

## Sussex County Council Public/Media Packet

## MEETING: January 26, 2021

#### \*\*DISCLAIMER\*\*

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#### **COUNTY COUNCIL**

MICHAEL H. VINCENT, PRESIDENT JOHN L. RIELEY, VICE PRESIDENT CYNTHIA C. GREEN DOUGLAS B. HUDSON MARK G. SCHAEFFER





#### SUSSEX COUNTY COUNCIL

#### A G E N D A

#### **JANUARY 26, 2021**

10:00 A.M.

#### PLEASE REVIEW MEETING INSTRUCTIONS AT THE BOTTOM OF THE AGENDA

#### Call to Order

**Approval of Agenda** 

**Approval of Minutes – January 12, 2021** 

**Reading of Correspondence** 

**Public Comments** 

<u>Tony DePrima, Executive Director, Delaware Sustainable Energy Utility – Presentation</u> and discussion related to Property Assessed Clean Energy (PACE) Financing

#### **Todd Lawson, County Administrator**

- 1. Public Interview of Board of Adjustment Nominee John Travis Hastings
- 2. Board of Assessment Review Appointment
- 3. Administrator's Report

#### **Robert Bryant, Airport Manager**

1. Airport Advisory Committee Member Appointments



#### Hans Medlarz, County Engineer

- 1. General Labor and Equipment Contract, Project 19-01
  - A. FY 2021, Change Order 2, Plantation Road LP Sewer Extension
  - B. FY 2021, Change Order 3, James Farm Ecological Preserve

#### Patrick Brown, Project Engineer

- 1. James Farm Ecological Preserve Master Plan Implementation, Phase 2
  - A. Approval of DE State Contract Use, GSA19031-PREFAB (GS-07F-0602N)
  - **B.** Approval of Sussex County Project Contribution

#### **Introduction of Proposed Zoning Ordinances**

#### **Council Members' Comments**

Executive Session – Pending Litigation and Land Acquisition pursuant to 29 Del.C.§10004(b)

#### **Possible action on Executive Session items**

#### <u>Adjourn</u>

In accordance with 29 <u>Del.C.</u> §10004(e)(2), this Agenda was posted on January 19, 2021 at 4:30 p.m. and at least seven (7) days in advance of the meeting.

This Agenda was prepared by the County Administrator and is subject to change to include the addition or deletion of items, including Executive Sessions, which arise at the time of the meeting.

Agenda items may be considered out of sequence.

Further meeting access instructions are listed below.

#### -MEETING INSTRUCTIONS-

The Sussex County Council is holding this meeting under the authority issued by Governor John C. Carney through Proclamation No. 17-3292.

The public is encouraged to view the meeting on-line. Any person attending in-person will be required to go through a wellness and security screening, including a no-touch temperature check. The public will be required to wear a facial mask.

Chambers seating capacity is limited and seating assignments will be enforced.

The meeting will streamed live at <a href="https://sussexcountyde.gov/council-chamber-broadcast">https://sussexcountyde.gov/council-chamber-broadcast</a>.

The County is required to provide a dial-in number for the public to comment during the appropriate time of the meeting. Note, the on-line stream experiences a 30-second delay. Any person who dials in should listen to the teleconference audio to avoid the on-line stream delay.

To join the meeting via telephone, please dial:

Conference Number: 1-302-394-5036 Conference Code: 570176

Members of the public joining the meeting on the telephone will be provided an opportunity to make comments under the Public Comment section of the meeting and during the respective Public Hearing.

The Council meeting materials, including the "packet", are electronically accessible on the County's website at: <a href="https://sussexcountyde.gov/agendas-minutes/county-council">https://sussexcountyde.gov/agendas-minutes/county-council</a>.

If any member of the public would like to submit comments electronically, please feel free to send them to **rgriffith@sussexcountyde.gov**. All comments shall be submitted by 4:30 P.M. on Monday, January 25, 2021.

# # # #

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, January 12, 2021, at 10:00 a.m., in Council Chambers, with the following present:

Michael H. Vincent
John L. Rieley
Cynthia C. Green
Douglas B. Hudson
Mark G. Schaeffer
Vice President
Councilwoman
Councilman
Councilman

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 022 21 Approve Agenda A Motion was made by Mr. Hudson, seconded by Mr. Rieley, to approve the Agenda, as posted.

**Motion Adopted:** 5 Yeas.

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

Mr. Hudson, Yea; Mr. Rieley, Yea;

Mr. Vincent, Yea

Approve Minutes

The minutes of January 5, 2021 were approved by consent.

Correspondence Mr. Moore read correspondence received from Bridgeville Volunteer Fire Company regarding an event on September 3, 2020, when Sussex County Emergency Operations assisted (and provided exemplary service) to the Fire Company due to a direct hit from a lightning storm.

Public Comments Public comments were heard and the following spoke: (1) Jeanette Akhter regarding recent events in Washington D.C. and concern about possible similar events in Dover on January 20th and (2) Paul Reiger regarding the Board of Adjustment membership.

Meetings Venue Change/ Delaware Tech Mr. Lawson presented a proposal for the Planning and Zoning Commission and the Sussex County Council to hold meetings at Delaware Tech, Owens Campus, Carter Partnership Center. Mr. Lawson referenced select land use applications that have been held up because of the nature of the applications and restrictions on the Council Chambers due to the Governor's State of Emergency Declaration and due to room capacity limitations. Mr. Lawson advised that Planning and Zoning Commission

Meetings Venue Change/ Delaware Tech meetings held at Delaware Tech will begin at 3:00 p.m. and Sussex County Council meetings held at Delaware Tech will begin at 10:00 a.m.; live stream and telephone dial-in will be available.

Tech (continued)

There were no objections from Council members to moving the venue to Delaware Tech, as needed.

Board of Adjustment Nominee Mr. Lawson referenced the vacancy on the Board of Adjustment (District 5). Mr. Rieley announced his nomination of John Travis Hastings of Laurel. Mr. Hastings will attend the January 26th Council meeting at which time he will be interviewed by the Council.

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

#### 1. Referendum – Blackwater Village Area

The Sussex County Engineering Department will be conducting a Referendum at Grace United Methodist Church, Millsboro, Delaware on Friday, January 22, 2021 from 4:00 p.m. until 8:00 p.m. The purpose of the referendum is to establish the Blackwater Village Area of the Sussex County Unified Sewer District.

#### 2. Council Meeting Schedule

A reminder that Council will not meet on Tuesday, January 19<sup>th</sup>. The next regularly scheduled Council meeting will be held on January 26<sup>th</sup> at 10:00 a.m.

The Cove at Sandy Landing/ Bond Redemption Hans Medlarz, County Engineer, and Mike Brady, Director of Public Works, presented a request for authorization for a Redemption of Security. Mr. Medlarz and Mr. Brady reported that, in the Spring of 2017, County Council approved major changes as to how subdivisions are to be closed out. In September 2019, in an effort to complete infrastructure for these developments, Council approved the listing and the associated notifications to rectify outstanding issues within specified time periods or be subject to redemption of the security upon separate Council authorization. October 2019, the notifications were sent out to developers who had open projects that met these specific criteria, including The Cove at Sandy Landing developed by CASL, LLC. Currently, all those developments either have been closed out or are nearing completion; however, The Cove at Sandy Landing has made no progress toward completion. To date, the private road component of the project and its associated improvements remain incomplete. In addition, there are unresolved issues in the Statemaintained portion of the project which the Engineering Department does However, lot sales appear complete; a CASL, LLC representative has stated that the corporation "turned over all final lots to the lender/bank on the project"; to date, CASL, LLC has not yet provided a Given the aforementioned lack of response, the Engineering Department requests Council's authorization to redeem CASL,

(continued)

LLC's Performance Bond for completion of all site improvements regulated under County Code, Chapter 99, and stipulated by the approved subdivision plan.

