 Community Meetings

A community meeting was held on August 7th, 2025, at 4118 Market Street. One person attended this meeting. No changes were made to the plans as a result of the meeting. A copy of the community meeting report is attached (Attachment #4).

2.2.2 Public Hearing Notices

	Planning Commission 3/4/26 Public Hearing	City Council 4/7/26 Public Hearing
<i>Signs Posted By</i>	2/17/26	3/24/26
<i>Letters mailed to property owners within 300 feet By</i>	2/17/26	3/24/26
<i>Advertisement Date(s)</i>	2/27/26	3/27/26 & 4/3/26

2.2.3 Other

No other communications have been received as of the date of this report.

2.3 Staff Recommendation: DENIAL

2.3.1 Criteria for Review and Recommendation

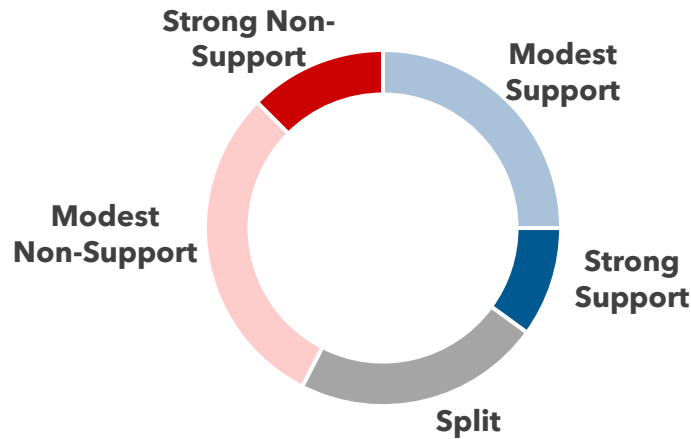
Section 18-586(C)(1) of the Land Development Code (LDC) states: Conditional map amendment decisions shall be made in consideration of identified relevant adopted land use plans for the area, including comprehensive, strategic, district, area, neighborhood, corridor and other policy documents.

2.3.2 Basis for Staff Recommendation

In reviewing the application, staff notes:

- The Comprehensive Plan identifies this site as an Urban Mixed-Use Center and a High-Density Transition Area.
- While the plan promotes mixed-use and workforce housing in these areas, the mix of uses and design of a project are also important factors to consider.
- The plan supports Commercial District Mixed-Use (CDMU) projects, which include building and design standards that would not only be compatible with the surrounding area but would also enhance the overall character of the corridor.
- The only physical change proposed to the site is the removal of the drop-off drive aisle that runs in front of the building. This section of asphalt would be replaced with open space; however, no specific plans regarding plantings or use of that open space area or the open space area shown along the rear property line have been provided by the applicant.
- While the proposal includes a workforce housing component, the proposal fails to offer any amenities or site enhancements for future residents.
- Staff believes the CDMU option permitted under the existing zoning is more appropriate as it would allow for the proposed density while also providing for a potential on-site commercial component that could provide services to residents.
- Other hotel conversions along this stretch of Market Street have included a mix of residential and non-residential uses as well as open space and amenities for residents.
 - River City Studio Homes (5040 Market Street), which was redeveloped under the CDMU provisions of the code at 40 units/acre includes 4,320 square-feet of commercial space. The project also includes 21,035 square feet of open space.
 - Vivo Apartments (4903 Market Street), which was rezoned to a legacy multi-family district (MF-H(L)) at 30 units/acre includes 10,500 square-feet of office/amenity space. The project also includes 112,900 square feet of open space.
- The proposed rezoning is generally inconsistent with the Create Wilmington Comprehensive Plan. While staff has evaluated the proposal for consistency with several policies, the policies identified below demonstrate non-support for the proposed rezoning:
 - **1.7.8.** Usable open space that preserves natural landscapes and high-quality ecological resources should be encouraged in new residential development.

- **3.1.3.** Quality design and appearance for all housing, including assisted and market rate housing, should be encouraged.
- **9.1.2.** Visual interest should be created with well-designed building facades, storefront windows, attractive signage and lighting. Poorly articulated, monolithic or box-like facades should be avoided, especially those placing large, blank walls adjoining public spaces.



