A regularly scheduled meeting of the Sussex County Council was held on Tuesday, August 23, 2016, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Michael H. Vincent
Samuel R. Wilson, Jr.
Vice President
Councilman
George B. Cole
Joan R. Deaver

Cresident
Councilman
Councilman
Councilwoman

Todd F. Lawson
Gina A. Jennings
J. Everett Moore, Jr.

County Administrator
Finance Director
County Attorney

The Invocation and Pledge of Allegiance were led by Mr. Vincent.

Call to

Order Mr. Vincent called the meeting to order.

M 417 16 Amend and Approve Agenda A Motion was made by Mrs. Deaver, seconded by Mr. Wilson, to amend the Agenda by deleting "Wastewater Agreement No. 1030", "Impacted Communities Study Presentation", and "Introduction of Proposed Zoning Ordinances", and to approve the Agenda, as amended.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Minutes The minutes of August 9, 2016 were approved by consent.

Correspondence

Mr. Moore read the following correspondence:

DELAWARE TECHNICAL & COMMUNITY COLLEGE, GEORGETOWN, DELAWARE.

RE: Letters in appreciation of grants to the Educational Foundation and to Summer Camps.

Mr. Vincent announced that the Council and Mr. Lawson received correspondence from Paul Reiger regarding his comments and questions on fences and other issues. Mr. Vincent stated that the County will respond to Mr. Reiger's correspondence in writing.

Public Comments

Public Comments

Dan Kramer commented that County Council members "already stayed too long".

Administrator's Report

Mr. Lawson read the following information in his Administrator's Report:

1. Advisory Committee on Aging & Adults with Physical Disabilities for Sussex County Subcommittee Meeting

The Advisory Committee on Aging & Adults with Physical Disabilities for Sussex County Conference Planning Subcommittee will meet on Tuesday, August 30th, at 1:30 p.m. at the Sussex County Administrative Offices West Complex, 22215 North DuPont Boulevard, in Georgetown. During the meeting, the Committee will continue to discuss planning for their annual conference scheduled for October 19, 2016.

2. Delaware Solid Waste Authority Reports

There were 31,932 pounds of recycled material received at the Recycle Delaware pods at the West Complex in Georgetown during the months of April, May, and June 2016. Attached are reports received for each month.

[Attachments to the Administrator's Report are not attachments to the minutes.]

Employee Recognition Awards

Mrs. Jennings reported that, in 2015, the County started the "Give Them a Pickle" program that recognizes employees for exceptional service; in this program, employees can be recognized by coworkers, residents, and customers.

Mrs. Jennings reported that 30 employees received pickle awards for the Second Quarter of 2016. She announced that Shawn Lewis in the Maintenance Department received the Second Quarter Excellence in Customer Service Award and that two employees received Honorable Mention: Martha Miller in the Assessment Department and Chaz Tennerman in the Paramedic Department. The Council presented the Second Quarter 2016 Excellence in Customer Service Award to Shawn Lewis and recognized the other Pickle Award winners.

Delaware Transit Reimbursable Program Request Mrs. Jennings reported that DART, a division of DelDOT, has allocated \$796,862.00 for funding of transportation expenses for various senior centers in Sussex County. This amount has remained at the same level for a number of years. The County's responsibility is to approve a recommended funding amount for Fiscal Year 2017 as per State law; this is an allocation of State grant funds to various senior agencies for transportation purposes. The recommended funding for each agency is the same as in previous years:

Delaware	Nanticoke Senior Center	\$ 44,959.30
Transit	Indian River Senior Center	2,100.00
Reim-	Laurel Senior Center	99,082.94
bursable	Lewes Senior Center	27,120.41
Program	Cape Henlopen Senior Center	43,065.65
Request	CHEER, Inc.	<u>580,533.70</u>
(continued)	TOTAL	\$796,862.00

M 418 16 Approve Allocation of Funds/ Delaware

A Motion was made by Mrs. Deaver, seconded Mr. Arlett, that the Sussex County Council approves the allocation of State funds to various senior agencies within Sussex County, as presented.

Motion Adopted:

5 Yeas.

Transit

Reim-**Vote by Roll Call:** Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Arlett, Yea; Mr. Wilson, Yea; bursable Mr. Vincent. Yea **Program**

EMS 100/ Medic 104 **Facility Bid Award** Bobby Schoonover, EMS Technical Services Division Manager, presented the bid results for the construction of the EMS 100 / Medic 104 facility. He noted that this 5,200 square foot facility will replace the facility that the Department is currently renting. He noted that this facility would house both the medics and the Eastern District Supervisor; the facility will also be the main training station.

Mrs. Jennings reported that the project was bid with and without prevailing wage rates; that if the County receives its 30 percent State reimbursement funding, the County must pay prevailing wage rates; and that prevailing wage rates increased the lowest contract cost by 21 percent. Mrs. Jennings also reported that the low bidder was Delmarva Veteran Builders; that, at no wage rate, the cost of the project was \$1,037,278.00; that when the prevailing wage is added in the amount of \$217,266.00, the total cost of the project is \$1,254,544.00; the County gets a 30% refund from the State and therefore, it is better for the County to use the prevailing wage to get the 30% so that the total County cost would be \$878,181.00.

Mr. Schoonover noted that also present was Carlton Savage with Pennoni Associates and Robert Stuart, Director of EMS.

M 419 16 Award Bid/ **EMS 100/** Medic 104 **Facility**

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, based on the recommendation of the Sussex County Emergency Medical Services Department and the understanding that the State of Delaware will reimburse 30 percent of capital expenditures as stated in Title 16 Chapter 98 Section 14 of the State Code, that Sussex County Project 06-08, Sussex County Emergency Medical Services Rehoboth Station, Medic 104 / EMS 100, be awarded to Delmarva Veteran Builders, LLC of Salisbury, Maryland at the bid amount of \$1,254,544.00.

