

**MINUTES OF THE  
ECONOMIC DEVELOPMENT COMMITTEE MEETING**

7:30 a.m.

September 21, 2023

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

Mayor Genshaw began by asking if there was anyone in attendance for public comment.

Director of Economic Development and Community Relations Trisha Newcomer presented Agenda Item #1: Review and discuss consideration of a request from NVR, Inc. for waiver of all water/sewer impact and tap fees on all future building permits in Mearfield and Mearfield II. Director Newcomer led the discussion regarding the request from NVR Homes for a waiver of all water and sewer impact and tap fees on all future building permits for Mearfield and Mearfield II. Mr. Owen Thomas, Division Manager for Ryan Homes, and Mr. Kevin Pentonville, General Manager Lead from Ryan Homes, were present to provide details about the request.

Director Newcomer explained the development consists of Mearfield and Mearfield II, which began in 2005 but has not reached capacity. The proposal aims to complete 238 homes in Mearfield I, and in Mearfield II; 94 remaining homes in Mearfield I. Mearfield I is a single-family community, while Mearfield II is zoned for multi-family.

The developers seek relief from fees as an incentive for completing the project over the next three to four years, aiming for approximately 60 homes per year. They provided visual samples of the home designs for Mearfield I and Mearfield II. Director Newcomer detailed the suggested options the committee could recommend to Council in order to assist with the request made by NRV. She then opened the floor to discussion.

Mr. Thomas stated that NVR is excited about the development of the Mearfield Community and mentioned their successful opening, having sold 18 homes since their ribbon cutting ceremony on July 27. They emphasized their commitment to completing the project and discussed the increased construction costs they encountered. They also indicated their willingness to include fire suppression systems in single-family homes if the requested fee waivers were granted.

City Manager Anderson asked Mr. Thomas if NVR contends that they require an incentive to install the fire suppression system. Mr. Thomas responded by mentioning that based on the City of Seaford's existing code, they are already offering an additional \$3,000 for the fire suppression system. However, he agrees to do it with the incentive if they can waive additional impact and tap fees.

City Manager Anderson asked for the calculated cost of the fire suppression system. Mr. Thomas explained that the cost of the fire suppression system depends on several factors, such as whether an additional pump is needed, and that it could range from \$2,000 to \$4,500 per unit.

City Manager Anderson noted the city has encouraged the installation of these sprinkler systems for new construction and existing dwellings at the advice of the city's Fire Department; however, the initial incentive figure of \$3,000.00 may have fallen behind current cost figures.

Councilman Henderson asked if in order to be compliant with 13 D, how many sprinkler heads would be required for a typical single-family home? Mr. Thomas stated their smallest home would require 24, and the largest would require 30. Councilman Henderson noted when the city originally looked into offering this incentive it was for a limited area system.

Councilman Henderson stated he does not believe the incentive amount and cost estimates are apples and apples since these estimates are based on R3 requirements, which have a total coverage system. He stated that he believes the City and NVR need to be on the same page concerning the cost and the need for a complete system in a single-family home.

Mr. Thomas explained the \$3,000 incentive would cover the cost of the sprinkler system installation, and NVR would agree to do it. However, it will add additional days to the build cycle and additional inspectors, vendors, and other things that affect impact.

Mayor Genshaw noted that the incentive was intended to be a breakeven for the developer, as well as being a benefit to the community.

City Manager Anderson noted in discussions with Mrs. Neil she expressed her concern that when we give the developer an incentive, it never truly translates to an incentive for our residents, in this case, the home buyer. If you think about this one, it truly does make it to the buyer.

City manager Anderson asked Mr. Thomas if he felt the sprinkler system is seen as an amenity that people would want in their new home. Mr. Thomas stated he believes this feature is nice; however, he does not believe people would necessarily pay for it.

Mrs. Neal asks about the maintenance requirements for residential sprinkler systems. Mr. Thomas stated he believes maintenance would be minimal once the system is installed, but offered to provide a more detailed breakdown once the system is in place.

Councilman Henderson expressed his concerns about offering incentives to developers and noted that providing incentives may set a precedent. He suggests a more inclusive approach to avoid favoring one developer over others.

Mr. Neal asked for a more in-depth explanation of the City's existing 23 and 23 program and how it impacts NVR Homes. Mrs. Newcomer explained the 23 and 23 Program provides fee relief to developers for up to 23 units per year, and it applies to all developers on a first-come, first-served basis.

Councilman Henderson asked how many units are reserved under this year's 23 and 23 program. Building Official Mike Bailey reported the program ran out a couple of weeks ago for the current year. He then proposed expanding the 23 and 23 program to accommodate NVR's retroactive permits.

The group discussed possible adjustments to the existing 23 and 23 program based on developers' needs and market conditions and agreed to revisit the requirements for residential sprinkler systems to determine if a more basic and cost-effective sprinkler system is allowable under the existing code.

Mayor Genshaw then called for a motion. Councilman Henderson made a motion to recommend council increase the number of incentives for the 23 and 23 program to 53, for calendar year 2023. As well as allow NVR Homes to utilize this incentive for retroactive permits. Mrs. Neal seconded the motion. The motion passed with all those present voting in favor.

With no other questions or comments, Mayor Genshaw called for a motion to adjourn. Councilman Henderson made a motion to adjourn the Economic Development Committee Meeting; Mrs. Newcomer seconded the motion. The meeting closed at 8:15 a.m.

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City Manager, Charles Anderson