2.4 Planning Commission Recommendation: **CONDITIONAL APPROVAL**

The Planning held a legislative hearing on March 4, 2026. No one spoke in support or in opposition to the request, and no written communications were received. Following discussion, the Planning Commission voted to recommend conditional approval, 3-1.

2.5 Recommended Conditions

1. The use and development of the subject property shall comply with all regulations and requirements imposed by the Land Development Code, the City of Wilmington Technical Standards and Specifications Manual and any other applicable federal, state or local law, ordinance or regulation, as well as any condition stated below. In the event of a conflict, the more stringent requirement or higher standard shall apply.
2. Approval of this conditional district rezoning does not constitute technical approval of the site plan. Final approval by the Technical Review Committee and the issuance of all required permits must occur prior to release of the project for construction.
3. If, for any reason, any condition for approval is found to be illegal or invalid or if the applicant should fail to accept any condition following approval, the approval of the site plan for the district shall be null and void and of no effect and proceedings shall be instituted to rezone the property to its previous zoning classification.
4. The use and development of the subject property shall be in substantial compliance with the site plan and elevations as submitted and accepted by City Council on April 7, 2026.
5. Twenty residential units shall be provided at a minimum 80% of the area median income (AMI) as determined annually by the U.S. Department of Housing and Urban Development, adjusted for household size.

6. An annual report will be submitted to the city that provides income verification and lease terms for the workforce housing units.
7. Workforce housing units shall be maintained for a period of no less than 15 years, to begin on the occupancy of the final workforce housing unit on site.
8. A sidewalk connection shall be provided between the public sidewalk along Market Street and the building entrance.
9. Street trees shall be provided along the Market Street frontage if utilities allow.
10. Streetscape landscaping shall be provided within the open space area located between the existing building and Market Street in accordance with City standards.
11. The existing pole sign shall be removed. Monument signage shall be installed consistent with Land Development Code requirements.