5 Yeas. **Motion Adopted:**

M 419 16 (continued)

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

EMS 100/ Medic 104 Facility/ Pennoni Contract No. 2 Mr. Schoonover further reported that when the County purchased land on Plantation Road in 2015 for the Medic 104 / EMS 100 facility, it was not known that the utilities were located on the opposite side of the road. For this reason, additional funding in the amount of \$14,000.00 is required to add to the previously approved engineering contract for the project; and the additional work will be the design and buildout of the septic system to connect across the street at Sandy Brae versus having a septic system on the site (due to the possibility of future construction needs).

M 420 16 Approve Change Order/ EMS 100/ Medic 104 Facility/ Pennoni Contract

No. 2

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, based on the recommendation of the Sussex County Emergency Medical Services Department, that the Sussex County Council accepts a Change Order to the Contract with Pennoni Associates, Inc. of Milton, Delaware, for Sussex County Project 06-08, Sussex County Emergency Medical Services Rehoboth Station, in the amount of \$14,000.00 for Forcemain Design Services, permitting, coordination, and specification preparation.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Woods at Walls Creek Subdivision Road Work Award Joe Wright, Assistant County Engineer, presented the bid results for the Woods at Walls Creek Subdivision - Road Work, Project 17-03. The scope of work for this project consists of completing unfinished roadwork within the subdivision, using funds from a bond to be redeemed for the amount of the low bid. Mr. Wright reported that the lowest responsive bidder is Jerry's Inc. of Milford, Delaware, with a total bid of \$132,670.60. The Engineer's estimate for the project was \$172,835.00.

M 421 16 Award Bid for Road Work/ Woods at Walls Creek

Subdivision

A Motion was made by Mr. Cole, seconded by Mr. Wilson, based upon the recommendation of the Sussex County Engineering Department, that Contract 17-03, Woods at Walls Creek Subdivision – Road Work, be awarded to Jerry's Inc. of Milford, Delaware, at the bid amount of \$132,670.60, contingent upon receipt of funds from the bonding company.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Sea Chase/ Bid Award Joe Wright, Assistant County Engineer, presented the bid results for The Estates of Sea Chase Subdivision, Project 16-32: there were a total of two

The Estates of Sea Chase/ Road Work/ Bid Results bids received and the lowest responsive bidder is Jerry's, Inc. of Milford, Delaware, with a total bid of \$86,056.60. The Engineer's estimate for the project was \$128,850.00. The Estates of Sea Chase is an existing 45 single family home lot subdivision; road and drainage work was left incomplete by the Developer. Mr. Wright reported that the Engineering Department and the County Attorney, through discussions and negotiations with the surety and their attorney as well as the HOA, agreed upon a value of \$55,000.00 to complete the work, with Council's approval on September 15, 2015. Mr. Wright further reported that, with community support, it was determined that the best use of funds was to repair and repave all the roads within the development. The shortage of funds to complete the full scope of work is to be provided by the homeowners under the terms and conditions of Chapter 96 of the County Code.

M 422 16 Award Bid/ The Estates of Sea Chase/ A Motion was made by Mrs. Deaver, seconded by Mr. Cole, based upon the recommendation of the Sussex County Engineering Department, that Contract 16-32, the Estates of Sea Chase Subdivision, be awarded to Jerry's Inc. of Milford, Delaware, at the bid amount of \$86,056.60.

Road Work

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Grant

Requests

Mrs. Jennings presented grant requests for the Council's consideration.

M 423 16 Councilmanic Grant A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$1,500.00 (\$1,000.00 from Mr. Cole's Councilmanic Grant Account, \$300.00 from Mrs. Deaver's Councilmanic Grant Account, \$100.00 each from Mr. Mr. Vincent's and Mr. Wilson's Councilmanic Grant Accounts) to Rehoboth Concert Band for operating expenses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

M 424 16 Councilmanic Grant A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to give \$500.00 (\$100.00 from each Councilmanic Grant Account) to the March of Dimes for The Farmer and The Chef fundraising event.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

M 425 16 Councilmanic Grant

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$1,300.00 (\$500.00 from Mrs. Deaver's Councilmanic Grant Account and \$200.00 each from Mr. Arlett's, Mr. Cole's, Mr. Vincent's and Mr. Wilson's Councilmanic Grant Accounts to Autism Delaware for the Blue Jean Ball Fundraiser.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

M 426 16 Councilmanic Grant

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to give \$500.00 (\$100.00 from each Councilmanic Grant Account) to the Marine Corps League – Delaware Devil Dogs Detachment 780 for event expenses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Council Members' Comments

Council Members' Comments

Mrs. Deaver commented on the number of people on Facebook complaining about traffic problems on Route 1.

Mr. Cole responded that the Land Use Plan Update process will provide opportunities for the public to speak about these types of issues/concerns.

Mr. Arlett stated that Delaware General Assembly members and State agencies should hear about these concerns in addition to Council members.

M 427 16 Go Into Executive Session

At 10:38 a.m., a Motion was made by Mrs. Deaver, seconded by Mr. Cole, to recess the Regular Session and to go into Executive Session for the purpose of discussing matters relating to Job Applicants' Qualifications, Personnel, and Land Acquisition.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Executive Session

At 10:45 a.m., an Executive Session of the Sussex County Council was held in the Basement Caucus Room for the purpose of discussing matters relating to Job Applicants' Qualifications, Personnel, and Land Acquisition. The Executive Session concluded at 12:10 p.m.

M 428 16 Reconvene Regular At 12:12 p.m., a Motion was made by Mr. Cole, seconded by Mr. Arlett, to come out of Executive Session and to reconvene the Regular Session.

Regular Session

Motion Adopted: 3 Yeas, 2 Absent.

