

MILFORD CITY COUNCIL
MINUTES OF MEETING
September 26, 2016

Milford City Council held Public Hearings on Monday, September 26, 2016 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan W. Shupe

IN ATTENDANCE: Councilmembers Arthur Campbell, James Burk,
Owen Brooks Jr., James Starling Sr. and Katrina Wilson

Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Public Hearing to order at 7:01 p.m.

City Planning Coordinator Rob Pierce was also present.

*GD Blessing Child Care Learning Center on behalf of E. Stuart Outten
Conditional Use to allow a Daycare Center
C2 (Central Business) District on .262+/- acres
19 Southwest Front Street
Present Use: Vacant Building
Proposed Use: Daycare Center
Tax Map MD-16-183.10-04-68.00*

Adoption/Ordinance 2016-11

Mr. Pierce reported the application was properly advertised in the Milford Beacon on July 13, 2016. Letters were sent to all property owners within 200 feet of the subject parcel. The site's comprehensive plan designation is highway commercial (C3) and the zoning district is central business district (C2). The applicant proposes a daycare center and intends to renovate the existing 2,050 square foot commercial building at 19 Southwest Front Street.

According to the applicant, the daycare will serve twenty-five children and employ two people. Hours of operation will be from 7:00 a.m. to 6:00 p.m. Monday through Friday.

The Planning Commission reviewed the application on August 16, 2016 and recommended approval by unanimous vote with a condition that the fence around the proposed play area be aesthetically comparable to the existing riverwalk fencing.

Included in the packet is a staff report with a comment that the sidewalk be replaced and repaired along Church and Southwest Front Streets for safety issues.

Miguel Matos of GD Blessing Child Care Learning Center then addressed Council stating their plan is to open a child care learning center. He said they have agreed to install the fence and sidewalk repairs as recommended. In addition, the appropriate parking spaces will be provided and additional renovations done, including hand washing sinks, water fountains, etc., as are required by the state so they can obtain the child care license.

When asked the number of children attending, Mr. Matos confirmed the number will be determined by the state licensing board though they are asking for twenty-five children. He noted that the number will also be based on the employee to child ratios. For example, seven to eight children, requires one staff member.

At the beginning, they plan to have two staff members full-time; however, as the numbers increase, more staff will be hired. Their goal is to have three full-time and two to three part-time employees.

It was confirmed this is the site of the old Capital Cleaners.

When questioned, Mr. Pierce reiterated that the State of Delaware will determine the number and ages of children permitted based on the size of the facility and number of employees.

Councilmember Campbell asked if 7:00 a.m. is adequate for most working parents, Mr. Matos explained that they have targeted the average working hours of 8:00 or 8:30 a.m. and believe they can accommodate the majority of children who are typically dropped off after 7:00 a.m. and picked up by 5:00 p.m.

He said they may also offer extended childcare hours after eight or nine hours; that would provide an eleven-hour window which should accommodate everyone's needs.

Councilmembers Wilson and Brooks commented the service is definitely needed.

Mayor Shupe then opened the floor for public comment; no one responded. The public comment portion of the hearing was then closed.

With no further discussion, Councilman Brooks moved to adopt Ordinance 2016-12 and approve the conditional use for GD Blessing Child Care Learning Center on behalf of E. Stuart Outten at 19 Southwest Front Street, with a requirement that the fence around the proposed play area be comparable to the riverwalk fencing and that sidewalks along Church and Southwest Front Streets are replaced/repared as needed for safety issues, seconded by Councilmember Wilson:

Ordinance 2016-11

*GD Blessing Child Care Learning Center on behalf of E. Stuart Outten for a Conditional Use for a Day Care Center
C2 (Central Business) District on .262+/- acres
19 Southwest Front Street (north side of Church Street and SW Front Street intersection), Milford, Delaware
Present Use: Vacant Building; Proposed Use: Daycare Center
Tax Map MD-16-183.10-04-68.00*

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on August 16, 2016; and

WHEREAS, Milford City Council will hold a Public Hearing on September 26, 2016 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use for a Day Care Center as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, GD Blessing Child Care Learning Center on behalf of E. Stuart Outten is hereby granted a Conditional Use Permit to allow a Day Care Center, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.

Planning Commission Review & Public Hearing: August 16, 2016

City Council Introduction: September 12, 2016

City Council Public Hearing: September 26, 2016

Adoption: September 26, 2016

Effective: October 6, 2016

Motion carried by the following unanimous vote: .

Councilman Campbell stated that he votes yes as long as the sidewalk repairs are made and the fence is aesthetically corrected.

Councilman Burk votes yes supporting the Planning Commission recommendation.

Councilman Brooks votes yes adding that it a service that is needed and he feels it is in an appropriate location.

Councilman Starling votes yes and agrees it is a needed service particular in that area.

Councilwoman Wilson votes yes for all the reasons stated by her fellow Councilmembers.