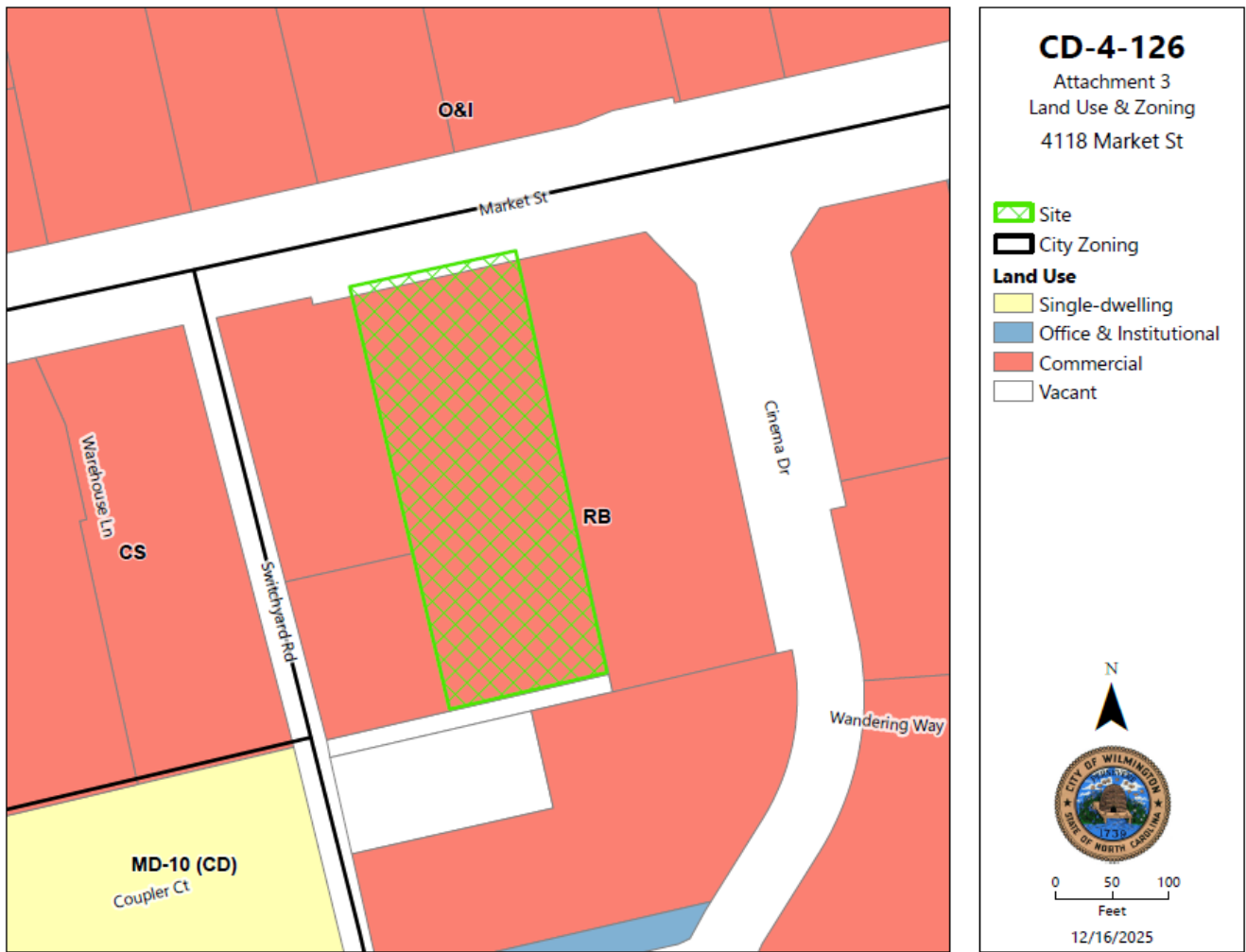
3. Analysis

3.1 Site History

- The site is currently developed as a hotel/motel use with 76 total rooms.
- On October 16, 2025, the Board of Adjustment granted variances to allow the project to exceed the allowable density of 17 dwelling units per acre in the MD-17 zoning district to allow for 60 units per acre and to reduce the open space requirement for this project from 20% to 5.17%.
- On February 19, 2026, the applicant was granted a variance by the Board of Adjustment from the residential parking standards. The applicant is required to provide 80 off-street parking spaces. The applicant is providing a total of 68 spaces as part of this project, of which 5 spaces are designated for ADA-compliant parking.

3.2 Area Context and Existing Conditions

Map 3.1-A: Land Use and Zoning



	Current Zoning	Existing Land Use(s)
Subject Property	RB	Hotel/Motel
North	O&I	Restaurant
South	RB	Offices
East	RB	Vehicle renting
West	RB	Restaurant, Plumbing Services

3.3 Consistency of Proposed Development with Land Development Code (LDC) Requirements

The following information represents a preliminary analysis of the proposed development's compliance with applicable LDC requirements per section 18-157(B). Full site plan review and approval from the TRC will be required prior to construction release. Key components are identified and summarized below.

3.3.1 Zoning District Purpose Statements

- **RB, Regional Business (existing):** This district is intended to accommodate the range of retail and service uses serving the broad needs of the community and surrounding region. Larger-scaled retailers, auto-related businesses, and similar uses, not generally appropriate for or out of character with the CB district, are permitted. While the RB district should be located primarily along arterial roadways, care should be taken to ensure compatibility with adjacent uses, allow for pedestrian movement, and minimize conflicts with traffic along abutting streets. Generally, these areas are already developed and are likely to undergo change only through business turnover, infill, or redevelopment.
- **MD-17, High-density multiple-dwelling residential district (proposed):** The MD-17 district is intended to be applied within the urban core of the city and other areas with a full range of amenities and commercial services. MD-17 zoning is intended to provide a mix of densities and housing forms in a compact urban environment through redevelopment, infill on relatively small sites, and within mixed-use areas. Higher development intensity at appropriate locations is encouraged to support transit use, minimize traffic congestion, and provide a range of housing types.