Vote by Roll Call: Mrs. Deaver, Absent; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Absent;

Mr. Vincent, Yea

E/S Action There was no action on Executive Session matters.

M 429 16 Recess A Motion was made by Mr. Cole, seconded by Mr. Arlett, to recess until 1:30 p.m.

Motion Adopted: 3 Yeas, 2 Absent.

Vote by Roll Call: Mrs. Deaver, Absent; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Absent;

Mr. Vincent, Yea

M 430 16 Reconvene At 1:33 p.m., a Motion was made by Mrs. Deaver, seconded by Mr. Wilson, to reconvene.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Yea;

Mr. Vincent, Yea

Legal Counsel Vincent Robertson, Assistant County Attorney, served as Legal Counsel for the afternoon session of the County Council meeting and the Public Hearing.

Also in attendance, were Lawrence Lank, Director of Planning and Zoning, and Janelle Cornwell, Planning and Zoning Manager.

Public Hearing/ CZ 1802 A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A B-1 NEIGHBORHOOD BUSINESS DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 11.66 ACRES, MORE OR LESS" (Change of Zone No. 1802) filed on behalf of J.G. Townsend Jr. & Co. (Tax Map I.D. No. 335-12.00-Part of Parcel 3.00) (911 Address: None Available).

Mr. Robertson clarified that the application is for a rezoning from AR-1 to B-1 and he explained that any site plan for this project would be a separate matter that requires separate consideration by the County at a later time.

The Planning and Zoning Commission held a Public Hearing on this application on July 14, 2016 at which time action was deferred; on July 28, 2016, the Commission recommended that the application be approved based upon the information contained in the record and for the following reasons:

- 1) This application is for a change in zone from AR-1 (Agricultural Residential) to B-1 (Neighborhood Business). According to the Zoning Code, the B-1 (Neighborhood Business) zone is appropriate "to provide retail shopping and personal service uses" and "to serve the needs of a relatively small area, primarily nearby rural, low density or medium density residential neighborhoods".
- 2) The purpose of the B-1 Neighborhood Business District is satisfied by this application. Right now, there are approximately 1,500 residential units located or approved along Gills Neck Road. All of these units have developed with low and medium density designs. And, residents in all of these units currently must travel to Route One or cross Kings Highway and Clay Road to the Village of Five Points for their retail shopping needs and personal service uses, such as a grocery store. Neighborhood Business uses here will be convenient to those existing and future residents and will eliminate the traffic and congestion caused by having to travel to Route One or Savannah Road. B-1 (Neighborhood Business) zoning is appropriate for this site.
- 3) The B-1 (Neighborhood Business) zoning district is the most limited commercial or business zoning category in Sussex County. Here, B-1 (Neighborhood Business) zoning will limit the size and type of uses that occur on this site, ensuring that any future development of it will be on a scale that is compatible with the surrounding area.
- 4) There was a great deal of concern about the location of the City of Lewes' wells across Kings Highway from this site, and whether the existence of these wells should prevent the rezoning of this property. The protection of these wells is important to everyone, and it is governed by the Sussex County Source Water Protection Ordinance that was adopted in 2008. Those protections apply at the Site Plan stage, and any development of this site must comply with the requirements of the Source Water Protection Ordinance, whether the site is zoned AR-1 (Agricultural Residential) or B-1 (Neighborhood Business). But, the existence of these wells is not a reason to deny this particular application.
- 5) The Sussex County Comprehensive Plan supports this rezoning. The property is located in the Environmentally Sensitive Developing Area according to the Plan. In this Area, our Plan says that "retail and office uses are appropriate", and that "careful mixtures of homes with light commercial and institutional uses can be appropriate to provide for convenient services and to allow people to work close to home". This rezoning falls squarely within this guidance established by our Comprehensive Plan.

- The Comprehensive Plan also directs that appropriate growth such as this B-1 (Neighborhood Business) rezoning should be directed towards a Growth Area, which includes the Environmentally Sensitive Developing Area where this property is located, based on several guidelines, including:
 - a. The proximity to an incorporated municipality;
 - b. The existence of public sewer and water;
 - c. The location on or near a major road;
 - d. The character and intensity of surrounding development; and
 - e. How the area ranks according to the "Delaware Strategies for State Policies and Spending".

Here, our Plan's guidelines are all satisfied, since the project is close to the City of Lewes; there is public sewer and water available; the property is located along an "Arterial" roadway according to the Mobility Element of the Plan; the surrounding residential development supports the need for neighborhood business uses; the rezoning is consistent with other business and commercial trends in the area; and the location is in Level 1 according to the State Strategies. Our Comprehensive Plan supports this rezoning.

- 7) DelDOT has approved the Traffic Impact Study (TIS) for this project, and both DelDOT and the Applicant have entered into an agreement for extensive roadway improvements in this area that support the rezoning. Both the TIS and the Agreement are based on development of a much larger project than what can be built on this 11 acres of B-1 (Neighborhood Business) zoning. These roadway improvements, at the Developer's expense, will be a benefit to all travelers in the area. One example is the improvements of the Cape Henlopen High School/Gill's Neck Road/Kings Highway intersection, which is currently underway.
- 8) The rezoning to B-1 (Neighborhood Business) is consistent with neighboring and adjacent uses. Besides the need for reasonable neighborhood businesses to serve the existing residential uses, B-1 (Neighborhood Business) zoning and the limited uses it allows are consistent with the small-scale commercial zoning across the road from the site, a small shopping center just down the road, the high school, and other businesses, retail establishments, restaurants, and offices that are nearby.
- B-1 (Neighborhood Business) zoning is appropriate for this site. But, if approved by the County Council, that is not the end of the County's involvement if it is developed. The Planning and Zoning Commission and its staff must still review any site plan for development of the project, including whether it complies with the County's Source Water Protection Ordinance, how it relates to the Lewes Scenic Byways Program recently endorsed by County Council, especially at this location as a gateway to Lewes, and how it is interconnected with adjacent developments and roadways.

