

MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE MEETING

7:30 a.m.

September 10, 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, Berley Mears, Director of Public Works and Charles Anderson, City Manager.

Mrs. Trisha Newcomer presented Agenda Item #1, review and consider a request from PTV 1125, LLC for funding assistance of the off-site sewer improvements necessary for the accommodation of the 7-11 project, to be located at 23463 Sussex Highway SCTMP# 331-5.00-63.00.

Mr. Bill Owen, the developer and Mr. Jonathan Street, the engineer were present to represent the project.

Director Newcomer shared an aerial photo of the property location. She then shared some highlights of the project as follows:

- The project proposes to redevelop the old Dover Pools site along Sussex highway into a new 7-11 store with fuel pumps.
- Downstream sewer across Sussex Highway has had a history of backing up. In discussions with the Public Works Department throughout the project, it was discussed that this sewer replacement could be tied to the development of the 7-11 parcel, but the City would work with the developer on sharing in the cost of the “fix” as it has a regional benefit.
- This issue was supposed to be remedied with the future phases and development of the Stoney Brooke Subdivision behind the 7-11 site. As future phases are not currently being developed, the improvements have not been made. The proposed solution to the sewer repair is a complete replacement of select sections of the existing sewer.
- The investment in the sewer repair not only serves to benefit the proposed 7-11, but any other business upstream of the project. This includes Taco Bell, Starbucks, the proposed 7-11, and the businesses within the Covey’s Plaza, including Southern Grill, Nanticoke Fence, Bowens Radiator Shop and others that will all benefit from this project as there is field evidence that they all tie directly into this line.
- The replacement and investment in the city’s infrastructure, solves existing businesses problems, solves reoccurring maintenance cost to the city and opens opportunities for future development upstream.

Councilman Henderson asked how the crossing across Route 13 would happen. City Manager Anderson replied that it is estimated that the existing sewer line has been in since the 1980s. This portion of the sewer line has been having issues for several years. It was always assumed that there was a belly in the line that created those issues. He further explained that about fifteen years ago, the City Engineer went out to further survey the line. It was then found that when this piece of sewer was installed, it was laid too flat, therefore, it did not have the minimal slope that is required. Due to this issue, it would create a back up that would go down the line. Once the problem was identified, the City worked with the developers of Stoney Brooke Village to fix this issue with the new phases that were proposed. This sewer is currently on the key sewer list. Director Mears explained that currently, the Public Works

Department goes out quarterly to jet this line out in order to maintain some flow. Director Mears noted that this line is not only laying flat, but it is actually running uphill.

City Manager Anderson explained that staff would recommend to address this problem now; there is a developer that is willing to partner with the city. Mayor Genshaw pointed out that this issue needs to be addressed with or without the developer.

Mrs. Neal asked for clarification of how this is the developer's responsibility. City Manager Anderson replied that technically, it is not. He further explained that the city does not want to cause a developer of a new building problems once constructed as there is an identified problem that needs to be addressed. The city is attempting to take advantage of the economy of scale and this developer is willing to partner with the city to get this issue resolved.

Mrs. Neal asked if other cost estimates were received. Mr. Street replied that there were other cost estimates received in excess of \$400,000. He added that there are many constructability challenges due to the area and having to maintain sewer flow thru the line during installation. City Manager Anderson added that if the city put this project out to bid, with the complex requirements, the cost would likely be \$400,000 or more.

Director Newcomer added that the Director of Public Works has reviewed this plan with the City Engineer.

Mr. Street commented that an advantage to the developer being on site already is that the work can be completed quicker as well as easements and permits that need to be obtained.

Councilman Henderson expressed concern about the other developer that made a commitment to improve this sewer line. He added that developer along with any others that come along will benefit from this project. City Manager Anderson stated that there is a downstream sewer assessment fee that was adopted by City Council. This would mean that if the city contributes to this project, the cost would be recorded and then the cost is shared with development or redevelopment in that area. If this project was already completed, this project would have that fee included in their city fee calculation.

Director Mears shared that currently this line services all locations straight across from the Old Dover Pools location to the South of Route 13 to Dairy Queen. The line then picks up the force main by Popeye's.

Mrs. Neal asked if the building permit fee is being calculated off a construction cost of \$1.1 million? Director Newcomer shared that there is a specific formula that the Building Official uses to calculate the building permit fee.

Councilman Henderson commended that this pipe was installed by a contractor incorrectly and it has been functioning with maintenance by the Public Works Department. Due to the time frame of the installation, you are not able to go back to recover any funds. He expressed concerns of asking a developer to help fix it along with any other developers that may come along. He does not believe that it is equitable for the developer to be on the hook for the full cost; he believes that the city should assist.

Mr. Owen shared that he plans to start demolition of the existing building within a week and start sitework in October. He is willing to help; the survey and engineering design have already begun completed. The only part that he is looking for help with is the construction part of the project.

Director Newcomer added that funding for this project can come out of the sewer reserve funds which currently has a balance of \$1,901,323.00.

Mrs. Neal shared that she wished that more estimates were received and shared with the committee. She is struggling with the developer paying for any cost of this project; she believes that there should be no cost to the developer. Councilman Henderson commented that he is in more favor of a 50% split.

Mrs. Neal asked what the status was of the previous developer. City Manager Anderson replied this exact improvement is what was being worked on with the previous developer to implement. He added that had that project moved forward, 7-11 would have to pay their portion of the downstream impact. City Manager Anderson added that this project needs to get off of key sewers; the City has grown and there is an urgency to fix this issue. The previous developer would pay a portion of what the City of Seaford pays for this project, should he decide to proceed.

Councilman Henderson made a motion to approve the request from PTV 1125, LLC for funding assistance of the off-site sewer improvement necessary for the accommodation of the 7-11 project, to be located at 23463 Sussex Highway SCTMP# 331-5.00-63.00, by waiving all fees associated with the construction project, estimated at \$18,204 as provided by the Building Official, and by assisting with costs associated with the contract estimate in the amount of \$76,692. This incentive will sunset 24 months from the date in which places for the 7-11 receive final approval from the City Council.

Mayor Genshaw stated that the information will be placed on the agenda for the next City Council meeting to be held on September 14, 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 8:20 a.m.

Tracy Torbert, City Clerk