Christopher & Jenna Menge

*Conditional Use to allow a Home Occupation in an R2 (Residential) District on .192+/- acres
313 Marshall Street*

Present Use: Single Family Detached Dwelling

Proposed Use: Same with Customary Home Occupation

Tax Map 3-30-11.05-088.00

Adoption/Ordinance 2016-12

Planning Coordinator Pierce reported the next application is for a conditional use to allow a home occupation at 313 Marshall Street. The current comprehensive plan designation is low density residential and the zoning district is R2 (residential).

The application was advertised in the Milford Beacon on July 27, 2016 and letters were sent to all property owners within 200 feet of the parcel.

The applicant is proposing to move their existing computer repair business to their primary residence at 313 Marshall Street. The business will be operated within a 10x20 portion of their existing residential garage. Surrounding properties are also zoned R2 with similar residential uses.

The Planning Commission reviewed the application on September 20, 2016 and recommended approval with the following condition:

The applicant obtain a variance from the Board of Adjustment to utilize the detached garage as part of the customary home occupation. Part of the definition and criteria for the customary home occupation states that the activity should occur within the principal structure.

Approval by the Planning Commission was recommended approval contingent upon the favorable variance.

Councilmember Brooks said he went by the property earlier today to determine the location of the garage in relation to the house. Mr. Pierce then referred to a map showing the garage in proximity to the house, as well as the area of the garage that will be utilized for the home occupation.

It was confirmed the variance application will be on the Board of Adjustment agenda on October 13th. Councilman Campbell asked if that approval is needed before Council can take action. Solicitor Rutt explained it can be approved contingent upon the Board of Adjustment granting the variance.

Applicant Christopher Menge then addressed City Council stating his business name is Chris and Jenna Computers LLC. He then introduced his wife who was also in attendance.

Mr. Menge explained they are proposing the use of half of their garage to relocate their computer business now located in downtown Milford. He said this is based on the fact that the computer repair business has slowed down considerably today because of the changes in technology over the years. As a result, their business needs are not nearly what they were five years ago.

Since that time, Mr. Menge has taken a full-time job with the City of Dover Police Department and because his wife watches their children throughout the week, it will be much more convenient to run the business out of their home. There is a low flow of customers in and out of the business and very little traffic and noise as a result. Therefore, he feels it is a much more appropriate route for them.

Councilman Campbell asked where their patrons would park their vehicles; Mr. Menge stated there is adequate room in their driveway for two vehicles. He told Council that on only a couple of occasions in the entire history of their business have they actually had three customers at one time. He said it is rare to have two customers at the same time and generally there is only one customer which is appropriate when considering his wife is typically working by herself.

Ms. Menge added that their home is on Marshall Street which is one of the widest streets in Milford and provides ample space for on-street parking that they currently lack on Northwest Front Street. When the customers pull up to their downtown store, they have to exit their vehicles on a very busy road with very little clearance for a vehicle door as well as the ability to remove large computers in and out of their vehicles.

Mayor Shupe then opened the floor for public comment.

Dennis Rogers of 311 Marshall Street then spoke in favor of the application. He stated there should not be a hindrance to the neighborhood adding they have been good neighbors and does not feel their investment interest will interfere with the normal activities in that area.

With no additional persons wishing to comment, Mayor Shupe closed the public hearing.

Referencing the Board of Adjustment hearing need, Solicitor Rutt explained that under the customary home occupation, the code states the area for the home occupation shall occupy no more than 50% of the total floor area of the dwelling unit in which it is located. A dwelling unit is defined in the zoning code as 'one or more rooms, including a kitchen or kitchenette and sanitary facilities in a dwelling structure designed as a unit for occupancy by not more than one family for living and sleeping purposes'.

The Solicitor stated that in this case, the occupation would be in an accessory building which is excluded from the definition. The plan is to work in the garage and the reason the variance is needed. He noted that the garage is part of the overall dwelling unit and that the space can be used for their home occupancy.

Councilman Brooks asked if a letter was sent to all neighbors; Mr. Pierce confirmed it was sent to property owners within 200 feet. When asked if any of the neighbors had a problem with it, Mr. Pierce pointed out that no one spoke at the Planning Commission public hearing other than the applicant.

Councilmember Wilson moved to adopt Ordinance 2016-12 which permits the conditional use, as requested by Christopher & Jenna Menge, by allowing a Home Occupation in an R2 (Residential) District at 313 Marshall Street, subject to the Board of Adjustment approval, seconded by Councilmember Starling:

*Ordinance 2016-12
Christopher & Jenna Menge for a Conditional Use for a Home Occupation
R2 (Residential) District on .20+/- acres
313 Marshall Street, Milford, Delaware*

*Present Use: Single Family Detached Dwelling; Proposed Use: Same with Customary Home Occupation
Tax Map 3-30-11.05-088.00*

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on September 20, 2016; and

WHEREAS, Milford City Council will hold a Public Hearing on September 26, 2016 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use for a Customary Home Occupation as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, Christopher & Jenna Menge is hereby granted a Conditional Use Permit to allow a Customary Home Occupation, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.