M 023 21 Authorize Bond Redemption/ The Cove at Sandy Landing A Motion was made by Mr. Rieley, seconded by Mr. Schaeffer, based upon the recommendation of the Sussex County Engineering Department, that Sussex County Council finds CASL, LLC has failed to perform satisfactory construction of the project known as The Cove at Sandy Landing and authorizes the Sussex County Engineer to call in the bond held by CASL, LLC in order to complete the improvements in accordance with the approved plans and Sussex County Code, Chapter 99, requirements.

**Motion Adopted:** 5 Yeas.

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

Mr. Hudson, Yea; Mr. Rieley, Yea;

Mr. Vincent, Yea

IBRWF
Biosolids &
Septage
Facilities/
Final
Change
Order

Hans Medlarz, County Engineer, presented the Final Change Order in the accumulative value of \$241,636.42 for the Inland Bays Regional Wastewater Facility – Biosolids & Septage Facilities, Project 18-19. The Change Order consists of four (4) action items: modification of a weather curtain (\$4,488.00), implementation of an alternate sludge piping system (\$156,164.02), implementation of a lubrication system (\$65,780.40), and installation of a sloped epoxy flooring system (\$15,204.00).

M 024 21 Approve Final Change Order/ IBRWF A Motion was made by Mr. Rieley, seconded by Mr. Hudson, based upon the recommendation of the Sussex County Engineering Department, that Change Order No. 9 for Contract 18-19, Inland Bays Regional Wastewater Facility – Biosolids & Septage Facilities, be approved, which increases the Contract amount by \$241,636.42, for a new contract total of \$14,312,257.79.

Biosolids & Septage Facilities **Motion Adopted:** 5 Yeas.

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

Mr. Hudson, Yea; Mr. Rieley, Yea;

Mr. Vincent, Yea

Dewey Beach Water District Agreement Amendment Hans Medlarz, County Engineer, presented an Amendment to the Water Agreement between the City of Rehoboth Beach and Sussex County. The County purchases bulk water from the City of Rehoboth Beach for distribution to its customers in the County's Dewey Beach Water District. The Amendment to the Agreement addresses a new term (January 1, 2021 through December 31, 2025), provides for a blended 5-year fixed rate of \$5.05 per 1,000 gallons of all water purchased, and provides for the discontinuation of a peak use summer surcharge.

M 025 21 Approve Amendment Dewey Beach Water A Motion was made by Mr. Hudson, seconded by Mr. Rieley, based upon the recommendation of the Sussex County Engineering and Finance Departments, that the Sussex County Council approves Amendment No. 1 to the Dewey Beach Water Agreement between Sussex County and the City of Rehoboth Beach, as presented.

Agreement (continued)

**Motion Adopted:** 5 Yeas.

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

Mr. Hudson, Yea; Mr. Rieley, Yea;

Mr. Vincent, Yea

Introduction of Proposed Ordinance

Vincent introduced the Proposed Ordinance entitled "AN Mr. ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 **AGRICULTURAL** RESIDENTIAL DISTRICT TO **AMEND** CONDITIONAL USE NO. 1314 (ORDINANCE NO. 1354) (AS AMENDED BY CONDITIONAL USE NO. 1691 (ORDINANCE NO. 1865) AND CONDITIONAL USE NO. 1962 (ORDINANCE NO. 2311)) TO PERMIT THE PROCESSING AND HANDLING OF POULTRY LITTER TO INCLUDE NUTRIENT RECOVERY FOR NATURAL GAS AND ELECTRICAL GENERATION, TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROAD CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 228.88 ACRES, MORE OR LESS" (Conditional Use No. 2258) filed on behalf of Bioenergy Development Group, LLC (Tax I.D. Nos. 132-6.00-88.01 and 95.00, and 132-11.00-41.00 and 41.02) (911 Address: 28338 Enviro Way, Seaford).

The Proposed Ordinance will be advertised for Public Hearing.

M 026 21 Adjourn A Motion was made by Mr. Rieley, seconded by Mr. Schaeffer, to adjourn at 10:55 a.m.

**Motion Adopted:** 5 Yeas.

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

Mr. Hudson, Yea; Mr. Rieley, Yea;

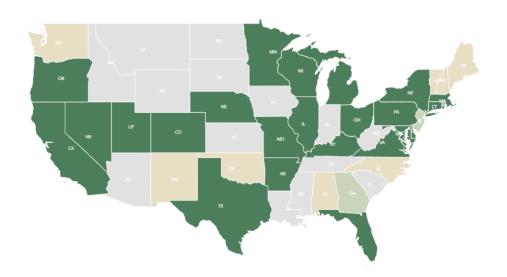
Mr. Vincent, Yea

Respectfully submitted,

Robin A. Griffith Clerk of the Council

## Property Assessed Clean Energy (PACE) Financing

Sussex County Council January 26, 2021



**Commercial PACE Growing Across the Country** 

### What is PACE

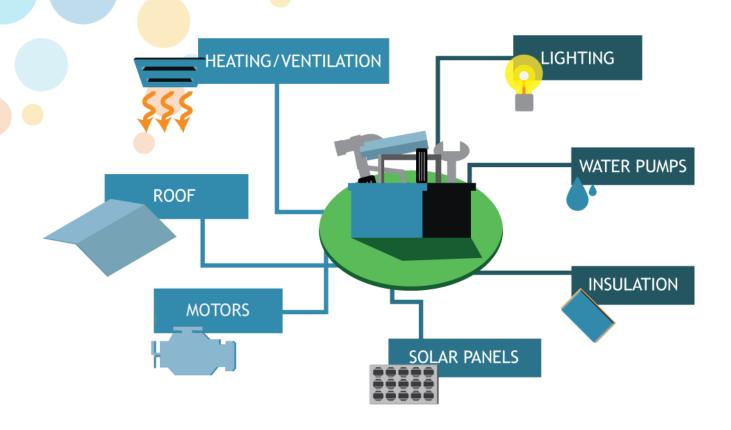


- An economic development strategy with environmental benefits for commercial buildings.
- Secures private investment in energy savings and renewable energy through voluntary property assessments.
- Helps with business bottom line while increasing property value.

## What For?



### Projects that Save or Generate Clean Energy



### **PACE Basics**



### **Assessment Based Financing**

- ✓ Financing dollars come from private sources
- County assessment placed to pay debt service similar to property assessments. County collects service fees.
- ✓ PACE assessment survives sales, including foreclosures
- ✓ Future PACE assessments can passed on in the future by whomever buys the building

## Why do Lenders Like PACE?



- Stronger collateral
- Lower default rates
- Spreads costs and benefits to the tenants
- Opens new markets





- Long-term payback up to 20 year funding
- No money out of pocket 100% funding
- Positive cash flow basis
- Increases property value
- PACE can transfer on sale
- Share benefits and costs with tenants eliminates split incentive

## Why are Mortgage Lenders Giving Consent?



- Makes the lender's collateral more valuable
- Improves borrowers cash flow, better able to pay mortgage
- Only PACE assessment in arrears is collectible. Does not extinguish subordinate liens
- Lender can always say NO...

## Why Do Local Governments Like PACE?



- Economic development
- Job creation
- Reduced CO2 emissions
- No tax money used
- Fees support assessor costs
- Taxes collected first



### **D-PACE** in Delaware



## **Voluntary** is Key Phrase

- Voluntary for Local Governments to Participate
- Voluntary for Borrower
- Voluntary for Lender
- Voluntary Approval of Primary Mortgage Holder

# Delaware Assessed Clean Energy (D-PACE) for Commercial Buildings



- SEU serves as Program Administrator
- County tax offices do loan servicing with a fee for service.
- County provides collected funds to SEU, SEU distributes to lenders.
- SEU will cover start up cost, including assist county administration.