10) For all of these reasons, it is recommended that this rezoning from AR-1 (Agricultural Residential) to B-1 (Neighborhood Business) should be approved.

(See the minutes of the Planning and Zoning Commission dated July 14 and 28, 2016.)

Mr. Lank read a summary of the Planning and Zoning Commission's Public Hearing and recommendation.

Mr. Lank distributed copies of an Exhibit Book and Addendum Booklet which were provided by the Applicant, J. G. Townsend, Jr. & Co.

Mr. Lank reported that, prior to the Planning and Zoning Commission's Public Hearing, the following was received: 8 letters of support, 18 letters in opposition with 119 signatures in opposition, and 1 letter in support of the City of Lewes' alternative (a Conditional Use application).

Mr. Lank reported that, to date, 4 additional letters of support have been received and 8 additional letters of opposition have been received. Mr. Lank noted that there is some duplication of the correspondence.

Mr. Lank read in its entirety a letter received on this date, August 23rd, from Virgil Holmes, Director, DNREC's Division of Water, stating that the Department stands "ready to work with the Council, the Planning and Zoning Commission, City of Lewes, and the project developers to assure that, should the rezoning be approved, the project proceeds in an environmentally safe and sustainable manner".

Mr. Lank noted that the Council previously received the staff analysis of the application.

Mr. Lank advised that comments have been received from the Sussex Conservation District and the County Engineering Department, Utility Planning Division; and, that DelDOT's comments are a part of the Applicant's Exhibit Book.

In response to questions raised by Mr. Cole regarding what is permitted in a B-1 District, Mr. Lank responded that the limit on B-1 business activities is 75,000 square feet per parcel of retail business / office space (the size of the proposed improvements).

The Council found that Nick Hammonds was present on behalf of J. G. Townsend, Jr. & Co. to present the application with Gene Bayard, Esquire, of Morris James Wilson Halbrook and Bayard, LLP, and Ring Lardner, Professional Engineer of Davis, Bowen and Friedel, Inc.

Mr. Hammonds presented a development history of the Gills Neck Road area including development projects, previous applications that were withdrawn, and pedestrian and road improvements.

Mr. Bayard, Mr. Hammonds, and Mr. Lardner presented an overview of the application stating that they have applied for a rezoning to B-1 Neighborhood Business for a 75,000 square foot retail center/neighborhood shopping center on 11.66 acres; they are intending to create a neighborhood shopping center with a special grocery store containing 20,000 to 30,000 square feet, and hopefully a bank, pharmacy, and other stores and shops to provide needs and services; they are not intending a gas station or dry cleaner; the architecture will be similar to downtown Lewes; by comparison, the center will be similar in size to the Food Lion shopping center in front of the Village at Five Points; B-1 Neighborhood Business zoning limits the size of the project by regulation; they have provided a sketch plan of the center and acknowledge that it is only a conceptual plan; they had submitted an application to the State for a Preliminary Land Use Service (PLUS) review prior to their application in 2015 and were not required to resubmit for this application since the site and size of the project has been reduced in size; their responses to the PLUS comments include the 2015 concept responses and the revised 2016 concept responses; they referenced DelDOT's definitions of a Traffic Impact Study (TIS) and a Traffic Operational Analysis (TOA); they made reference to a 2006 TIS DelDOT correspondence, a 2009 TIS DelDOT correspondence, and a 2016 TOA DelDOT correspondence, and added that DelDOT will make the final decision on what traffic and road improvements will be required; there would be no negative impacts on wetlands; there are no historical or cultural sites within the area of the application; this application is a part of a progression of development activities of the Gills Neck Road area; they referenced the Hydrological Reports from the Board of Public Works for the City of Lewes and compared them to the Hydrological Reports prepared for this application and noted that they disagree; the Cape Henlopen High School site contains 18 acres of impervious surfaces that is closer to the Lewes wellhead site than this application site; when the original village center application was filed, the Board of Public Works did not ask for a hydrological study; the Applicant intends to comply with all County regulations in Ordinance 89 and the Source Water Protection Ordinance; the developers have downsized the project from 500,000 square feet to 75,000 square feet along with reductions in the number of residential units in the area which means that the required DelDOT improvements exceed the necessary improvements; the developers have agreed to participate in those improvements required by DelDOT; changes of use on existing B-1 Neighborhood Business and C-1 General Commercial sites only require a site plan approval, not a public hearing; the site is in an Investment Level 1 Area according to the Strategies for State Policies and Spending; they agree with the staff analysis of Ms. Cornwell, Planning and Zoning Manager, which references that the rezoning is consistent with the land use in the Comprehensive Plan, the surrounding area and uses; the proposed application is 85% smaller than the original application; the

County would have two reviews of the site plan, if the application is approved; other developments are near wells and ordinances and regulations are in place and projects are complying; another wellhead study will be conducted by DNREC as part of the site plan review process; and the proposed project will ensure the free flow of traffic, and will ensure that the City of Lewes wells will be protected, making it a first class center.

Mr. Lardner reviewed the Exhibit Book and Supplemental Booklet, which includes a sketch plan.

In response to questions, Mr. Robertson explained the Sourcewater Protection Ordinance regulations and the site plan approval process.

In response to questions raised by Council members, Mr. Hammonds and Mr. Lardner stated that there is no Master Plan and that the uses will be dictated by the market and the Comprehensive Plan; that there are no pending leases; and that the Old Barn on the property is not part of the application.