Planning Commission Review & Public Hearing: September 20, 2016

City Council Introduction: September 12, 2016

City Council Public Hearing: September 26, 2016

Adoption: September 26, 2016

*Effective: October 13, 2016**

**BOA Variance Approval Required*

Motion carried by the following unanimous roll call vote:

Councilman Campbell votes yes contingent upon the Board of Adjustment approval.

Councilman Burk votes yes adding that it is a reasonable request for the area.

Councilman Brooks votes yes contingent upon the Board of Adjustment variance approval to use the detached garage.

Councilman Starling agrees with the reasons as stated and votes yes.

Councilwoman Wilson votes yes for all the reasons that have been stated by City Council.

Gator & Associates Inc. on behalf of James Grant

Conditional Use for Multiple Permitted, Mixed and Business, Commercial or Industrial Uses

C3 (Highway Commercial) District on 1.2+/- acres

586 Milford-Harrington Highway

Present Use: Vacant Storage Warehouse

Proposed Use: Brew Pub with Distillery, Fitness Center and Warehouse

Tax Map MD-16-173.00-01-12.00

Adoption/Ordinance 2016-16

Planning Coordinator Pierce advised that public notices were mailed to property owners within 200 feet of parcel and

advertised in the Milford Beacon on August 24, 2016.

Mr. Pierce reported the property is located along the Milford-Harrington Highway at the address stated above, approximately 3,600 feet west of Route 113. The solar farm is to the rear of the parcel with existing commercial businesses on each side, some residences that are within the county across the road, as well as US Cold Storage.

The current comprehensive plan designation is highway commercial and its present zoning is C3 Highway Commercial. The structure is a vacant warehouse proposed as a brewpub with distillery, fitness center and warehouse.

He referenced the two site plans in the Council packet, one showing existing conditions and the other showing the proposed use. The plan is to convert a 7,000 square foot vacant commercial building into a 3,500 square foot brewpub and distillery and a 3,500 square foot fitness center.

The final improvement is a 1,800 square foot warehouse toward the rear of the property which may be separated into four suites/units.

All proposed uses are permitted in the C3 district. However, Chapter 230-45 states that in any and all zoning district, multiple permitted uses or mixed uses of a property shall require a conditional use subject to special requirements. In addition, the proposed distillery within the brewpub is not typical of a restaurant/bar and requires a conditional use review/approval.

The Planning Commission reviewed the application on September 20, 2016; they recommended approval subject to the following four conditions:

The owner must obtain the cross access easement from the adjacent property owner (property to the west).

The hours of operation for the brewpub shall be 4:00 p.m. until 11:00 p.m. Sunday through Wednesday and 4:00 p.m. until 1:00 a.m. from Thursday through Saturday.

The owner must adhere to the noise ordinance.

Final approval of the site plan is subject to no objection letters from DeIDOT, Kent Conservation District, State Fire Marshal Office and the City's Public Works Department.

Councilwoman Wilson asked how this is different from a bar; Mr. Pierce explained the brewpub (brewery) will actually produce the alcohol on site and serve it, along with food. It would consist of a distillery, restaurant and alcohol sales/consumption.

Mr. Pierce further explained they have proposed 33 seats in the restaurant area.

Councilman Campbell asked where the brewery will store their raw materials before they are used; Mr. Pierce explained the raw materials and processing will occur in the rear of the pub. If additional area is needed, they will have the ability to use a portion of the warehouse space.

Councilwoman Wilson asked if the developer is requesting they be considered for the economic development incentives; Mr. Pierce commented there are existing fixtures in the building and according to the plans that were submitted to our building inspector, they will only need a waiver of 1.5 EDU's to prevent paying any impact fees. That number is based on the proposed number of ten to twelve employees which qualifies for two impact fee waivers.

Councilmember Brooks asked about the requirement that construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void; Mr. Pierce and Mr. Rutt both stated that has always been a zoning requirement and is spelled out in the code.

Mr. Rutt added that they are able to ask for an extension though Mr. Pierce feels that will not be an issue.

Representing the applicant, Michael Cotten of Cotten Engineering LLC of Seaford, Delaware informed Council that he designed the project. Mr. Cotten then introduced Property Owner James Grant and Proprietors Zack and Richard King.

Zack King then told Council they have some flammable materials that fall under a fire marshal-approved fire suppression system with the appropriate fire rating walls and glass. They have a business that is currently operating in Rehoboth Beach under Delaware Distilling. Generally, they do not have any more flammables than a large bar restaurant who stores a number of cases of liquor that is eighty proof with the exception of a very small amount that is coming out of the still.

Mr. Cotten added that the production area will have a fire suppression system as is required by law.