#### **County D-PACE Participation Agreement**

THIS COUNTY D-PACE PART	<b>ICIPATION AGREEMENT</b> (the "Agreement") is made and entered into as of
the day of	, 2021, by and between <b>SUSSEX COUNTY</b> , a body corporate and politic
of the State of Delaware (th	e "County"), and SUSTAINABLE ENERGY UTILITY, INC., a non-profit
corporation created by Dela	ware statute, d/b/a Energize Delaware (" <b>DESEU</b> "), which is responsible for
the program administration	of the Delaware Voluntary Clean Energy Financing Program Based on
Property Assessments or otl	her Local Assessments (the "Commercial Property Assessed Clean Energy
Program" or "D-PACE Progra	am") established under Delaware Code Title 29, Chapter 80, Subchapter II
(known as the Delaware Ene	ergy Act) (the " <b>Statute</b> ") (County and DESEU each a "Party" and collectively
the "Parties").	

#### **RECITALS**

**WHEREAS**, the Statute establishes commercial property assessed clean energy financing in the State of Delaware; and

WHEREAS, D-PACE is a program to facilitate financing for eligible clean energy improvements to qualifying commercial, industrial, agricultural, and multifamily housing (containing five or more dwelling units), non-profit and agricultural properties by using a voluntary benefit assessment to provide security for repayment of the financing; and DESEU may delegate its powers under this chapter to a third party to assist in administration of the D-PACE Program; and

**WHEREAS**, the Statute directs DESEU to establish and administer the D-PACE Program but stipulates that the D-PACE Program may only operate if the County has adopted a resolution authorizing DESEU to conduct projects in their jurisdiction; and

WHEREAS, the Statute requires the County to enter into a written agreement, approved by its legislative body, with the D-PACE Program pursuant to which the County has agreed to levy benefit assessments for qualifying energy improvements for benefitted commercial property owners within the County; and

WHEREAS, the County has adopted a resolution in a form previously approved by DESEU, authorizing DESEU to conduct the D-PACE Program within the County and authorizing the County to enter into this Agreement with DESEU for the purpose of assessing and collecting the benefit assessment.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements set forth

herein and in order to effectuate the purposes of the Statute, it is hereby agreed as follows:

#### Section 1. Definitions

- (a) "Benefit Assessment" means a voluntary property assessment or other government service fee assessment under the Statute, which is the mechanism through which a commercial property owner repays the financing for qualifying energy improvements.
- (b) "Commercial Property" means any real property other than a residential dwelling containing less than five dwelling units.
- (c) "Qualifying Energy Improvements" means any construction, renovation or retrofitting of energy efficient technology, clean energy systems, or qualifying waste heat recovery technologies that are permanently fixed to qualifying commercial real property.
- (d) "Qualifying Commercial Real Property" means any commercial property located in Sussex County, State of Delaware, regardless of ownership, that meets the qualifications established for the D-PACE Program.
- (e) "**Program Guide**" means the document promulgated by DESEU containing the terms and conditions to implement the D-PACE Program pursuant to the Statute, as the same may be amended or supplemented from time to time.
- (f) "Tax Sale" means an action brought by the applicable Capital Provider (defined below) using the method of sale pursuant to 9 <u>Del. C.</u> § 8771 et seq. ("Sale of Land for Delinquent Taxes in Kent and Sussex Counties"). "Tax Sale" shall <u>not</u> be deemed to include a monition sale pursuant to 9 <u>Del. C.</u> § 8721 et seq.

#### Section 2. Obligations of DESEU.

(a) Program Requirements.

Pursuant to the Statute, DESEU:

- (1) shall develop a Program Guide that governs DESEU's administration of the D-PACE Program; which provides recommended best practices to D-PACE stakeholders;
- (2) may serve as a facilitator for the purpose of securing state or private third-party financing for Qualifying Energy Improvements pursuant to the Statute; and

(3) shall receive and review applications submitted by property owners within the County for financing of Qualifying Energy Improvements, and approve or disapprove such applications in accordance with the Statute and Program Guide.

#### (b) Project Requirements.

If a property owner requests financing through the D-PACE Program for improvements under the Statute, DESEU shall review the project application against the requirements in the Statute and Program Guide. DESEU shall provide to the County a project summary for the County's administrative review and pre-approval, and DESEU shall not approve a project application for any property owner unless the County has provided its administrative approval; provided that such approval shall be conclusively deemed granted if the County does not respond to DESEU within thirty (30) days after receipt of such project summary.

#### (c) Assessment and Financing Agreement for Project.

The party providing the financing (the "Capital Provider") may enter into an Assessment and Financing Agreement with the owner of the Qualifying Commercial Real Property (the "Assessment & Financing Agreement"). The Assessment & Financing Agreement shall clearly state the amount of the voluntary Benefit Assessment to be levied against the Qualifying Commercial Real Property. The Capital Provider shall disclose to the property owner the costs and risks associated with participating in the D-PACE Program, including risks related to the failure of the property owner to pay the voluntary Benefit Assessment provided for in the Assessment & Financing Agreement. The Capital Provider shall disclose to the property owner the effective interest rate on the voluntary Benefit Assessment, including other fees and charges imposed by DESEU to administer the D-PACE Program as well as any fees charged by the Capital Provider or the County. The property owner must be informed that each Qualifying Energy Improvement, regardless of its useful life, may be bundled with other such improvements on the Qualifying Commercial Real Property for purposes of assessment and paid for over the assessment term.

#### (d) Establish Voluntary Benefit Assessments and Assessment Units.

Promptly upon receipt of each executed Assessment and Financing Agreement from each Capital Provider, DESEU shall determine from the Capital Provider and property owner the amount of the voluntary Benefit Assessment for such financing and instruct the County to levy such voluntary Benefit Assessment on the applicable Qualifying Commercial Real Property on the property owner's next tax bill. DESEU shall approve the specifics of the applicable voluntary

Benefit Assessment including, without limitation, the amount of the voluntary Benefit Assessment, term, interest rate and repayment dates in accordance with the Statute and Program Guide. In no event shall the amount of any voluntary Benefit Assessment exceed the value of: (a) the voluntary Benefit Assessment benefit provided to the Qualifying Commercial Real Property, or (b) the Qualifying Commercial Real Property. Costs incurred for any property not approved to participate shall not be included in a certified assessment roll.

#### (e) Assignment of Liens to DESEU.

Pursuant to 29 <u>Del. C.</u> § 8061(d)(7)a., by this Agreement the County hereby assigns to DESEU all liens for Benefit Assessments now existing and hereafter arising from time to time with respect to all Qualifying Commercial Real Property levied by operation of 29 <u>Del. C.</u> § 8061(d)(6); including without limitation all its rights or remedies, including any powers of enforcement or collection to which the County, by virtue of its status as a local governing body of the State of Delaware, is entitled or empowered to exercise under applicable laws of the State of Delaware with respect to Benefit Assessments.

#### (f) Filing Notice of Assessment with Office of the Recorder of Deeds.

Upon the execution of an Assessment & Financing Agreement, the County will execute and deliver to DESEU, and DESEU will cause the Capital Provider to file and record in the Office of the Recorder of Deeds in and for the County, a Notice of County D-PACE Benefit Assessment Lien (which contains a confirmatory assignment of the lien to DESEU) substantially in the form of <a href="Exhibit A">Exhibit A</a> attached hereto as a part hereof; and DESEU will assign such lien to the Capital Provider for no additional consideration pursuant to an assignment that may be recorded at Capital Provider's option substantially in the form of <a href="Exhibit B">Exhibit B</a> attached hereto as a part hereof. The County hereby agrees not to object to or challenge the recordation of such notice and assignments.

#### (g) Extension of Benefit Assessment Liens.

Notwithstanding the foregoing, until the Benefit Assessment has been repaid in full, prior to the date 10 years after the levy of the Benefit Assessment, and again prior to each 5 year anniversary of the date of the Benefit Assessment levy thereafter, upon written request of the Capital Provider or DESEU the County's tax collecting authority shall assign to DESEU the right to file a certificate in the Sussex County Prothonotary's tax lien record extending the Benefit Assessment lien pursuant to 9 <u>Del. C.</u> § 8706.