3.3.2 Density

- The maximum density permitted within the proposed MD-17 zoning district is 17 units per acre. With the proposed workforce housing component, the density may be increased to 36 units per acre. The applicant is proposing a density of 60 units per acre; which was authorized through a variance granted by the Board of Adjustment on October 16, 2025.

3.3.3 Open Space

- The minimum required open space in the MD-17 zoning district is 20% of the total tract area. The applicant is dedicating approximately 5.9 percent of the site as open space. The reduction was authorized through a variance granted by the Board of Adjustment on October 16, 2025.

3.3.4 Parking

- Section 18-341.1 of the Land Development Code requires attached multiple units to have a minimum of 1.5 spaces per 1-bedroom unit. The maximum number of parking spaces per unit is 2.75 spaces. Parking standards for workforce and elderly housing may be reduced to 0.5 spaces per unit.
- Based on the proposed inclusion of 20 workforce housing units, a minimum of 80 spaces are required for the development with a maximum allowance of 209 spaces.
- On February 19, 2026, the applicant was granted a variance by the Board of Adjustment for the minimum residential parking standards. The site currently has 73 existing off-street parking spaces. The applicant is proposing 68 off-street parking spaces, which is less than the total number of 76 units.

3.3.5 Buffers, Landscaping and Trees

- A landscape plan is required for this project. This project will require screening of the existing parking with a low buffer at least three feet in height, per the Change of Use requirements. The applicant is also dedicating approximately 5.9 percent of the site as open space, in accordance with the BOA variance approval.

3.3.6 Environment

- The site is not located within a Special Flood Hazard Area. The site does not contain jurisdictional wetlands.

3.3.7 Stormwater

- The current site has 51,519 (94%) square feet of impervious coverage. This project is proposing 48,906 (89.1%) square feet of impervious coverage. As no increases are proposed to the site, the project does not require a stormwater permit.

3.4 Consistency with Adopted Plans

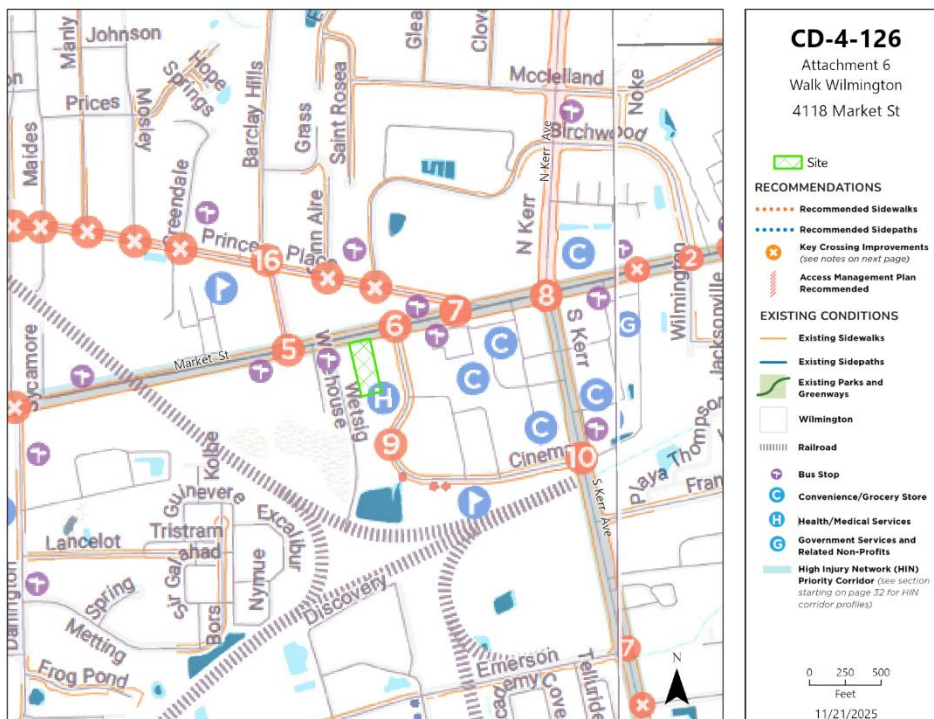
3.4.1 CAMA Plan

- The property is designated as Urban in the 2006 CAMA plan.