Mayor Shupe asked Mr. King to provide a vision of the brewpub. Mr. King stated they have been operating in Rehoboth as Delaware Distilling. They have a really good business following on the restaurant side and on the distillery side produced under the Delaware Distilling brand as well as three other brands. They would be moving all of that business to Milford from Rehoboth. The ten to twelve employees is an estimate for stating out. Because they are not starting a business from scratch, it is not a build up to that level. Instead they are starting with a good solid core of demands from their distributors, production on the distillery side and a good solid core base of customers on the restaurant side that has built up over the past four years.

Mr. King stated that they do approximately fifteen events a year across the state and expect to draw a lot of that clientele here. They also do a tremendous amount of fundraisers as well as donate products to a number of local causes.

They will be concentrating more on the production side in Milford and of the 3,500 square feet, 1,200 square feet will be used for the restaurant/bar portion. That includes a retail area where merchandise will be sold. The remainder is the production facility in the rear.

He noted they currently operate out of a restaurant-size building where a decent amount of production is crammed in. Having some industrial area in Milford will be refreshing and the space will allow them to design it to their needs.

Mr. Pierce asked that Owner James Grant explain his plans for the warehouse. Mr. Grant informed Council that four suites was an idea they came up with due to the lack of areas for small businesses. For example, an HVAC business will be able to have a small office along with some storage. Though there are a lot of mini storage facilities, there are no sites for both uses. In addition, the building would be flexible and should that business grow to the point it needs more storage, that would be available to them. Another option will be for a tenant to lease the entire warehouse. That is the reason behind the flex warehouse idea though it will be proposed as four units with four overhead doors and a walk-thru door per unit.

When asked the reason for the 4:00 p.m. start time, Mr. King stated that the distilling portion of their business operates during regular 9:00 to 5:00 p.m. business hours. The 4:00 p.m. start time applies to the front of the house, restaurant and operations. They do have deliveries coming and going throughout the day which plays into those hours though they are generally during the early morning.

Councilwoman Wilson asked if someone has been hired to operate and plan the fitness center; Mr. Grant stated that he purchased the building months ago. He was full speed ahead and was under the impression that because it was an existing building with an existing entrance, he could proceed and was to the point of leasing it to an existing company. However, he has learned a lot over the past six months and because it was a change of use in the sense it was becoming a mixed use and a change of the type of business, there were a number of steps that needed to be taken before it was leased.

Mr. Grant stated that the fitness business is still interested and this would be their second location in Kent County.

It was confirmed there is ample parking for the fitness center; Mr. Grant explained the front of the building meets the restaurant requirements and the rear area will meet the requirements for not only the fitness center, but any other tenant.

There is also additional parking for the warehouse.

Though the exact hours of the fitness center have yet to be determined, it will open during the day, afternoon and evening seven days a week. According to Richard King, there are no plans for a 24-hour operation at this time.

Mayor Shupe opened the floor for public comment; no one responded. The public hearing was then closed.

Councilmember Wilson moved to adopt Ordinance 2016-15, granting conditional use approval to Gator & Associates Inc. on behalf of James Grant at 586 Milford-Harrington Highway with the following conditions:

The owner must obtain the cross access easement from the adjacent property owner (property to the west).

The hours of operation for the brewpub shall be 4:00 p.m. until 11:00 p.m. Sunday through Wednesday and 4:00 p.m. until 1:00 a.m. Thursday through Saturday.

The owner must adhere to the noise ordinance.

Final approval of the site plan subject to no objection letters from DeIDOT, Kent Conservation District, State Fire Marshal Office and the City's Public Works Department.

Ordinance 2016-16

*Gator & Associates Inc. on behalf of James Grant for a Conditional Use
Multiple Permitted Uses and Mixed Uses and a Business, Commercial or Industrial
C3 (Highway Commercial) District on 1.2+/- acres
586 Milford-Harrington Highway, Milford, Delaware*

*Present Use: Vacant Storage Warehouse; Proposed Use: Brew Pub with Distillery, Fitness Center and Warehouse
Tax Map MD-16-173.00-01-12.00*

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on September 20, 2016; and

WHEREAS, Milford City Council will hold a Public Hearing on September 26, 2016 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use for Multiple Permitted Uses and Mixed Uses and a Business, Commercial or Industrial as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, Gator & Associates Inc. on behalf of James Grant is hereby granted a Conditional Use Permit to allow a Brew Pub with Distillery, Fitness Center and Warehouse, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.

Planning Commission Review & Public Hearing: September 20, 2016

City Council Introduction: September 12, 2016

City Council Public Hearing: September 26, 2016

Adoption: September 26, 2016

Effective: October 6, 2016

Councilmember Burk seconded the motion. Motion carried by the following unanimous roll call vote:

Councilmember Campbell votes yes based on the four conditions being met.

Councilmember Burk votes yes agreeing that the four conditions must be met adding that he feels this is in the right location for this type of business.