#### (h) Deadline for Submission of List of Benefit Assessments

DESEU shall provide the County a list of Benefit Assessments, including the property owner's name, address, parcel number, and the amount to be billed, by June 15th preceding the tax billing year. In addition, the list shall provide a contact person to address any questions for the owner or third party not related to billing. The list shall be provided in electronic (.xlsx) format. The County will bill Benefit Assessments for the following tax billing year based on such list provided by DESEU. Failure to provide such list by the June 15th deadline may result in exclusion of the Benefit Assessments from the next year's tax bill or additional charges for including the Benefits Assessments in the next year's tax bill.

#### Section 3. Obligations of the County.

#### (a) Promotion of Program; Assistance for D-PACE Financing.

The County may, if it chooses to do so, use good faith efforts to assist DESEU in marketing efforts and outreach to the local business community to encourage participation in the D-PACE Program, such as including D-PACE Program information on the County's website.

#### (b) Billing and Collection of Benefit Assessments.

The County shall levy the Benefit Assessments, add the Benefit Assessments to the tax bill, and assign its lien rights to the Benefit Assessments only to DESEU. The County shall bill the Benefit Assessments in the same manner and at the same time as it bills its annual real property taxes. For each tax year, the County shall only be required to bill Benefit Assessments for which the County has received instructions from DESEU (as program administrator) to levy the Benefit Assessments prior to June 15<sup>th</sup> immediately preceding such tax year. The Benefit Assessments shall be a separate clearly-defined line item and shall be due on the same date as the County's annual real property taxes.

Benefit Assessment amounts shall be collected in the same manner and at the same time as the annual property taxes of the County on real property, including, in the event of default or delinquency, with respect to any penalties, fees and remedies, and lien priorities. All payments received by the County shall be applied first to pay all property tax, school tax and sewer fees plus all penalties and interest thereon (if any) before any amount is applied to the Benefit Assessment.

The County shall remit to DESEU all amounts collected with respect to the Benefit Assessments

by the thirtieth (30th) of the month following the month in which the Benefit Assessment was collected, less any County collection fees. DESEU shall be responsible for remitting the Benefit Assessment collections to the appropriate Capital Providers. The County will provide periodic collection reports to DESEU as agreed to by the Parties.

DESEU will reimburse the County for any reasonable, one-time expenses that are incurred by the County to participate in the D-PACE Program. An example of such expenses may include the modification to the County's property tax billing and collections software to enable processing of D-PACE assessment billing and collections.

#### (c) Fees for Billing and Collection of Benefit Assessments.

The County shall receive a one-time servicing fee, as defined in the fee schedule attached hereto as <u>Exhibit C</u>, for each Qualifying Commercial Real Property that the County maintains responsibility for Benefit Assessment billing and collections.

#### (d) Collection of Delinquent Payments.

In the event that any property owner fails to make a Benefit Assessment payment when due in any property tax billing cycle, the County shall provide written notice to DESEU of such delinquency in a reasonably timely manner. After providing such notice to DESEU, the County has no obligation to collect delinquent Benefit Assessment payments (except to the extent delinquent benefit assessments are payable from a County tax sale in accordance with Section 3(e) below). The County shall not interfere with or challenge a Tax Sale in the name of the Capital Provider as assignee of the Benefit Assessment lien pursuant to 29 Del. C. § 8061(d)(7)c. Upon request of the Capital Provider, DESEU shall record in the Office of the Recorder of Deeds in and for the County an assignment to the Capital Provider of all of the rights of enforcement and collection in connection with the Benefit Assessment lien that were previously assigned by the County to DESEU pursuant to Sections 2(e) and 2(f) of this Agreement. The Capital Provider shall have the right to bring such Tax Sale proceeding for delinquent Benefit Assessment payments in lieu of the county's tax collecting authority. If so requested by the County, the Capital Provider shall collect in such Tax Sale in addition to such delinquent Benefit Assessment payments delinquent real property taxes, school taxes, sewer charges or other amounts past due to the County and foreclose or discharge any liens for such taxes or charges in amounts certified as due by the County; and shall remit proceeds from such Tax Sale to the County to pay such taxes or charges prior to application of proceeds to delinquent Benefit Assessments. The Capital Provider's Tax Sale shall not extinguish or otherwise affect any outstanding real property taxes, school taxes, sewer charges or other amounts due to the County or in any way diminish the County's right to bring a tax monition sale with respect to delinquent real property taxes, school taxes, sewer charges or other amounts due to the County.

#### (e) Notice of Real Estate Tax Sale.

The County will provide written notice to DESEU of any institution of a tax monition sale pursuant to 9 Del. C. § 8721 et seq. or other proceeding against any Qualifying Commercial Real Property for delinquent real property taxes and/or sewer service charges only. The County hereby acknowledges and agrees that a foreclosure pursuant to a tax monition sale or other method brought for delinquent real property taxes, school taxes, sewer charges and/or amounts due to the County (a "County Tax Sale") shall not extinguish the lien of the Benefit Assessment, pursuant to 29 Del. C. § 8061(d)(6)b. The County hereby acknowledges and agrees that if it takes a property to a County Tax Sale and such property also has a delinquent Benefit Assessment, then the County agrees to include in its opening bid at sale the amount of the thendelinquent Benefit Assessment (but not the portion of any Benefit Assessment that is not delinquent). The County and DESEU agree that the proceeds of the winning bid in any such County Tax Sale of a property that also has a delinquent Benefit Assessment shall first be applied to pay the then-delinquent real property taxes, school taxes, sewer charges and other amounts due to the County plus all penalties and interest thereon (if any) before any such proceeds are applied to the Benefit Assessment. The County shall remit to the applicable Capital Provider only such remaining portion of County Tax Sale proceeds. The Benefit Assessment shall have priority over all other liens when petitioning the Superior Court for payment of any surplus proceeds from a County Tax Sale.

#### Section 4. Term and Termination.

The term of this Agreement shall commence upon the date first written above. This Agreement shall be in full force and effect until all of the voluntary Benefit Assessments have been paid in full or deemed no longer outstanding. Notwithstanding the foregoing, the County shall not be obligated to grant the County's administrative approval with respect to any project application pursuant to Section 2(b) of this Agreement after the County, following adoption of a County resolution to do so, provides written notice to DESEU that the County will not accept new projects, except with respect to any project application duly submitted to DESEU prior to DESEU's receipt of such notice.

#### Section 5. Default.

Each Party shall give the other Party written notice of any breach of any covenant or term of this Error! Unknown

Agreement and shall allow the defaulting Party thirty (30) calendar days from the date of its receipt of such notice within which to cure any such default or, if it cannot be cured within the thirty (30) days, to commence and thereafter diligently pursue to completion, using good faith efforts to effect such cure and to thereafter notify the other Party of the actual cure of any such default. The Parties shall have all other rights and remedies provided by law, including, but not limited to, specific performance.

#### Section 6. Miscellaneous Provisions.

#### (a) Amendment and Termination.

After a Capital Provider provides funds to finance the costs of any D-PACE project, this Agreement may not be amended or terminated by the Parties with respect to such project without the prior notification of the holders of the assignable lien. Any amendment to any provision of this Agreement must be in writing and mutually agreed to by DESEU and the County.

#### (b) Severability.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

#### (c) Counterparts; Electronic Signatures.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument. Electronic signatures and photocopies or facsimile copies of signatures shall be deemed to have the same force and effect as originals.

#### (d) Notices.

All notices, requests, consents and other communications shall be in writing and shall be delivered, mailed by first class mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

#### If to the County:

Gina A. Jennings, Finance Director
Sussex County Administration Building

2 The Circle

P.O. Box 589

Georgetown, DE 19947

#### With a Copy to:

Sussex County Attorney
J. Everett Moore, Jr., Esquire
Moore & Rutt, P.A.
122 W. Market Street
Georgetown, DE 19947

#### If to DESEU:

D-PACE Program Administrator c/o Delaware Sustainable Energy Utility, Inc. 500 West Loockerman Street, Suite 400 Dover, DE 19904 Attention: Anthony (Tony) DePrima, Ph.D. Executive Director

#### With a Copy to:

Brent C. Shaffer, Esquire Young Conaway Stargatt & Taylor, LLP Rodney Square 1000 N. King Street Wilmington, DE 19801

#### (e) Applicable Law and Venue.

This Agreement and its provisions shall be governed by and construed in accordance with the laws of the State of Delaware. In any action, in equity or law, with respect to the enforcement or interpretation of this Agreement, venue shall be in the courts of the State of Delaware located in the County.