Mr. Bayard continued the Applicant's presentation with the following comments: this project proposal is another step in the progression of seven development projects over the past 30 years on lands of J. G. Townsend on Gills Neck Road; the combination of the projects that exist or are under construction on Kings Highway aggregate 2,000 residential units within one mile of the project site; the proposed project is located on a major arterial road, as defined by Sussex County Ordinance No. 99-5; it is in a Level 1 Area on the State Strategies Map; it is supported by PLUS and will provide site and building construction jobs and subsequent job opportunities for the area; DelDOT has the last word over traffic and road improvement matters; and the 2006 Traffic Impact Study remains in force and the Agreement between DelDOT and the Developer remains, and road improvements paid for by the Developer continue with more to come.

Mr. Bayard referenced the County's Sourcewater Protection Ordinance, the purpose of which is to ensure that land use activities are conducted in such a way as to minimize the impact on and reduce the risk of contamination of excellent groundwater recharge areas and wellhead protection areas which are the source of public drinking water throughout the County and it states that any wellhead protection area, stormwater design and oversight is governed by the Soil Conservation District; that compliance with the Stormwater Protection Ordinance is not optional; that when the original Village Center project was proposed at 520,000 square feet, the City of Lewes did not commission a hydrological study; instead the Board of Public Works commented that that the agricultural well on the Townsend property would be abandoned; that there was not a hydrologic study commissioned by the City when the Cape Henlopen school was rebuilt and doubled in size – that property has 160,000 square feet of building and 18 acres of impervious surface with no stormwater protection between it and the Lewes water well, 100 feet away; that no hydrologic study was

commissioned when the second Village application was presented; that only after the 75,000 square foot application was proposed has the City commissioned a report; that the City's hydrologist and J.G. Townsend's hydrologist agree that, presently, the biggest single threat of contamination to the City's wells is Kings Highway, which has no stormwater management in place; that he questions why, when DelDOT added shoulders to Kings Highway two years ago, the City did not ask DelDOT to do some basic stormwater management; that they question why now does the City believe their wells are threatened; and that a Flint, Michigan cannot happen in the City of Lewes.

Mr. Bayard referenced the comments of the Lewes Scenic Byways Program and stated that J. G. Townsend supports the program. Mr. Bayard stated that the Applicant has invested over \$200,000 in rehabilitation of the Old Barn because it is iconic and it should remain a part of the Kings Highway landscape.

Mr. Bayard stated reasons why the Applicant will not place a gas station or dry cleaner on the site; he presented a report from the Delaware State Police providing incident reports and investigations, and an analysis of crimes reported at two shopping centers; and he referenced the Planning and Zoning Commission's reasons for approval.

Mr. Bayard concluded by stating that an approval of the Change of Zone is only the first step in the process; that the Applicant will have to hire architects and engineers to design the project, after which a preliminary site plan would be submitted to the Planning and Zoning Commission; after that, permits from all agencies will be required including DelDOT and the Soil Conservation Service; and that DelDOT will require a Traffic Operational Analysis in order to design entrance improvements and intersection improvements and the Soil Conservation Service will require detailed hydrologic information and engineering to ensure that the project complies with the County's Sourcewater Protection Ordinance. Additionally, the Project will require preliminary site plan approval and final site plan approval by the Planning and Zoning Commission.

Mr. Bayard referenced County staff's comments and referenced Commissioner Burton's Motion and reasons to approve the application.

The matter of the classification of Kings Highway as a major arterial road was discussed.

The Council found that Ted Becker, Mayor of the City of Lewes, and Darrin Gordon, General Manager of the Lewes Board of Public Works, were present and submitted a Resolution dated July 11, 2016 of the Mayor and Council of the City of Lewes; a copy of the draft of the City of Lewes Area Traffic Study, dated June 2, 2016, as prepared by Environmental Resources Management; a copy of a July 12, 2016 letter from Advanced Land and Water, Inc. to the Lewes Board of Public Works; and a Final

Report entitled Integrated Land Use and Transportation – Observations for Coastal Sussex County, Delaware prepared for The Greater Lewes Foundation and University of Delaware Sea Grant College Program.

Mayor Becker and Mr. Gordon commented on the proposed project's potential impact on the City even its reduced size, including the impact on traffic, quality of life, and water in a prime recharge area. They stated that the reduction in size is a step in the right direction; that the increase in traffic will be significant; that this project along with developments that have already been approved, will likely produce an 18% to 39% increase in traffic; that there are major concerns about roads and intersections in the vicinity of Kings Highway and Gills Neck Road exceeding capacity; that with the project's projected increase to 3,985 average daily trips and 4,782 peak season daily trips, the concept of failure seems guaranteed; that the Applicant's Traffic Impact Study was based on 2006 data and it has not been updated other than what was referred to by the Applicant; that the City contracted with Environmental Resources Management to provide a current assessment of the traffic (distributed as a hand-out); that the development will impact access to the City of Lewes and the Cape May Lewes Ferry and the Cape Henlopen State Park - that access remains critical and the Integrated Land Use and Transportation Report was referred to and recommendations in the report highlighted; that approving this up-zoning request will set a precedent; that emergency response times and evacuation times will be negatively impacted; that access is also critical to support tourism/ecotourism; that Kings Highway and Gills Neck Road are both part of the Scenic and Historic Corridor Management Plan and he referenced the design principles contained therein; that excessive development will impact said Plan; that the City's wellheads are located within the County; that they ask Council to protect the water; that Public Works must provide safe drinking water into the future; that the DNREC mapped wellhead protection area includes the entire site (11 acres); that hydrological reports have been prepared for both the Applicant and the City; that Best Management Practices must be utilized and monitored to protect the area; that the City would prefer to consider an application for a Conditional Use so that conditions can be imposed on the project; that monitoring quality and quantity is a necessity; that they would support the relocation of the site back away from Kings Highway, away from the wells, so that a safe zone could be created next to the wellhead site; that they are not anti-development if the project is done right; that the City opposes the rezoning, but would support a Conditional Use application; that the construction of the new high school happened prior to or at the same time as Section 89 of the Code relating to stormwater was adopted in 2008 (Ordinance No. 1979); that if the Applicant receives approval and then sells the property, the new owner may be an incompatible tenant (they can put something else on the property); that they want the Developer to provide an escrow to maintain the property including the protection of water; and that there is concern about the future of the approximate 35 acres across the road owned by the Townsend's.