Councilmember Brooks votes yes based on the four conditions being met adding that these type businesses are popular and popping up everywhere.

Councilmember Starling votes yes for the same reasons as have been stated.

Councilwoman Wilson votes yes adding that she feels this will bring more employment opportunities as well as potential activities and events to Milford which are a bonus.

Mayor Shupe thanked Zack and Richard Grant, as well as Mr. Grant and Mr. Cotten, who have worked diligently with the City and State agencies to make this happen. He added he is very excited to have a brewpub and another restaurant for our residents to enjoy.

With no additional business, Councilmember Burk moved to adjourn the Public Hearings, seconded by Councilmember Campbell. Motion carried.

The Public Hearing adjourned at 7:42 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
September 26, 2016

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, September 26, 2016.

PRESIDING: Mayor Bryan W. Shupe

IN ATTENDANCE: Councilmembers Arthur Campbell, James Burk,
Owen Brooks Jr., James Starling Sr. and Katrina Wilson

Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:42 p.m.

It was noted that City Manager Eric Norenberg was out of town attending The Annual International City Manager Associations' Annual Conference in Kansas City.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilmember Starling.

RECOGNITION

Proclamation 2016-12/Public Power Week in the City of Milford

Mayor Shupe read the following proclamation into record:

RECOGNIZING PUBLIC POWER WEEK

WHEREAS, the City of Milford, Delaware places high value on local control over community services and therefore, has chosen to operate its locally controlled, not-for-profit electric utility;

WHEREAS, the City of Milford Electric Department provides homes, businesses, farms, social services and government agencies with reliable, efficient and cost-effective electricity employing sound business practices designed to ensure the best possible service;

WHEREAS, the City of Milford's Electrical Service is a valuable community asset that contributes to the well-being of local citizens through energy efficiency, customer service, environmental protection, economic development and safety awareness;

WHEREAS, the City of Milford's Electric operation is dependable and trustworthy thus proving the reliable, affordable, environmentally responsible electricity needed to build strong communities.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim October 2 - 8, 2016 as Public Power Week in the City of Milford.

BE IT FURTHER RESOLVED that our community joins hands with more than 2,000 other public power systems in the United States in this celebration of public power, which is best for consumers, business, the community and the nation.

Delaware League of Local Government/Delaware Clerk of the Year

Ms. Hudson then thanked the Mayor, Council Members and Chief Brown, along with City Manager Norenberg who was absent this evening, for attending the Delaware League of Local Government meeting this past Thursday evening during which time she was honored as the Clerk of Year. She reiterated what an honor it was and expressed gratitude adding that she personally is aware of how busy everyone's schedule is and truly appreciates them taking time out to attend the event.

Mayor Shupe and City Council again congratulated the City Clerk adding that she well deserved the recognition.

UNFINISHED BUSINESS

Authorization/DeIDOT/Proposed Delaware Bayshore Byway Participation

Related presentation included in Council packet.

DeIDOT Planner Chip Kneavel and Byway's Coordinator Mike Hahn provided the presentation (included in Council packet) related to the Bayshore Byway and the proposal for Milford to become part of the extension.

Mr. Kneavel informed Council that the six byways in Delaware are transportation routes that are adjacent to or travels through an area that has particular intrinsic scenic, historic, natural, cultural, recreational or archeological qualities. They are road corridors that offer alternative travel to major highways, while telling stories about Delaware's heritage, recreational activities or beauty. They are routes that are managed to protect special intrinsic qualities and to encourage appreciation and/or development of tourism and recreational resources.

He explained that though they have similar elements, each corridor is managed differently through the Corridor Management Plan which is similar to the City's Comprehensive Plan or a planning tool for each byway. It recommends a number of strategies or goals of how to operate and manage the byway through preservation, economic development and protection.

Once the Bayshore Byway was established in 2007, the Delaware Bayshore Initiative was established to help recognize and protect the coast region of Delaware. The current Bayshore Byway stops in Dover and their proposal is to extend that through Milford and into our costal towns and Lewes, which is the reason they are addressing City Council this evening.

The proposed byway extension encompasses the southern end of the Bayshore Initiative area and would include the communities and areas of:

Fowler Beach*	Broadkill Beach**	Milford
Bennetts Pier*	Prime Hook WL**	Milton
South Bowers Beach**	Bowers Beach**	Frederica
Big Stone Beach*	Slaughter Beach**	Magnolia

The first column are areas that are included; part of the update to the Corridor Management Plan is to include the towns and areas that should be included as part of the extension. The third columns are towns that have not yet committed.

Adoption of the byway extension to include the southern end of the Bayshore Initiative area would provide the following advantages:

- Recognition as a state-designated byway.
- Representation on the Byway Partnership Team.
- Inclusion in an updated corridor management plan.
- Ability to form partnerships to market and develop new Discovery Zones.
- Leveraged funding opportunities for projects.
- Inclusion in the branding initiative for the Delaware Bayshore Byway.