#### (f) Entire Agreement.

This instrument constitutes the entire agreement between the Parties and supersedes all previous discussions, understandings and agreements between the Parties relating to the subject matter of this Agreement. In the event of any conflict between the Program Guide and this Agreement, the terms of this Agreement shall control.

#### (g) Headings.

The headings in this Agreement are solely for convenience, do not constitute a part of this Agreement and do not affect its meaning or construction.

#### (h) Changes in Law or Regulation.

This Agreement is subject to such modifications as may be required by change in federal or Delaware state law, or their implementing regulations. Any such required modification shall automatically be incorporated into and made a part of this Agreement on the effective date of such change, as if fully set forth herein. Headings in this Agreement are solely for convenience, do not constitute a part of this Agreement and do not affect its meaning or construction.

#### (i) Third-Party Beneficiaries.

It is specifically agreed among the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain any claim under this Agreement. The duties, obligations and responsibilities of the Parties to this Agreement with respect to third parties shall remain as imposed by law.

#### (j) No Waiver of Rights.

A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party.

#### (k) No Waiver of Governmental Immunity.

Nothing in this Agreement shall be construed to waive, limit, or otherwise modify any governmental immunity that may be available by law to the County or to DESEU, their officials, employees, contractors, or agents, or any other person acting on behalf of the County or DESEU.

#### (I) Independent Entities.

The Parties shall perform all services under this Agreement as independent entities and not as an agent or employee of the other Party. It is mutually agreed and understood that nothing contained in this Agreement is intended, or shall be construed as, in any way establishing the relationship of co-partners or joint ventures between the Parties hereto, or as construing either

Party, including its agents and employees, as an agent of the other Party. Each Party shall remain an independent and separate entity. Neither Party shall be supervised by any employee or official of the other Party. Neither Party shall represent that it is an employee or agent of the other Party in any capacity.



**IN WITNESS WHEREOF**, the County and DESEU have each caused this Agreement to be executed and delivered as of the date indicated above:

**SUSSEX COUNTY** 

	Ву:	(SEAL
	Michael H. Vincent, President of Sussex ( Council	County
	Attest:	
	Robin Griffith, Clerk to the Council	_
APPROVED AS TO FORM:		
. Everett Moore, Jr., Sussex County Attorney		
	SUSTAINABLE ENERGY UTILITY, INC.	
	Ву:	(SEAL)
	Anthony DePrima, Executive Director	

#### **EXHIBIT A**

Tax Parcel No:	
Prepared by and return to:	

#### NOTICE OF COUNTY D-PACE BENEFIT ASSESSMENT LIEN

NOTICE IS HEREBY GIVEN by the County of Sussex, a body corporate and politic of the State of Delaware (the "County") that it has levied a Delaware Voluntary Property Assessed Clean Energy Program benefit assessment lien by operation of 29 <u>Del. C.</u> § 8061(d)(6) on that certain property located in Sussex County known as and further identified as Sussex County tax parcel and described more particularly in <u>Schedule I</u> attached hereto as a part hereof (the "Property"). The Property is qualifying commercial real property under the Delaware Voluntary Clean Energy Financing Program Based on Property Assessments (D-PACE) or Other Local Assessments established pursuant to 29 <u>Del. C.</u> § 8061
(the "Act"), situated in the County and owned on the date hereof in whole or in part by
[and] ("Property Owner"). Said levy and lien (the "Benefit Assessment Lien") shall secure the repayment of a loan to finance one or more qualifying energy improvements under the Act, disbursed pursuant to that certain Financing Agreement between Property Owner and(the "Lender") dated as of, as it may be amended pursuant to the terms thereof (the "Financing
Agreement"). This levy and lien are made in accordance with the Financing Agreement and are subject to the terms and conditions of the Financing Agreement and the Act. Upon the transfer or conveyance of the Property, each subsequent owner of the Property, by accepting title to the Property, assumes and agrees to perform all of the obligations and covenants set forth herein and in the Financing Agreement and each other document referenced therein, including, without limitation, making the installment payments described below, from and after the date such owner acquires title to the Property. The amount and repayment of said Benefit Assessment Lien are as set forth in the attached <b>Schedule II</b> , which shall control in the case of any conflict between such exhibit and the Financing Agreement. In the event that any such installment shall remain unpaid after the same shall become due and payable, interest and other charges shall be charged upon the unpaid installment(s) at the lesser of (a) such rate provided for in the Financing Agreement or (b) the maximum per annum rate permitted under Delaware law. At such time as the payments of the special assessment have been satisfied and paid in full, Lender shall file termination of this Notice in the Office of the Recorder of Deeds in and for Sussex County.

This Notice evidences a lien for the energy assessment levied upon the Property for the special benefits conferred upon said Property by the installation of one or more qualifying energy improvements. Pursuant to the Act, this Benefit Assessment Lien shall have the same priority status as a lien for taxes of the County on real property. This Notice and the Benefit Assessment

Lien set forth herein shall run with the land and shall be binding upon Property Owner and Property Owner's heirs, executors, administrators, successors and assigns.

THE BENEFIT ASSESSMENT LIEN HEREIN SHALL NOT HAVE PRIORITY OVER ANY LIEN FOR COUNTY PROPERTY OR SCHOOL TAXES AND OTHER GOVERNMENTAL SERVICE ASSESSMENTS. By recording this Notice, Lender hereby certifies that (a) it has received written consent for a superior lien from all existing properly-recorded lien holders prior to entering into the Financing Agreement and (b) it has received evidence from Property Owner that: (i) Property Owner is current on payments on all loans secured by a mortgage or deed of trust lien on the Property, (ii) Property Owner is not insolvent or subject to bankruptcy proceedings, and (iii) Property Owner's title to the Property is not in dispute.

Pursuant to 29 Del. C. § 8061(d)(7)a., by that certain Sussex County D-PACE Participation Agreement dated September 10, 2019 between the County and Sustainable Energy Utility, Inc., a non-profit corporation created by Delaware statute, d/b/a Energize Delaware ("DESEU") the County has assigned to DESEU all liens for Benefit Assessments now existing and hereafter arising from time to time with respect to all qualifying commercial real property levied by operation of the Act; and by these presents the County in consideration of One Dollar (\$1.00) and other valuable consideration paid to the County by DESEU, the receipt of which is hereby acknowledged, hereby quit-claims, grants, bargains, sells, conveys, assigns, transfers and sets over unto DESEU, without warranty covenants and without recourse, all of its right, title and interest in and to the Benefit Assessment Lien and the debts secured thereby together with such interest, fees, and expenses of collection as may be provided by law; together with all its rights or remedies, including any powers of enforcement or collection to which the County, by virtue of its status as a local governing body of the State of Delaware, is entitled or empowered to exercise under applicable laws of the State of Delaware with respect to the Benefit Assessment, including without limitation the right of the County to bring an action to collect delinquent benefit assessments pursuant to 9 Del. C. § 8741 et seq. ("Collection of Delinquent Taxes").

IN WITNESS WHEREOF, Sussex County, a body corporate and politic of the State of Delaware, has caused this instrument to be executed.