3.4.2 Walk Wilmington Plan

- The Walk Wilmington Plan does identify improvements for Market Street. The Walk Wilmington Plan recommends crosswalks and pedestrian countdown signals along this segment of Market Street.

Map 3.4.2-A: Walk Wilmington Map



3.5 Consistency with Create Wilmington Comprehensive Plan

The Comprehensive Plan identifies three questions to be considered when determining the consistency of a proposed use or zoning district with the Comprehensive Plan:

- Is the proposal consistent with the themes and policies contained in the Comprehensive Plan?
- Is the form and function of the proposed development appropriate for the category designated on the Growth Strategy Maps?
- Will community facilities, parks, and other infrastructure be available at the appropriate levels to serve the development as proposed?

Analysis of policies that are applicable to the proposed amendment are organized pursuant to these three considerations. Only policies that directly relate to the location and design of development and associated infrastructure have been included in this analysis. (Policies that recommend changes to regulation as well as policies that recommend action by the City or other organizations were deemed not applicable to this proposal.)

Not all policies carry equal weight; applicability and priority of policies may depend on the specifics of the proposal.

The policy analysis uses the following symbology:



3.5.1 Is the Proposal consistent with the policies contained in the Comprehensive Plan?

1	Development and City Building	
Citywide Growth		
1.2.1	Development should create places, streets, and spaces that are visually attractive, safe, accessible, functional, inclusive, have their own distinct identities, and maintain or improve desired character.	↓
1.2.2	Development should occur in a compact pattern that reinforces the efficient provision of public services and utilities, improves the performance of the transportation network, preserves open space, and reduces negative impacts of low-intensity and noncontiguous development patterns.	↕
Land Use and Transportation		
1.3.3	Development should provide pedestrian and vehicular connections between and within individual development sites to provide alternative means of access along corridors.	↓
1.3.4	Mixed-use development that provides a range of services within walking distance of integrated residential development should be promoted as a way to help reduce motor vehicle trips. Developments that reduce reliance on single-occupancy motor vehicles should be supported.	↕
1.3.6	Transit-oriented and transit-ready development should be promoted around existing and planned transit stations and stops.	↕

1.3.7	Sites within proximity to planned or proposed major transit lines should be developed with a relatively high residential density and a mix of uses to take full advantage of and support the city's and the region's investment in transit services.	↑
-------	--	---

1.3.8	Pedestrian-friendly and transit-supportive development patterns should be promoted along multimodal corridors and areas identified for intensive transit investments.	↑
-------	---	---

Compatibility

1.4.1	Quality design and site planning should be promoted so that new development infill and redevelopment is implemented with minimal adverse impacts on desired character of the existing built environment.	↓
-------	--	---

1.4.4	Low- to medium-density residential areas and/or low-intensity mixed-use developments should serve as transitions between lower-density neighborhoods and more intensive commercial, residential, and mixed-use areas. Where appropriate transitions are not possible within a development site, infill and redevelopment adjacent to areas of lower intensities should provide effective physical buffers to avoid adverse impacts.	↑
-------	---	---

Mixed-use Development

1.5.2	Integration and mix of uses should be provided within all "Areas of Opportunity" and "Mixed-use Centers" identified in the Growth Strategies Maps. These developments may vary in scale and intensity, but should all contribute to the city's livability, manage future growth, and provide bike, pedestrian, and transit accessible destinations.	↕
-------	---	---

Commercial Districts, Corridors, and Nodes

1.6.4	Within commercial districts, development should be designed at a height, mass, scale, and form that is appropriate and provides a suitable transition to the surrounding areas.	↑
-------	---	---

Neighborhood Conservation and Revitalization

1.7.1	Growth should be accommodated in the city through mixed-use neighborhoods with a variety of housing types and price points.	↑
-------	---	---

1.7.3	The need to increase housing supply, neighborhood commerce, and to mature as a city should be balanced with the need to protect desired neighborhood character, preserve historic resources, and protect the natural environment.	↕
-------	---	---

1.7.8	Usable open space that preserves natural landscapes and high-quality ecological resources should be encouraged in new residential development.	↓
-------	--	---