When asked if this only involves Route 1 or will Milford's downtown area be included; it was explained that what is proposed is only based on some of the intrinsic resources as defined by the University of Delaware's Center for Historic

Architecture and Design. They like the idea of bringing the downtown historic districts into the byway in addition to the rivertown and waterfront areas.

The following intrinsic resources have already been identified in Milford:

Historic/Cultural:

- North and South Milford Historic District
- Parson Thorne Mansion
- Causey Mansion
- Milford Historical Society/ Milford Museum

Recreational/ Cultural:

- Mispillion River Walk
- Milford Art Stroll

City Council was asked to help develop and define any others that may have been missed.

Councilman Burk recommended Mr. Kneavel and Mr. Hahn discuss this with DMI noting that they have a Historic Preservation Group that he believes should be included. Mr. Kneavel stated that Delaware City's Main Street is part of the Delaware Bayshore Byway and the only Main Street in the program though others can be considered though they must be along the byway route.

He explained the Department of Natural Resources and Delaware Greenways are two of their big promoters. In addition to cultural tourism, this is an outdoor activity whose intent is to get out of a vehicle and walk, bike, kayak, shop and spend money, similar to a promotional aspect. They also work closely with the Delaware Tourism Office on a State and County level.

It was confirmed there is no cost to the City other than the time needed to help promote the byway extension.

Mr. Kneavel explained that if this becomes a designated National Scenic Byway, off-premise advertising would be prohibited along the corridors. Any existing billboard would be grandfathered.

Mr. Hahn stated that this would be part of the federally-recognized program and the Federal Highway Administration, prohibits new billboards that are advertising off-premise items. In addition, our current State law bans variable electronic message boards within 660 feet of byway road right-of-ways.

Benefits of joining the Delaware Bayshore Byway are:

- Branding and Signage.
- Projects with State and National Recognition.
- Media and Press Coverage.
- Economic Development and Community Outreach.

Mr. Kneavel reported they are also continuing to develop Story Maps that will highlight various places of interest along the byway. A person can click on the resource and receive immediate directions and related information through the internet.

When questioned about funding, Mr. Hahn explained the program is through the State's Byways Management Group. For the Bayshore Byway, there is a collective group of ten to twelve people. If approved, the City of Milford would appoint a representative to participate in the monthly meetings as part of the Byway Extension.

When asked if Mr. Kneavel and Mr. Hahn were looking for City support, Mr. Kneavel emphasized they do not want to force this on the City. Mr. Hahn reiterated that the Corridor Management Program is really up to the entities to decide how they want to shape or form some of the Byway Projects. DeDOT will not force the projects upon the City. They emphasized it is more about how Milford wants to manage or promote the byways though they will assist as best as they can.

Councilwoman Wilson feels it is important to know which areas they plan to highlight; she would be more comfortable in making a decision at that point and would not want to exclude someone that may be later interested in the plan.

Mr. Hahn stated that based on the information provided to them from others, the historic and cultural attractions and recreational amenities in Milford would be included. Mr. Kneavel emphasized this will not preclude further growth from participating though it would need to be in a context-sensitive way. For example, there may be a certain setback, landscaping and building aesthetic that may be required.

When asked if regulations would need to be added to the downtown growth plan, Mr. Kneavel and Mr. Hahn stated that is entirely a decision of the City.

As an example, Mr. Hahn explained that as part of their protection measures, the Red Clay Valley Byway in northern New Castle County is developing new design codes or standards, in addition to setback and landscaping requirements for projects within their byway.

The program is a DeIDOT recognition program and the byway designation does not come with any regulations (with the exception of the one federal regulation that there are no new billboards on the State Scenic Byways) and becoming a byway has two steps – a nomination process and Corridor Management Plan process.

It was agreed by City Council that any changes to architectural standards would need to go through the City process with final approval by Council.

Mr. Pierce stressed this is only the beginning of the program and the City does not want to spend too much time developing the landmarks and cultural resources that need to be targeted though some of the discovery zones and routes could vary based on feedback. At this point, they are only asking for a commitment that the City is interested in moving forward.

Mr. Kneavel agreed and emphasized that if the City does not feel this will work, then DeIDOT will continue with their plan by taking the byway up Route 1. However, they really believe that Milford would be a great asset for the byway.

Mr. Hahn added that where Milford is a great strategic location in comparison to the lower half of the Bayshore Byway area. He pointed out the number of amenities, hotels and cultural attractions in the City and the fact that accessing the Delaware Bay is easily accomplished by starting in Milford.

Mayor Shupe noted that as this program is developed, the City can continue to look at the Eco-tourism plan along the Mispillion River, including the riverwalk, that was started in the 1960's.

Councilmember Burk then moved to support and assist DeIDOT in the planning efforts with the mutual goal of developing a Byway Route through Milford to become part of the State-designated Delaware Bayshore Byway, seconded by Councilmember Wilson. Motion carried.