Mr. Vincent referenced the Council's process and stated that the only information the Council uses to make decisions on zoning matters is the public record of the Planning and Zoning Commission's Public Hearing and the County Council's Public Hearing.

The Council found that John Sergovic, Esquire of Sergovic Carmean Weidman McCartney & Owens, P.A. was present on behalf of the Lewes Partnership for Managing Growth, LLC (a citizens group) (LPMG) with John Mateyko, President of the Lewes Partnership for Managing Growth; Joe Kelly, Attorney; Michael Lenhart, Professional Engineering Consultant with Lenhart Traffic Consulting, Inc.; and Dennis Crawford, chief spokesperson for various communities on Gills Neck Road.

Mr. Sergovic stated that the purpose of the Partnership (LPMG) is to promote orderly growth; that the Applicant's long range plan was never disclosed in the marketing of the residential developments along Gills Neck Road; that if the Village Center is moved away from the Lewes wellhead protection area, the plan to have a commercial center to serve the residents of the Gills Neck Road could be better accommodated; that as recommended by DNREC in the PLUS Report, relocation would also make it practical and feasible to convey all the parking lot water out of the five year wellhead protection zone; that the developer has ignored LPMG's proposal and that of the City of Lewes and the Lewes Board of Public Works for a scaled back scope of the complex, submitting a conditional use application, moving the project away from Kings Highway to protect the Lewes wellhead protection area, and avoid placing a commercial use as an attractive nuisance to the Cape Henlopen students and adding to traffic congestion; that at the Planning and Zoning public hearing, LPMG offered support of a smaller Conditional Use to serve the residents along the Gills Neck corridor of no more than 20,000 square feet; that to serve 75,000 square feet of commercial use, the developer has to bring people into the area from outside of the Gills Neck corridor; that the only way the uses of a gas station or dry cleaner or big box retailer can be prohibited is for the County Council to not grant the B-1 zoning; that the proposed project will create detrimental impacts to the health, safety, convenience, order, prosperity, and welfare of the current and future residents; that placing the main entrance on Kings Highway and Clay Road with a signalized intersection opens the door to more rezonings and would set a precedent for in-fill rezoning; that the LPMG asks the Council to fully consider this application under the directions given for the proposed land use in B-1 Zoning under the 2008 Comprehensive Land Use Plan, and referenced the ESDA in which the project site is located; that they dispute the meaning of an arterial road and encourage Council to read the County Code's definition; that Kings Highway is not an arterial road, Savannah Road is an arterial road; that no site plan has been provided; that no drainage design has been provided; that the Applicant has not offered a deed covenant/restriction; that it is not known if the Applicant will sell the land after it is rezoned and a gas station or dry cleaning establishment could happen; that the Council should not move forward to approve this

application until the Council has a firm commitment from the Developer on the other lands in the area owned by the Applicant; that the Planning and Zoning Commission has recommended approval without the safeguards afforded by proposals of his client and the City of Lewes; that there would be benefits to moving the Village Center closer to the heart of the residential enclave developed by the Townsend Corporation's developer and its related affiliates; that if the Village Center is moved closer to the heart of the enclave, the proposal to make the project accessible to pedestrians and cyclists would be better met; that the proposed project is not walkable from area developments, i.e. Wolfe Runne, Breakwater, Showfield, Wolfe Pointe, Bay Breeze, etc. Mr. Sergovic referenced the denial of CZ 1690 and asked the Council to look at the record of this denial.

Mr. Lenhart stated that he represented LPMG during the Applicant's 2009 application; that the County Code pertaining the ESDA requires that the Applicant submit an environmental assessment, public facility evaluation report, and an analysis of the increase in traffic and the effect on the surrounding roadway system; that there is potential for piecemeal rezoning and future infill development; that the impact cannot be adequately assessed; that the Traffic Impact Study was conducted over ten years ago and it has old and outdated data and is unreliable; that the Code requires a study of the roadway network and a study of the intersections with the existing zoning; that the existing zoning for this 11 acres would allow for 23 residential units; that the proposed zoning would allow for 75,000 square feet of commercial retail; that the Council needs to evaluate the net difference and the impact of the rezoning - this was not done in 2009 and has not yet been done; that the 2006 traffic study only looked at the ultimate proposed build-out; that the 2006 study was prepared for a different project and showed significant failures at most of the study intersections even with improvements; that there has been no study or analysis with this application; that there would be substantial increases in traffic; and that the Traffic Operations Analysis will not address traffic concerns. Mr. Lenhart referenced his handout, a letter dated August 23, 2016, with attachments, which was made a part of the record. Mr. Lenhart noted that he had several exhibits on a thumbdrive that he wished to present (due to the fact that the thumbdrive was not submitted in advance of the meeting, staff was unable to load the information). In response to questions, Mr. Lenhart clarified that he did not do a traffic study, he did traffic counts.

Mr. Kelly commented on the legal impact of having no current Traffic Impact Study and the threat the rezoning represents to Lewes' water wells. He commented on the impervious surface, stormwater management areas, the decline in Level of Service, the delay of emergency services, the impact on local businesses, and the need for binding covenants to provide protection to groundwater wells. Mr. Kelly referenced several court cases and a 1988 Memorandum of Understanding between the County and DelDOT. Mr. Kelly's letter dated August 23, 2016 was made a part of the record.

