

MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE MEETING

7:30 a.m.

May 27, 2021

Mayor Genshaw brought the meeting to order with the following committee members present: Trisha Newcomer, Director of Economic Development and Community Relations, Councilman Dan Henderson, Mrs. Joan Neal and Charles Anderson, City Manager.

Mrs. Trisha Newcomer presented Agenda Item #1, review and consider request from RMAB, LLC for a reduction of impact and tap fees for (2) two single family lots located on Shipley Street, zoned R-1 Low Density Residential, SCTMP # 531-13.06-41.00 and 531-13.06-41.01.

Mr. Kevin Thawley, property owner was present to answer any questions related to the request.

Mrs. Newcomer reviewed the information related to this project that was included in the information packets provided to the Committee members. This project will be two new single-family homes to be built on two lots located on the east side of Shipley Street between the Seaford Professional Suites and West Manor Apartments. The homes will be approximately 1,300 square feet, 3-bedroom, 2-bath homes that are being built for re-sale purposes. The homes will be priced at a level that indicates that they will likely be purchased by owner-occupants. The plan is to build one house at a time; anticipated to start in the third quarter of 2021. The developer was aware that the sewer connections were on the opposite side of the street and had received a verbal estimate of \$15,000 to complete the sewer connection. The developer received recent quotes for sewer connection in the amount of \$56,450 and \$25,000.

The developer is seeking relief of water and sewer impact fees per lot; the total waiver requested is \$9,350.00. The water impact fee is \$600, water tap fee is \$1,025, sewer impact fee is \$1,400 and sewer tap fee is \$1,650. This makes the total per lot/building \$4,675.

Mayor Genshaw asked what other fees would be associated with building these homes. Mrs. Newcomer replied that a building permit fee and sewer capacity charge. Mr. Thawley added that there are also other fees for contractors as well as Sussex County building permits fees.

Mayor Genshaw asked for any questions or comments from the committee. Mrs. Neal asked for clarification purposes that the houses will be listed for resale. Mr. Thawley confirmed that was correct. Mrs. Neal asked if there was an approximate value. Mr. Thawley replied that it was hard to tell at this time, it depends on if the houses have a garage. He would estimate the range of \$230,000 to \$240,000.

Councilman Henderson asked if could be explained the difference between this house and the current incentives that are in place. City Manager Anderson replied that the incentives discussed during the City Council meeting on Tuesday evening were related to the first 21 in 21 program the City offers. That incentive has been in place since 2010; to be eligible for that program, developers put in all the water, sewer and roads. They are eligible to receive a tap fee credit for water and sewer in the amount of \$1,750. He added that this request is different because this is not in a development where the developer put in the infrastructure.

A discussion was held about these taps that will be done on state-maintained roads that are known for being expensive and drive the cost up for this project. It is planned to do two taps on the other side of the road and bring them in with one trench which is the most cost-effective way to do it.

Councilman Henderson asked if there were other times where impact fees have been waived. Mrs. Newcomer replied that this body provided relief in November 2020 for Melanie's Ridge for water and sewer tap fees. In December of 2019, the 77 townhome units in Belle Ayre were provided relief for water and sewer tap fees. Mrs. Newcomer added that for Belle Ayre, they have received 28 fee waivers resulting in \$20,300 in water and \$29,400 in sewer.

Mayor Genshaw commented that developments have been incentivized in many ways throughout the community and he would support incentives for this request.

Mrs. Neal asked what the cost would be to the City to do the work to extend any utilities that may be needed. City Manager Anderson replied that if there is one water tap on site, then only one would need to be put in. A rough estimate for that cost would be approximately \$1,000 worth of material and labor.

Councilman Henderson stated that he would be in favor of offering tap fee waivers but not the impact fees as that is similar to the credit that has been given to Belle Ayre. Mayor Genshaw agreed; this is a different request that involves a state road that would bring two single-family homes. City Manager Anderson added that working on a state road is very difficult; Mr. Thawley has not asked for this request on other projects that he has done on City streets.

Councilman Henderson made a motion for this body to make a recommendation to Mayor and City Council to waive sewer and water tap fees in the amount of \$2,675 each for the development located at SCTMP #531-13.06-041.00.01 and 531-13.06-041.01 to be completed within 18 months from adoption of Mayor and City Council. Mrs. Neal seconded the motion; the motion passed with all ayes.

Mayor Genshaw stated that the information will be placed on the agenda for the next City Council meeting to be held on June 8, 2021.

With no other business or questions, Mayor Genshaw asked for a motion to adjourn. Councilman Henderson so moved; Mrs. Neal seconded the motion; motion so passed with all present voting in favor. The meeting was adjourned at 7:49 a.m.

Tracy Torbert, City Clerk