Adoption/Ordinance 2016-18/Chapter 19

Amendment/Economic Development & Redevelopment/Downtown Development Designation Incentives

Mayor Shupe introduced the following ordinance;

Ordinance 2016-18
Chapter 19-Economic Development and Redevelopment
Downtown Development District Incentive Program

WHEREAS, on May 23, 2016, Milford City Council adopted a resolution supporting the application to the State of Delaware to become a Downtown Development District; and

WHEREAS, incentives were reviewed and recommended by the Economic Development Committee and presented to Milford City Council for their approval; and

WHEREAS, building on the state's efforts to redevelop Delaware's commercial business districts and drive private investment in towns and cities, Governor Markell on August 10, 2016 officially designated the City of Milford's Downtown Development District; and

WHEREAS, an amendment to the Economic Development and Redevelopment Ordinance, Chapter 19 is needed to incorporate the designation.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. §19-2 Definitions is hereby amended by adding the following:

OWNER OCCUPIED – refers to a residential property that is owned and occupied by the same persons.

TAX ABATEMENT – refers to the waiver or reduction of City of Milford property taxes.

Section 2. §19-2 Definitions is hereby amended by amending the definition of Eligible Project as follows:

ELIGIBLE PROJECT-refers to a project of an Incentive Beneficiary that is approved ~~by the City Manager~~ to receive economic incentives under a Specific Economic Development Incentive Program offered under this chapter.

Section 3. §19-6 Incentive Options is hereby amended by adding the following:

B. Permit and Fee Waiver or Reduction: An SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any of the following permits or fees:

- (1) Building permit fee
- (2) Water service connection fee
- (3) Sewer inspection fee
- (4) Electric service connection fee
- (5) Fees associated with any preliminary or final site plan review
- (6) Other fees associated with professional services provided by the City as it pertains to planning, engineering and legal review.

~~(7) Business License*~~

E. *Tax Abatements: A SEDIP may offer full or partial tax abatements on City of Milford property taxes for a specified period of time.*

Section 4. §19-9 is hereby added as follows:

§19-9. – Downtown Development District Incentive Program

A. *Eligibility*

- (1) *Eligible Projects shall include any new residential or commercial construction, redevelopment, or expansion within the Downtown Development District and meet the following criteria:*
 - a) *Is located within the target area; and*
 - b) *The fair market value of the materials to be used and the labor to be performed on the project exceeds the sum of \$15,000; and*
 - c) *Is for commercial, office, and/or residential use; and*
 - d) *Conforms to the intent of this ordinance.*

- (2) *In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in the City of Milford zoning ordinance. Construction or renovation of an accessory building as defined in the City of Milford zoning ordinance shall not be eligible for development incentives.*

B. Target Area – Downtown Development District

The Downtown Development District refers to the area defined by Resolution/Ordinance of City Council. A copy of the district map shall be on file at City Hall, 201 S. Walnut Street, Milford, Delaware.

C. Development Incentives

(1) Impact Fee Waivers

- a) Incentive Beneficiaries shall qualify for a full waiver of impact fees.*

(2) Permit and Other Fee Waivers

- a) The City shall provide a one-time waiver of permits and fees identified under §19-6(b)(1), (5) and (6) for all eligible projects.*
- b) The City shall provide a waiver of the business license fee for new businesses for three (3) years.*
- c) The Incentive Beneficiary is responsible for obtaining all required local, State, County, and Federal permits and approvals as may be required to complete the project.*
- d) The Incentive Beneficiary shall be responsible for the Carlisle Enhancement Fee as outlined in the City of Milford Code.*

(3) Installment Land Contract

- a) The Incentive Beneficiary may apply to purchase City owned property through an installment land contract at a price and upon such terms and conditions as may be determined by the City Manager. The acceptance of the contract is subject to the express approval of City Council, which approval may be withheld in its complete discretion.*
- b) In the event the conditions outlined in the contract are not met, the City Manager may determine that the Incentive Beneficiary is in default and provide notice as required.*
- c) In the event the default is not cured, in addition to such other remedies as may be available, the Incentive Beneficiary shall be required to choose between the following two options:
 - i. Surrender all improvements and the property to the City; or*
 - ii. Pay the entire remaining principal balance to the City within 45 days following the date the default notice was issued.**

(4) Abatement of Property Taxes

- a) Incentive Beneficiaries shall qualify to receive City of Milford property tax abatements for a period not to exceed ten (10) years. The abatement period shall commence from the date of final certificate of occupancy.*
- b) Rehabilitation Projects
 - i. If the incentive beneficiary improves the assessed value, as determined by the City Tax Assessor, by more than 50% of the original assessed value, the incentive beneficiary shall receive a full abatement of City property taxes for ten (10) years.*
 - ii. If the incentive beneficiary improves the assessed value, as determined by the City tax assessor, by less than 50% of the original assessed value, the incentive beneficiary shall receive a partial abatement of City property taxes on the value of the improvements for ten (10) years.**
- c) New residential or commercial construction shall receive a full tax abatement for five (5) years.*
- d) Properties converted from rental units to owner occupied housing shall receive a full tax abatement for ten (10) years, subject to continued occupancy by the property owner.*

(5) Realty Transfer Tax Waiver

- a) There shall be no realty transfer tax imposed on those transfers where the buyer qualifies as a first-time homebuyer. See Chapter § 178-2(D).*

Section 5. Dates.