	SUSSEX COUNTY	
DATE:	Ву:	(SEAL)
	(name, title)	

A-2

State of Delaware	)		
	) ss:		
County of Sussex	)		
Before me, a nota	ary public, in and for sa	id county and state, personally appeared	
	, the	of Sussex County, Delaware,	
		e the foregoing instrument on behalf of Sussex	
County.			
IN TESTIMONY	Y WHEREOF. I have su	abscribed my name and affixed my official seal	
this day of _			
	No	tary Public	
		nt Name:	
	My	Commission Expires:	_

### SCHEDULE I

#### **DESCRIPTION OF PROPERTY**



## SCHEDULE II SPECIAL ASSESSMENT PAYMENT SCHEDULE



#### Exhibit B

Tax Parcel No: _		 _	
Prepared by and i	eturn to:		
		 _	

#### ASSIGNMENT OF ENERGY ASSESSMENT LIEN

KNOW ALL PERSONS BY THESE PRESENTS, that the SUSTAINABLE ENERGY UTILITY, INC., a non-profit corporation created by Delaware statute, d/b/a Energize Delaware ("Energize Delaware"), as duly authorized pursuant to 29 Del. C. § 8061 (d)(7)b., for One Dollar (\$1.00) and other valuable consideration paid to Energize Delaware on behalf of [LENDER NAME] ("Assignee"), the receipt of which is hereby acknowledged, hereby quit-claims, grants, bargains, sells, conveys, assigns, transfers and sets over unto Assignee, without warranty covenants and without recourse, Energize Delaware's right, title and interest in and to that certain benefit assessment lien levied by Sussex County, a body corporate and politic of the State of Delaware (the "County") pursuant to 29 Del. C. § 8061(d)(6) on behalf of Assignee, on property owned on the date hereof in whole or in part by [PROPERTY OWNER] and as described on Schedule I, and also commonly referred to as [ADDRESS], attached hereto and made a part hereof (the "Lien"), to have and to hold the same unto the said Assignee, its successor and assigns forever. This Assignment includes without limitation all of the rights or remedies, including any powers of enforcement or collection, to which the County, by virtue of its status as a local governing body of the State of Delaware, is entitled or empowered to exercise under applicable laws of the State of Delaware; so that Assignee shall have the same powers and rights as the County and Energize Delaware has to enforce and collect upon the Lien.

This Assignment is made, given and executed pursuant to the authority granted to Energize Delaware in 29 <u>Del. C.</u> § 8061, which enacts the Delaware Voluntary Clean Energy Financing Program Based on Property Assessments (D-PACE) or Other Local Assessments (the "D-PACE Act" or "Act"), and as further enacted by County Resolution No. \_\_\_\_\_\_ (the "Ordinance"/the "Resolution") (collectively, the "PACE Authorization"), and is solely limited to the purposes set forth in the PACE Authorization.

This Assignment by Energize Delaware is absolute and irrevocable and Energize Delaware shall retain no interest, reversionary or otherwise, in the lien.

IN WITNESS WHEREOF, the unde and delivered on this of, 20	rsigned has caused this Assignment to be executed
	SUSTAINABLE ENERGY UTILITY, INC., a non-profit corporation established pursuant to Delaware statute
Witness	By:(Seal) Anthony J. DePrima, Executive Director
STATE OF DELAWARE	:
COUNTY OF KENT	: SS :
and for the State and County aforesaid, persoacknowledged himself to be the Executive Enon-profit corporation established pursuant Director, being authorized to do so, acknowledged to the Executive Enon-profit corporation established pursuant to th	20, before me, the undersigned, a Notary Public in onally appeared Anthony J. DePrima, who Director of the Sustainable Energy Utility, Inc., a to Delaware statute; and that he, as such Executive ledged that he executed the foregoing instrument for e name of Sustainable Energy Utility, Inc., by
Given under my Hand and Seal of O	ffice the day year aforesaid.
	Notary Public
	Print Name:  My Commission Expires:
	Tity Commission Expires.

Error! Unknown B-2

# SCHEDULE I

# **DESCRIPTION OF PROPERTY**



Error! Unknown B-3

# $\underline{\text{Exhibit C}}$ Fee Schedule for County Billing and Collection of Benefit Assessments

The County shall receive a one-time servicing fee, as defined in the following fee schedule, for each Qualifying Commercial Real Property that the County maintains responsibility for Benefit Assessment billing and collections.

<b>Benefit Assessment</b>	<b>One-Time County</b>
Finance Term (years)	Servicing Fee (\$)*
1 to 10	\$700
11 to 15	\$1,000
16 to 20	\$1,250
21 to 25	\$1,500

<sup>\*</sup>DESEU, or its designee, shall remit to the County the one-time County servicing fee by the thirtieth (30th) of the month following the month in which the County servicing fee was collected from the Qualifying Commercial Real Property owner.

Error! Unknown C-1

ROBERT L. BRYANT, A.A.E. AIRPORT MANAGER robert.bryant@sussexcountyde.gov



(302) 855-7774 T (302) 855-7773 F www.delawarecoastalairport.com

#### **DELAWARE COASTAL AIRPORT ADVISORY COMMITTEE**

## **2021 Committee Appointments**

One representative of the Fixed Base Operator Garrett Dernoga

One non-commercial Airport tenant Larry Kelley

One commercial Airport tenant Jeff Reed

Two Airport-based aircraft owners Rick Garner

**Gus Croll** 

One Industrial Business/Business Park tenant representative Mark Ryan

One tourism industry representative Scott Thomas

One representative at large Ray Hopkins



#### **ENGINEERING DEPARTMENT**

**ADMINISTRATION** (302) 855-7718 AIRPORT & INDUSTRIAL PARK (302) 855-7774 **ENVIRONMENTAL SERVICES** (302) 855-7730 **PUBLIC WORKS** (302) 855-7703 RECORDS MANAGEMENT (302) 854-5033 UTILITY ENGINEERING (302) 855-7717 UTILITY PERMITS (302) 855-7719 UTILITY PLANNING (302) 855-1299 FAX (302) 853-5881



# Sussex County

DELAWARE sussexcountyde.gov

HANS M. MEDLARZ, P.E. COUNTY ENGINEER

# <u>Memorandum</u>

TO: Sussex County Council

The Honorable Michael H. Vincent, President The Honorable John L. Rieley, Vice President

The Honorable Cynthia G. Green The Honorable Douglas B. Hudson The Honorable Mark G. Schaeffer

FROM: Hans Medlarz, P.E., County Engineer

RE: FY 2019 General Labor & Equipment Contract, Project No. 19-01

A. Approve Change Order Nos. 2 & 3, FY 2021

DATE: January 26, 2021

In response to the capital project backlog, the Engineering Department developed a competitively selected time and material, best value bid process consistent with the County's Procurement Policy. On June 21, 2016 County Council awarded the first General Labor & Equipment Contract for FY 17 to George & Lynch, Inc. which was renewed by Council on June 13, 2017 for an additional one-year period based on past performance.

Throughout the initial two (2) year timeframe, a significant workload was completed with considerable cost and time savings. Therefore, the Engineering Department re-advertised the contract in the spring of 2018 again using the "best value" approach. On April 24, 2018, Council awarded the FY 2019 General Labor & Equipment Contract to George & Lynch, Inc. at the first-year bid amount of \$4,827,190.00. This contract award was valid for one year, with an option for Council to extend it, based on contractor performance, for two (2) additional one-year periods at the same unit prices.

On June 11, 2019, Council approved the first one-year contract extension through June 30, 2020 in the amount of up to \$7,395,000 for the capital projects in the Environmental Services Division and the Coastal Airport. During the FY20 contract year County Council approved three change orders totaling approximately \$1,36 million to cover the first stages of the Chapel Branch sewer district expansion and the Inland Bays effluent distribution loop projects in addition to several emergencies and urgent repair such as damages to the 24-inch fire suppression main at the Coastal Business Park, the 10-inch forcemain damage in Old Landing Road the sewer forcemain emergency at the Greenwood Library.



On May 19, 2020, Council exercised the second one-year extension option under the unit prices previously bid, in the amount of up to \$5,170,000.00, allowing for continued project completion as budgeted in the capital projects for the Environmental Services Division and the Coastal Airport. However, it does not include emergency repair services to existing facilities through July 1, 2021. This type of work, in addition to scope changes, must be presented to Council on a case by case basis.