Mr. Mateyko submitted thirty-six documents into the record which included planning reports and studies, information on seminars held in Lewes, and materials disseminated in Lewes. Also, he introduced into the record a book entitled Principles of Urban Retail Planning and Development by Robert Gibbs. In his presentation, Mr. Mateyko addressed the presumption that there is a benefit to the proposed project "to see if it He discussed a retail market analysis; holds up with the facts". organizations called the International Council of Shopping Centers and the Urban Land Institute which have extensive materials available online: smart growth and shopping centers; sustainable development and retail; the environment; small scale shopping; retail planning; and development. He stated that the developer is going about the project contrary to all the data in the trade guidelines; the grocery store in Lewes (Lloyds) is only 3700 square feet and satisfies all of Lewes; that to be economically sustainable, a neighborhood center needs 6,000 to 8,000 households within its primary trade area; that the developer has stated that they are working with DelDOT to bring traffic down Clay Road off of Old Orchard Road from New Road; that they are anticipating taking traffic from outside the area because the Applicant knows that they need 6,000 to 8,000 households; that the area is only going to have 2,000 households at buildout and there is only another 1,600 households in Lewes itself; that there is no justification for 75,000 square feet or a B-1 zoning; that the Applicant has not submitted their overall plan; that perhaps a conditional use should be considered but only after a new TIS and a new delineation of the wellhead; and that there is no industry guideline justification for this size of development.

Todd Sammons, Subdivision Engineer, DelDOT, addressed why DelDOT did not require a new Traffic Impact Study stating that based on the analysis that was done, which was for 2014, it is not that far out (2016); that DelDOT went back and looked at everything and determined that the analysis was adequate to determine what the impacts of the development would be, especially since the project has been reduced so much; that in the expert opinion of Bill Brockenbrough, DelDOT County Coordinator, Development Coordination, the 2008 analysis is adequate; that Mr. Brockenbrough has stated that "DelDOT finds because the reductions in size and the traffic generation of the proposed development, that the 2006 TIS and the 2009 McCormick Taylor final TIS review letter are sufficient to identify a maximum set of off-site improvements needed to accommodate the currently proposed development. DelDOT does not require a new TIS for the currently proposed development."; that DelDOT did require a supplemental analysis and the TOA was required, which looked at three intersections and the two entrances for the development as well as evaluating Kings Highway, Gills Neck Road and the Cape Henlopen High School entrance.

Gail Van Gilder, representing the Lewes Scenic and Byway Committee, stated that she was not in support or opposition; that Lewes is one of the top three travel destinations in the State making it a significant economic engine for the County; that Kings Highway is under enormous pressure from

extremely rapid growth and is experiencing failing Levels of Service at intersections; that the proposed project could adversely affect its desirability as a major visitor destination; and that the proposed project will degrade Lewes by way character and mobility. Ms. VanGilder submitted the Committee's comments in writing which included five recommendations for the Council to consider. The letter was made a part of the record.

PUBLIC COMMENTS IN SUPPORT:

Bob Wardwell spoke in support of the application. He stated that he thinks the proposed project will help people age in place and that regulations support this application. Mr. Wardwell submitted his written comments into the record.

Robert Horsey commented on the quality of the Applicant's projects stating that the Applicant goes above and beyond on all of their projects and that they protect the character of the neighborhood and the City of Lewes; that their projects protect property values; that the Applicant has spent millions of dollars on road improvements and regional sewer; that they will mitigate any traffic impact; that the Applicant has made Sussex County a better place; and that the proposed project will have a positive economic impact, especially job creation.

John Schneider spoke in support of the application. He stated that the proposed project is a much reduced rezoning proposal and is now appropriate; that it would be a valuable amenity to the area; that it will reduce the amount of times residents have to leave Gills Neck Road; that it would provide additional improvements along Gills Neck Road; that the proposed location is a logical location for this type of project as it provides good access and visibility; that there are 2,000 homes in the area and the homeowners need access to the types of businesses proposed; that the Applicant will provide private funds for road improvements which benefits many people; that the Applicant has made an investment in the Old Barn renovation and has a track record of developing high-end projects; and the proposed project will be a benefit to residents and visitors. Mr. Schneider stated that he would submit his comments, in writing.

Mr. Robertson stated that he was handed a letter from Dr. William Miller and Marjorie Miller in support of the application. The letter was made a part of the record.

Councilman Wilson left the meeting.

PUBLIC COMMENTS IN OPPOSITION

Dennis Crawford, chief spokesperson for various communities on Gills Neck Road stated that he represents a consortium of eight (8) neighborhoods (Wolfe Pointe, Wolfe Runne, Hawkseye, Breakwater,

Senators, Cadbury, Bay Crossing, and Henlopen Gardens) which contain approximately 1,400 homes in the area; that the majority of the residents in these neighborhoods have voiced their opposition against this rezoning; that a letter to this effect was placed in the Planning and Zoning file; that regarding the Applicant's walkable environment concept, most of these communities will not walk to the proposed shopping center; that the curb smoothing project that took place on Gills Neck Road resulted in high speed traffic; that there has been no disclosure of a master plan that includes any commercial or retail development; that the residents that he represents do not want or need shopping or other commercial businesses in this area; that adequate shopping already exists; that new establishments have already added traffic in the area; that the use of privately owned streets to minimize traffic does not promote the safety, welfare and prosperity of residents; that there was no disclosure that there would be a through street linking Senators with Governors and the proposed rezoning area; that the proposal will create unsafe conditions for senior residents and school children; that the balance of the Applicant's property that is not part of this rezoning application is approximately 55 acres; that the rezoning request is not in character with the area; that a 2006 traffic study is not a valid basis for a land use decision in 2016; that increased traffic will impede emergency vehicle access; that a business zone is at odds with the designated school zone along Kings Highway; that the rezoning request does not demonstrate a public need; that the application site is within the Lewes Wellhead Protection Area; that B-1 zoning increases the risk of contamination; that this is an unconfined aquifer that serves the Lewes Board of Public Works. Rehoboth and Tidewater customers; that his research has indicated that a 75,000 square foot retail center needs 6,000 residents in the area to support it; and that the rezoning will not promote the health, safety and welfare of residents in the area nor the Cape Henlopen students.