City Council Introduction: September 12, 2016

City Council Review & Adoption: September 26, 2016

Effective: October 6, 2016

**Removed this date.*

Mr. Pierce recalled that beginning in March, the City went through the Downtown Development District application process during which time a list of incentives was approved by City Council to accompany the application to the state. In August, the State of Delaware awarded the City that designation and as a follow-up, adoption of the economic development incentives for the downtown district area is needed as has been discussed.

Councilman Burk questioned 19-6(B) and the waiver of the business license.

B. Permit and Fee Waiver or Reduction: A SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any of the following permits or fees:

(7) Business License

He confirmed that the intent is to give a new business a waiver of the Business License Fee; Mr. Pierce stated yes for three years.

Councilmember Burk is concerned with the other existing businesses that will be required to pay their annual license. In the meantime, a new business will receive a three-year waiver. He is unsure if that is appropriate particularly when Council tries to sell the business licenses and asked the justification for the new business waiver.

Mr. Pierce recalled that these are the same incentives that were reviewed in May. If Council wants this removed, he will need to inform the State because he is unsure if it will impact our DDD application.

Councilmember Burk emphasized the need to support our local businesses and is unsure what they will think about that.

Councilmember Brooks said he agrees with Councilman Burk. Councilman Campbell feels that is part of economic development and is needed to entice them to come to Milford.

Councilmember Brooks questioned a business that has been in Milford for twenty years who has to pay for a business license and then someone who moves here for three years that does not have to pay the fee.

Councilmember Campbell recalled that in the corporate world that he worked in, there were similar waivers for new businesses that were typically for five to ten years.

The Planning Coordinator said it can be removed from this particular ordinance since it has not yet been instituted. Solicitor Rutt pointed out that at this point, it is an unenforceable criterion and City Council does know at this point whether or not they will institute a business license. However, the ordinance can be later amended if needed.

Mr. Pierce felt the City would be further along with instituting the business license and did not expect it would not be in place at this point. He suggested that a motion be made to adopt the ordinance contingent on the removal of that business license.

Councilman Burk moved to adopt Ordinance 2016-18 with the condition that Section 19-6(B)(7) Business License is removed, seconded by Councilwoman Wilson. Motion carried.

Mayor Shupe reminded City Council that on September 29th at 6:00 p.m., a DDD and Rivertown Rebirth meeting will be held. What is approved this evening, will be discussed to ensure current businesses and potential investors are aware of our incentives in addition to the State incentives that will be discussed.

Ratification/Teamsters Local 326 Collective Bargaining Agreement

Councilmember Burk moved to approve the Teamsters Local 326 Collective Bargaining Agreement as has been discussed

and presented, seconded by Councilmember Wilson. Motion carried.

Planning Commission Vacancy

Mayor Shupe reminded Council there are two vacancies on the commission and that he hopes to have two new commissioners from Wards Three and Four to balance the membership citywide. The application is available on the City of Milford website for these vacancies in addition to other boards and commissions for anyone who may be interested.

He asked for anyone with a recommendation to contact him.

NEW BUSINESS

DBF Contract Change Order/Washington Street Water Treatment Facility

Public Works Director Mark Whitfield was present and reported this is a no-cost change order though the extension is needed to complete the Washington Street Water Treatment Facility. He explained this is primarily due to the delay the City caused at the Southeast Milford Water Treatment site. It was agreed at that time not to take the Washington Street facility off line until the Southeast facility was operating.

Mr. Whitfield also explained some time was also needed to obtain both easements for the electric in addition to what was needed for the installment of the electric. Both caused a two-month delay which resulted in a domino effect at the Washington Street facility.

It is the City and DBF's opinion this is warranted change order for the extension of time to complete the Washington Street Water Treatment Facility.

Councilmember Brooks moved to approve the Washington Street Water Treatment Facility Change Order as presented, seconded by Councilmember Burk. Motion carried.

Resolution 2016-15/City of Milford General Obligation Bonds 2011 Series A Refunding Program

Mayor Shupe recalled this was presented at the previous meeting at which time there was a discussion about the need to refinance bonds which will result in a more than \$800,000 savings to the City. Council action will be needed over the next month with the adoption of the first resolution being presented on October 10th.

ADJOURN

There being no further business, Councilman Campbell moved to adjourn the Council Meeting, seconded by Councilman Burk. Motion carried.

The Council Meeting was adjourned at 8:26 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder