

MINUTES OF THE
ECONOMIC DEVELOPMENT COMMITTEE MEETING

7:30 a.m.

October 13, 2017

Committee Chair, Mayor Genshaw brought the meeting to order with the following committee members present: Trisha Newcomer, Dan Henderson, Dolores Slatcher and Charles Anderson.

Trisha Newcomer presented Agenda Item #1, Discuss and review the First Time Home Buyers Realty Transfer Tax Code change. Mrs. Newcomer asked City Manager Slatcher to present the information. City Manager Slatcher stated the City of Seaford currently exempts both the Seller and Buyer from First Time Home Buyers Realty Transfer Tax. The County however, does not exempt the Seller from the transfer tax. She also stated, if the City followed suit of the County, this would allow a revenue source that is less impactful. The Seller would pay .75% in transfer taxes during the settlement. After collecting data from 2016 for properties sold, the City could have potentially collected an estimated \$45,000.00 in additional revenues from the Sellers of properties sold to First Time Home Buyers.

Mayor Genshaw stated in a recent meeting, a Real Estate broker stated that there had been no impact of sales, from Sellers, selling to First Time Home Buyers, who qualified for the Transfer Tax exemption.

Councilman Henderson asked what the effect of the Code change would have on the Landlord/Rental incentive that was recently put in place.

City Manager Slatcher stated there would be no limitations on buyers and would not change the incentives for the Sellers other than they would need to pay the .75% transfer tax if selling the property to a First Time Home Buyer.

She also included that if there would need to be a change in language for the Landlord/Rental Incentive to be exempt from this code change, that would need to be written in the code change as well.

Committee members agreed that it would not show much impact for Buyer nor Seller, but would offer the City a revenue source that is less impactful.

With no further questions or comments; Mayor Genshaw called for a motion.

Councilman Henderson made a motion to approve the amendment to Chapter 18- Realty Transfer Tax; Article 1- General Provisions 18.1.7; Rate of tax; when payable; exception (D) of the Municipal Code of Seaford, Delaware, by replacing the existing language with the proposed language as discussed, and recommend to present to Council for the First Reading. Mrs. Slatcher seconded the motion; motion so passed with all present voting in favor.

Trisha Newcomer presented Agenda Item #2, Discuss potential change to current sewer extension project along US 13/ Middleford Rd. Mrs. Newcomer asked City Manager Slatcher to present the information. City Manager Slatcher stated that the proposed Sewer Extension project would include two contiguous properties on Middleford Rd.- TMP # 331-7.00-75.00 Bornell Enterprises LLC and TMP# 331-7.00-74.00 Cummings Middleford Rd LLC. City Manager Slatcher showed the Committee members a picture to reference the project. She stated in order to have the businesses on Middleford Road connect to the sewer extension, they would need to be annexed, as well as pay the costs of the tap and impact fees. She also stated the Cummings approached the City in regards to this extension and after discussing it with them, the City felt the need to reach out to Bornell Enterprises, the adjacent property owner between the Cummings property and the Gulf station property. The property owner advised he was interested in connecting to the City water/ sewer after the extension is completed, but wanted to consult with his accountant before committing to anything.

After reviewing the picture of the referenced project, the Mayor questioned why the extension couldn't proceed down Middleford Road and end west of Riverside Drive.

City Manager Slatcher stated that the cost to complete that would be more expensive, but the City could look into applying for a SRF loan to spread the debt of the project out over time.

Mayor Genshaw suggested that the extension be completed to Riverside Drive, to allow more opportunities for businesses to connect to City water and sewer. Although the cost of the extension would be more, it would pay itself off in the long run.

With no further questions or comments; Mayor Genshaw called for a motion. Councilman Henderson made a motion to recommend pursuing engineering with George Miles & Buhr, to two contiguous properties, as well as cost estimate to take sewer extension west to Riverside Drive. Assistant City Manager Charles Anderson seconded the motion; motion so passed with all present voting in favor.

With no other business or questions, Mayor Genshaw called for a motion to adjourn the meeting. City Manager Slatcher made a motion to adjourn the meeting. Councilman Henderson seconded the motion; motion so passed with all present voting in favor.

The meeting was adjourned at 8:14 a.m.

Shannon Elliott, Secretary