1.7.9	Infill development should enhance or improve the existing physical development pattern of the area. The development of lots that have been historically difficult to infill or redevelop should be facilitated.	↕
-------	---	---

Infill and Redevelopment

1.11.3	Areas well-suited for infill and redevelopment, should be redeveloped in a way that maintains or enhances the desired character of the surrounding area, improves access to goods, services, and amenities, increases housing options, and improves the overall quality of life in the vicinity.	↕
--------	--	---

2 Transportation (Policies)

Bicycle and Pedestrian Circulation

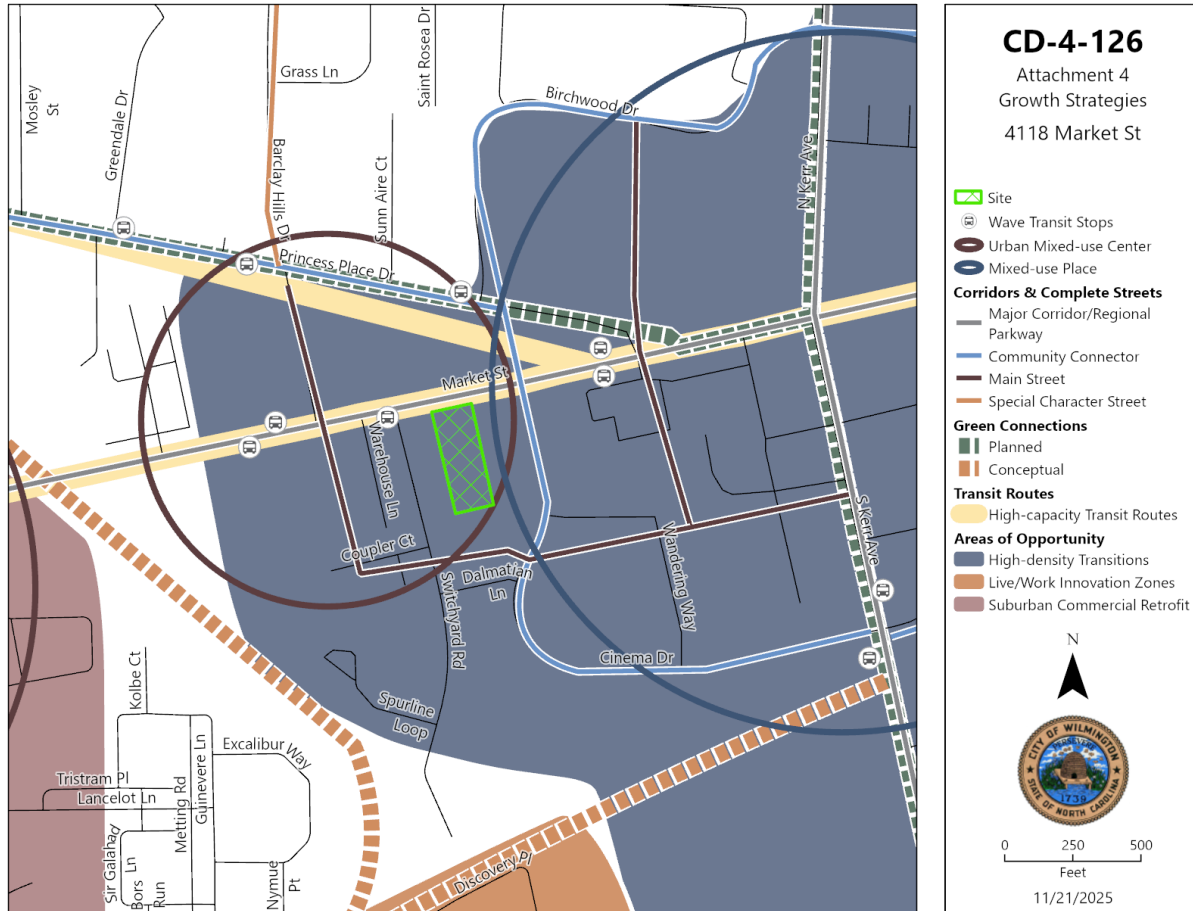
2.6.10	Where appropriate, primary building entrances should front onto publicly accessible, easily discernible, and Americans with Disabilities Act-compliant sidewalks that lead directly from the street to the building entrance.	↓
--------	---	---

Parking Management

2.7.6	Parking lots should include vehicular and pedestrian connections between and through lots. Parking facility quality should be considered equally with quantity of parking spaces. Parking lot design should minimize pedestrian conflicts, make use of appropriate landscaping, and properly manage stormwater.	↓
3	Housing (Policies)	
3.1.1	Mixed-income neighborhoods should be promoted throughout the city, particularly within identified high-density centers and corridors, downtown, and near employment centers, and by dispersing, rather than concentrating low to moderate income housing.	↑
3.1.2	Dispersal and production of affordable and workforce housing units, housing with universal design elements, and senior housing units should be promoted throughout all areas of the city.	↑
3.1.3	Quality design and appearance for all housing, including assisted and market rate housing, should be encouraged.	↓
3.1.6	“Location-efficient housing” should be promoted, encouraged, and preserved where already existing to help supply Wilmington with diverse housing options that are accessible to individuals and families of all incomes, needs, and preferences.	↑
6	Environment and Natural Resources (Policies)	
Unique Wilmington		
6.6.4	Historic preservation, adaptive reuse, and rehabilitation of buildings should be encouraged to maximize location efficiency and embodied energy.	↑
9	Urban Design and Placemaking	
Unique Wilmington		
9.1.2	Visual interest should be created with well-designed building facades, storefront windows, and attractive signage and lighting. Poorly articulated, monolithic or box-like facades should be avoided, especially those placing large, blank walls adjoining public spaces	↓
Corridors and Main Streets		
9.4.3	Parking lot landscaping and planting should be utilized to provide effective shade canopy, to help screen the view of parking, improve stormwater infiltration and reduce stormwater runoff, and reduce the heat island effect.	↕
Mixed-use Centers and Places		
9.6.1	New housing of mixed types and prices should be encouraged in proximity to and within employment areas, Mixed-use Centers, and Neighborhood Nodes, as identified on the Growth Strategies Maps.	↑
9.6.3	Infill and redevelopment should enhance the desirable characteristics that make each part of Wilmington unique. New neighborhood centers and mixed-use developments should use one or more “main streets” and public gathering spaces as a central focal point.	↓

3.5.2 Is the form and function of the proposed development appropriate for the category designated on the Growth Strategies Maps?

Map 3.5.2-A: Growth Strategies Map



Areas of Opportunity

The subject property is located in a High-Density Transitions designated Area of Opportunity on the Growth Strategies Map.

There are several types of Areas of Opportunity, and they vary in terms of land use hierarchy, intensity of development, and anticipated change. Each area has an overarching growth strategy. Development within an Area of Opportunity should be reflective of the underlying community development patterns.

The following policies are identified for High-Density Transitions Principles and are applicable to the proposal:

Map	Areas of Opportunity-Map
High-Density Transitions	
Increase densities with infill development, mid-rise buildings, parking decks, and other urban solutions.	↑
Encourage active ground-floor uses such as stores and restaurants uses; alleviate challenges to vertical mixed use development.	↓
Place parking to the rear of buildings and ensure primary building access from the public sidewalk network.	↓

Mixed-Use Centers

The subject property is within a designated Urban Mixed-Use Center on the Growth Strategies Map. Mixed-use Centers identify locations where investment and revitalization should be concentrated in distinct nodal areas in order to accommodate walkability, vitality, placemaking, higher-density development patterns, and transit. This approach should be prioritized over a development pattern that dilutes the activity that new investment can bring to an area by spreading it out over too large of a geographic area and limiting transportation options.

There are several types of Mixed-use Centers, ranging in density, size, and regional impact. These are reflective of the underlying community development patterns in which they are located.