Mr. Crawford's presentation highlighted the objectives of the residents: they want EPA's recommendation for minimal development in the well head protection area accepted as a requirement; they want this application denied because it does not benefit the Greater Lewes communities; they want the residents of the affected neighborhoods to voice their desire for additional commercial or business zoning through a survey or referendum; they do not want to see Kings Highway become a short version of Route One; and they want a panel of concerned parties created to perform area wide planning for the Kings Highway corridor.

Mr. Crawford submitted his written comments, including his powerpoint presentation, into the record.

Vince Kane, Joe Wolzansky, Laura Thompson, Jay Tomlinson, Peter Strub, Jane Lord, Fran Mahan, Sumner Crosby, Paul Collins, Bill Barry, Maryanne Ennis, David Ennis, and Karen Walsh spoke in opposition to the application. They referenced DelDOT's comments on road improvements, i.e. traffic lights, stating that it does not pertain or relate to the proposed shopping center on Gills Neck Road; stated that they are concerned about

the community's only source of potable water; that the proposed project doesn't make any sense; that residents of communities in the area in walking distance of the proposed shopping center would rather drive to Savannah Road or into Lewes; that other shopping areas are available and a new one is not needed on Gills Neck Road; that they support small businesses in Lewes, i.e. Lloyds; that most people drive to go shopping or shop online; that they question if there are enough people to sustain the proposed shopping center especially in the winter months; and that they sees more and more development and they want the character of Lewes preserved; that approval of this application would be precedent-setting for commercial development; that this rezoning is not compatible with the character of the area; that the area is a professional service area and most have converted existing housing and are mostly AR-1 conditional uses; that most are small, single buildings for established local service businesses; that there is no plan for the refurbished Old Barn; that an apartment complex and an entrance into the complex is in the application but was not mentioned; that no consideration was given for the scenic byway setback: that there was no consideration given to the wellhead; that the proposed project will impact drinking water; that the proposed project will not promote the health, safety, and welfare of the residents in the area; that the project will negatively impact property values; that a 2006 traffic study is not a valid basis for a land use decision; that it makes no sense to draw more vehicles to the area; that emergency vehicle access is a huge concern for Cadbury and the Gills Neck area; that the proposed project is in the area of a designated school zone; that there is concern for young drivers and pedestrians; that there is not a public need; that the Cape Gazette did a survey and the majority of the survey results were in opposition to the application; that plenty of shopping resources already exist; that the proposal presents great risks to drinking water; that it is an unconfined aquifer; that the area is a recharge area and an area highly susceptible to contamination; that in 2003, DNREC recommended that this site remain agricultural; that it is an incompatible land use in a wellhead protection area; that DNREC has stated that the area is an excellent recharge area and impervious surface should not exceed 20%; that there is not enough information on the application for a decision to be made; that an up-to-date report would show that the wetlands delineation model would be different; that Sussex County is losing its reputation as slower lower Delaware; that Lewes is losing its small town charm; that the competition of another shopping center would hurt small businesses; that traffic concerns include school bus traffic and the safety of children; that the public hearing sign was not visible and should be larger; that there are plenty of areas that can be developed that are not over the wellheads; that it is requested that action on this application be delayed until after the adoption of the Comprehensive Land Use Plan Update; that they ask the Council to keep the file open to allow for a vote by the residents; that they would like to establish a stakeholder team; and that they would like informal an referendum/survey/poll held for the citizens of Lewes and citizens of the Gills Neck Road community.

Mr. Strub reported that a letter of opposition was submitted by the Board of Directors of the Bay Crossing Homeowners Association; also, the Bay Crossing residents submitted a petition in opposition to the application containing over 100 signatures. (It was noted that, if Council has not received these documents, they will be resubmitted.)

Mr. Ennis referenced a Public Advisory Committee that advised on the State Route One Land Use and Transportation Study and stated that there should be no new centers inside of Route One outside of Lewes. Mr. Ennis handed out a copy of the report.

Mr. Ennis distributed a copy of a speech given by Retired Chancellor Bill Chandler at the University of Delaware in 2008 on creating a livable Delaware.

In response to comments regarding a request for a referendum/poll, Mr. Robertson commented that the opportunity for the public to voice their support/opposition is during the public hearing process before the Planning and Zoning Commission and the Sussex County Council.

The Public Hearing was closed.

Council discussed leaving the record open for questions and public comments.

M 431 16 Leave Record Open/ CZ 1802 A Motion was made by Mr. Cole, seconded by Mr. Arlett, to leave the record open (on Change of Zone No. 1802) for written comments for one week with the possibility of further extensions of the record remaining open.

Motion Adopted: 3 Yeas, 1 Nay, 1 Absent.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Absent;

Mr. Vincent, Nav

M 432 16 Defer Action on CZ 1802 A Motion was made by Mr. Cole, seconded by Mr. Arlett, to defer action on Change of Zone No. 1802 filed on behalf of J. G. Townsend, Jr. & Co.

Motion Adopted: 4 Yeas, 1 Absent.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;

Mr. Arlett, Yea; Mr. Wilson, Absent;

Mr. Vincent, Yea

M 433 16 Adjourn A Motion was made by Mr. Arlett, seconded by Mr. Cole, to adjourn at 8:17 p.m.

Motion Adopted: 4 Yeas, 1 Absent.

Vote by Roll Call: M 433 16 Mrs. Deaver, Yea; Mr. Cole, Yea; (continued)

Mr. Arlett, Yea; Mr. Wilson, Absent;

Mr. Vincent, Yea

Respectfully submitted,

Robin A. Griffith **Clerk of the Council**

{An audio recording of this meeting is available on the County's website.}