The following policies are identified for the High-density Transitions Area of Opportunity, Urban Mixed-Use Center, and Community Connector Corridor & Complete Streets and are applicable to the proposal:

Map	Mixed Use Centers
Urban Mixed Use Centers	
Develop with moderate densities and lot coverage.	↑
Create and reinforce highly active, pedestrian focused streetscapes.	↓
Arrange buildings to create a comfortable public space and relate to one another as part of a larger place making scheme.	↓
Include a rich mix of uses; limit single-use developments with large building footprints.	↕
Place buildings directly onto public streets and provide active ground-floor uses.	↓
Use structured and on-street parking to accommodate higher densities; limit surface parking lots and exposed parking deck facades, especially along pedestrian streets.	↓
Create strong multimodal connections to adjacent neighborhoods.	↓
Encourage the adaptive reuse of buildings with urban qualities, such as civic frontage, height greater than one story, and interesting character.	↓

Transit that Works

This map is designed to prioritize specific corridors for transportation system upgrades, including but not limited to faster transit travel times, more comfortable transit riding and waiting conditions, and a strong relationship to high-and moderate-density land uses that facilitate walking and bicycling. The strategies associated with this map encourage more transit stations in areas that integrate land uses and serve as focal points to their surroundings.

The subject property is located along a High-capacity transit route. The following policies are identified for this development and are applicable to the proposal:

Map	Transit That Works
Transit-oriented Mixed-use Centers	
Develop mixed-use centers located along high-capacity transit routes; note that most of the Mixed-use Centers designated on the Growth Strategies Maps are located along a proposed high-capacity transit line.	↑

High-capacity Transit Route

Support higher-density residential development along priority transit corridors.



3.5.3 Will community facilities, parks and other infrastructure be available at appropriate levels to serve the development as proposed?

Vehicular Traffic

- Access to the site would be provided by two existing driveways off Market Street. There is existing sidewalk along the Market Street frontage.
- Table 3.5.3-A below indicates that the surrounding street network is currently operating above its designed capacity at a level of service (LOS) of F. Table 3.5.3-B indicates that there would be an increase in the estimated vehicle trips associated with the proposal when compared to the maximum intensity allowed under the current zoning.

Table 3.5.3-1. Current Volumes, Capacities and Levels of Service

Road	Location	Volume	Planning Capacity	V/C	LOS
Market Street	Between Covil Avenue and Market Street	38,776	37,231.49	1.04	F
Kerr Avenue	Between Kerr Avenue and Covil Avenue	18,001	16,803.16	1.07	F

Table 3.5.3-B. Estimated Trip Generation

Zoning	Land Use	Intensity	AM Peak Hour Trips	PM Peak Hour Trips	Average Weekday 2-way Volume Trips (ADT)
RB (existing)*	Hotel/Motel	76 rooms	27	27	246
		TOTAL:	27	27	246
MD-17(CD) (proposed)	Multi-dwelling	76 units	46	53	562
		TOTAL:	46	53	562
		NET DIFFERENCE	+19	+26	+316

*Assumes potential development of 40% of building lot coverage under current CS zoning.

Source: Institute of Transportation Engineers Trip Generation, 11th Edition, 2021.

Bicycle, Pedestrian and Transit Facilities

- There is sidewalk currently along Market Street.

- The nearest WAVE transit stop is located along Market Street and Switchyard Road, approximately 0.04 miles from the proposed development.

Public Utilities

- The site has access to water and sewer mains located along Market Street.

Table 3.5.3-C. Cape Fear Public Utilities (CFPUA)

Utility Type	Ownership	Size	Location
Water Main (Existing)	CFPUA	8"	Market Street
Sewer Main (Existing)	CFPUA	8"	Market Street

4. Attachments

1. Proposed Site Plan (dated 2/19/2026)
2. Proposed Elevations (dated 11/14/2025)
3. Conditional District Rezoning Application (dated 11/14/2025)
4. Community Meeting Report (dated 8/7/2025)
5. Aerial Map (dated 11/21/2025)
6. Land Use (Zoning) Map (dated 12/16/2025)
7. Growth Strategies Map (dated 11/21/2025)
8. Walk Wilmington Map (dated 11/21/2025)
9. Planning Commission Recommendation (dated 3/4/2026)
10. Draft Planning Commission Minutes (dated 3/4/2026)