On September 22, 2020 Council approved Change Order No.1 for FY 21 in the amount of \$2,100,000.00 for a continuation of the Inland Bays, northern effluent distribution loop extension, the continuation of the West Rehoboth flow redirection of pump stations nos. 202 & 204, additional site work at pump station no.2, continuation of the Chapel Branch sewer district expansion work and reconstruction of the parking areas at the Rehoboth Beach plant.

Since then a number of emergency as well as urgent repair items arose. In addition, the Department is requesting several continuations, one new site drainage component under the Inland Bays capital project and the implementation of the remaining site work at the Cove at Sanding Landing under the security based funding approved by County Council.

•	Continuation of the Inland Bays, northern effluent distribution loop	\$290k
•	Inland Bays Cannon Road entrance rehabilitation and drainage regrading	\$150k
•	Continuation of Rehoboth Beach wastewater plant site work	\$ 85k
•	Continuation Hebron road sewer repair	\$ 45k
•	Implementation of close-out for the Cove at Sandy Landing	\$130k
•	Emergency Work *	\$260k

<sup>\*</sup>Includes Maplewood Dental Clinic, Oak Crest FM Repair, Dagsboro & Ellendale deep lateral repairs, pump station no. 50 meter replacement and Pinewater Drive storm drain repair.

In summary, the Engineering Department requests Council's concurrence to the issuance of Change Order No. 2- FY 21 in the amount of \$960,000.00.

The Engineering Department is assisting with the implementation of phase 2 of the James Farm master plan under DNREC's ORPT Grant. Part of this phase is the prefabricated restroom facility which is procured separately but must be connected to site utilities and set on a stabilized base. The Department obtained DNREC's concurrence to utilize the County's General Labor & Equipment Contract for the work estimated at \$17,500. This portion of Change Order No.3 will be counted as part of the County's match under the ORPT Grant.

The physical connection to the sewer system, including grinder pump system from the County's supply as well as the applicable sewer connection charges are considered a "betterment" of County property and will not count towards the match. However, the labor component valued at \$7,500 will have to be included in the change order.

<u>In summary, the Engineering Department requests Council's concurrence to the issuance of Change Order No. 3- FY 21 in the amount of \$25,000.00.</u>



## SUSSEX COUNTY CHANGE ORDER REQUEST

#### A. <u>ADMINISTRATIVE</u>:

1. Project Name: FY 2019 General Labor & Equipment Contract

2. Sussex County Project No. <u>19-01</u>

3. Change Order No. 2 - FY 21

4. Date Change Order Initiated - \_\_\_\_\_\_\_1/26/21

5. a. Original Contract Sum <u>\$5,170,000.00</u>

b. Net Change by Previous \$2,100,000.00
Change Orders

c. Contract Sum Prior to \$7,270,000.00 Change Order

d. Requested Change <u>\$830,000.00</u>

e. Net Change (No. of days)

f. New Contract Amount <u>\$8,100,000.00</u>

6. Contact Person: <u>Hans Medlarz</u>, P.E.

Telephone No. (302) 855-7718

## B. REASON FOR CHANGE ORDER (CHECK ONE)

- \_ 1. Differing Site Conditions
- \_ 2. Errors and Omissions in Construction Drawings and Specifications
  - 3. Changes Instituted by Regulatory Requirements
- X 4. Design Change
- \_ 5. Overrun/Underrun in Quantity

	_	6.	Factors Affecting Time of	Completion
	X	7.	Other (explain below):	
C.			ON OF CHANGE ORDER: funds and various emergend	cy and urgent repair issues.
D.	JUSTIFICA <sup>*</sup>	TION FO	R CHANGE ORDER INCLU	JDED?
	YesX		No	
E.	APPROVAL	<u>.S</u>		
1.	George & Ly	ypeh, Inc	Contractor	1/21/2021
	Signature	W/EX	of cours	Date
	Pres Representat	tive's Na	Me in Block Letters	
2.	Sussex Cou Signature	nty Engi		<u>                                      </u>
3.	Sussex Cou	nty Cour	ncil President	
	Signature			Date



# SUSSEX COUNTY CHANGE ORDER REQUEST

#### A. <u>ADMINISTRATIVE</u>:

1.	Project Name: FY 2019 General La	ibor & Equipment Contract
2	Sussey County Project No.	10_01

3.	Change Order No.	3 - FY 21

4.	Date Change Order Initiated -	1/26/21

5	а	Original Contract Sum	\$5,170,000,00
Ο.	u.	Original Contract Carri	WS. 17 U. UUU. UU

h	Not Change by Dravious	¢2 020 000 00
ν.	Net Change by Previous	\$2,930,000.00
	Change Orders	

C.	Contract Sum Prior to	\$8,100,000.00
	Change Order	2

d.	Requested Change	_\$_	25,000.00	

e.	Net Change (No. of days)	-
----	--------------------------	---

f	f. New Contract Amount	<u>\$8,125,000.00</u>

6. Contact Person: <u>Hans Medlarz, P.E.</u>

Telephone No. (302) 855-7718

#### B. REASON FOR CHANGE ORDER (CHECK ONE)

_	1.	Differing Site Conditions

- 2. Errors and Omissions in Construction Drawings and Specifications
- \_ 3. Changes Instituted by Regulatory Requirements
- \_ 4. Design Change
- \_ 5. Overrun/Underrun in Quantity

	_	6.	Factors Affecting Time of Completion			
	X	7.	Other (explain below):			
C.	Preparing si	te utilitie	ON OF CHANGE ORDER: s and foundation for the new prefabricated restroom facility at the James rell as establishing the sewer connection.			
D.	JUSTIFICATION FOR CHANGE ORDER INCLUDED?					
	YesX		No			
<b>E.</b> 1.	APPROVAL George &	1	S., Contractor			
	Signature	No stor	Date  Ayara me in Block Letters			
2.	Sussex Cou Signature					
3.	Sussex Cou	nty Cou	ncil President			
	Signature		Date			

#### ENGINEERING DEPARTMENT

**ADMINISTRATION** (302) 855-7718 AIRPORT & INDUSTRIAL PARK (302) 855-7774 **ENVIRONMENTAL SERVICES** (302) 855-7730 (302) 855-7703 PUBLIC WORKS RECORDS MANAGEMENT (302) 854-5033 UTILITY ENGINEERING (302) 855-7717 UTILITY PERMITS (302) 855-7719 (302) 855-1299 **UTILITY PLANNING** (302) 853-5881 FAX





DELAWARE sussexcountyde.gov

HANS M. MEDLARZ, P.E. COUNTY ENGINEER

# Memorandum

TO: Sussex County Council

The Honorable Michael H. Vincent, President The Honorable John L. Rieley, Vice President

The Honorable Cynthia Green The Honorable Douglas B. Hudson The Honorable Mark Schaeffer

FROM: Patrick Brown, Project Engineer III

Hans Medlarz, Sussex County Engineer

RE: JAMES FARM ECOLOGICAL PRESERVE - MASTER PLAN IMPLEMENTATION, PHASE II

A. Approval of DE State Contract Use, GSA19031-PREFAB (GS-07F-0602N)

B. Approval of Sussex County Project Contributions

DATE: January 26, 2021

Sussex County and the Delaware Center for Inland Bays (CIB) have a long-standing relationship with regards to the James Farm Ecological Preserve, beginning in 1998 with the first occupancy lease agreement. On September 19, 2017, Council granted a 20-year occupancy extension to the original agreement.

In 2016, a Master Plan was completed. Several Phases of recreational, educational and preservation improvements were outlined. Design and permitting of Phase I was completed in August 2017, focusing on the Cedar Neck Road entrance and on-site parking. On behalf of the CIB, Sussex County applied for a DNREC Outdoor Recreation Parks and Trail (ORPT) Grant and received \$67,000 through Agreement 18-247T. This grant funding coupled with County allocations allowed construction activities to begin. Council approved change order 1 on December 11, 2018 expanding the project to complete Phase 1 with substantial completion granted April 30, 2019.

In 2019 the County pre-applied for a DNREC ORPT grant with the funding match consisting of both CIB contributions and a County allocation of the FY 20 budget. Council approved submission of the grant application on August 13, 2019 with adoption of Resolution R 017 19. DNREC awarded \$82,250 by Agreement ORPT 19-190 allowing professional architectural & engineering services to be secured for design and permitting the partial implementation of Phase II improvements. On April 28, 2020 Council authorized the Engineering Department to negotiate agreements with Kimley Horn & Associates for applicable work over a 5-year period. On June 30, 2020 Council authorized the agreement for Project C20-38, James Farm Master Plan Implementation: Phase 2 with a not-to-exceed fee of \$71,435.00 for updates to the Master Plan, and for design of an ADA compliant restroom, with remaining funds intended for construction activity.



- A. Approval of DE State Contract Use, GSA19031-PREFAB (GS-07F-0602N)
- B. Approval of Sussex County Project Contributions

In their June 11, 2020 letter, DNREC recommended Sussex County submit a 2020 ORPT grant application not exceeding \$100,000.00 to further implement Phase 2 of the James Farm Ecological Preserve Master Plan. The CIB developed the grant application materials in coordination with the Engineering Department, indicating Sussex County would allocate the matching funds over two fiscal years as means to provide a 2020 ORPT match of \$100,000.00 as recommended by DNREC. On September 29, 2020 Council adopted Resolution R 013 20 approving the 2020 DNREC ORPT grant application with the County match of \$100,000.00, consisting of \$57,000.00 in allocated FY21 funds and a commitment to introduce at least \$43,000.00 in the FY22 budget ordinance for continued support of Master Plan Implementation projects. In November 2020, DNREC approved the application through Grant Agreement ORPT 20-259T which provides up to \$100,000.00 in DNREC funding.

These Sussex County and DNREC allocations can further implement Phase 2 Master Plan projects, including construction of the restroom with related site and utility work, along with design, permitting and construction of future maintenance and education facilities and other related improvements. As previously noted, Project C20-38 developed construction documents for an ADA compliant restroom. Through coordination with DNREC a State of Delaware contract was identified allowing for direct procurement of a prefabricated facility. State contract GSA19031-PREFAB is a competitive solicitation and award, available for use by State agencies and subdivisions of the State including Sussex County. The Engineering Department worked with the CIB and the consultant team to develop specifications for the prefabricated structure. A price proposal of \$73,470.38 was provided by the State vendor, CXT Concrete Buildings. In accordance with the State contract language, final delivery costs may increase based on field conditions. Additionally, the CIB is reviewing final details of building specifications. After review of the contract and proposal, the Engineering Department recommends procurement of the prefabricated building through the available State sourcing in an approximate amount of \$77,000.00, providing 5% contingency in delivery and specification changes.

Minor site and utility improvements are necessary to receive the prefabricated restroom. A stone base is required for the structure, along with onsite electrical and plumbing, and connection to the County owned public sewer. The Engineering Department has worked with the consultant team and CIB to determine these needs and estimate their cost as approximately \$25,000.00. The ORPT Grant Agreements define open market purchase for public works less than \$50,000.00, with formal bidding required above this amount. Based on the value of the work, the Engineering Department recommended discussed with DNREC use of the County's General Labor & Equipment. DNREC concurred the County contract and estimated value would comply with the Grant Agreement, and as such the Department will recommend separately a Change Order 3 (FY2021) to the Contract allowing this Phase II implementation work to proceed at approximately \$25,000.00.

To support the site and utility improvements, the Engineering Department can utilize surplus equipment and provide the necessary sewer grinder pump from reconditioned inventory. Providing equipment and connecting the James Farm to central sewer is considered a "betterment" of County property. As such these contributions would occur outside of project costs established under the Grant Agreement and not count towards any match amounts. The Engineering Department recommends Council approval of an equipment contribution and a set-aside of sewer connection charges.

## ORDERING INFORMATION





CXT® Precast Concrete Products manufactures restroom, shower and concession buildings in multiple designs, textures, and colors. The roof and walls are fabricated with high strength precast concrete to meet all local building codes and textured to match local architectural details. All CXT buildings are designed to meet A.D.A. and to withstand heavy snow, high wind, and category E seismic loads. All concrete construction also makes the buildings easy to maintain and withstand the rigors of vandalism. The buildings are prefabricated and delivered complete and ready-to-use, including plumbing and electrical where applicable. With thousands of satisfied customers nationwide, CXT is the leader in prefabricated concrete restrooms.

#### **GSA CONTRACT INFORMATION:**

#### SCHEDULE TITLE:

056-Buildings and Building Material/Industrial Services and Supplies

FSC Group 54 – Pre-Engineered/Prefabricated Buildings and Structures

FSC CLASS: 5410 CONTRACT NUMBER: GS-07F-0602N

CONTRACT PERIOD: June 6, 2003 through June 5, 2023

CONTRACTOR'S NAME ADDRESS TELEPHONE AND FAX NUMBER E-MAIL AND/OR WEBSITE ADDRESS:

CXT Precast Products, Inc. 3808 N. Sullivan Road, Building 7 Spokane, WA 99216 Toll free: 800-696-5766

Fax: 509-928-8270

E-mail: sales@lbfoster.com

CONTRACTOR'S ADMINISTRATION SOURCE: Mr. Scott Wilhelm, Division Controller

BUSINESS SIZE/TYPE: Large/Manufacturer

DELIVERY INFORMATION: All prices F.O.B. Origin prepaid and added to invoice. CXT operates three (3) manufacturing plants in the United States and will deliver from the closest location on our carriers. Use the following chart to determine the origin.

F.O.B. 3808 N. Sullivan Road, Building 7, Spokane, WA 99216 applies to: AK, CA, HI, ID, MT, ND, NV, OR, SD, UT, WA, WY.

F.O.B. 901 North Highway 77, Hillsboro, TX 76645 applies to AL, AR, AZ, CO, CT, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, NC, NE, NH, NJ, NM, NY, OH, OK, PA, PR, RI, SC, TN, TX, VA, VT, WI, WV.

F.O.B. 362 Waverly Road, Williamstown, WV 26183 applies to AL, CT, DE, FL, GA, IL, IN, KY, MA, MD, ME, MI, NC, NH, NJ, NY, OH, PA, PR, RI, SC, TN, VA, VT, WI, WV.

1a. TABLE OF AWARDED SPECIAL ITEM NUMBERS (SIN's) WITH APPROPRIATE CROSS-REFERENCE TO PAGE NUMBER(S):

SIN DESCRIPTION

361-10A Precast concrete buildings including accessories and options.

361-10G

361-10H

361-32 Ancillary services related to pre-engineered/ prefabricated buildings and structures.

1b. IDENTIFICATION OF THE LOWEST PRICED MODEL NUMBER AND PRICE FOR EACH SIN: (Government net price based on a unit of one, exclusive of any quantity/ dollar volume, prompt payment, or any other concession affecting price). SIN MODEL/DESCRIPTION NET GSA PRICE 361-10H Gunnison/Single Vault \$13,115.87

1c. HOURLY RATES: N/A

\$200,000, 361-32 - \$350,000\*

\*If the "best value" selection places your order over this maximum order, you have an opportunity to obtain a better schedule contract price. Before placing your order, contact the aforementioned contractor for a better price.

The contractor may (1) offer a new price for this

MAXIMUM ORDER PER SIN: 361-10A, 361-10G & 361-10H -

The contractor may (1) offer a new price for this requirement (2) offer the lowest price available under this contract or (3) decline the order. A delivery order that exceeds the maximum order may be placed under the schedule contract in accordance with far 8.404.

- 3. MINIMUM ORDER: None.
- 4. GEOGRAPHIC COVERAGE (delivery area): The 50 states, D.C., Puerto Rico, and U.S. territories.
- 5. POINT(S) OF PRODUCTION:
  - CXT Precast Concrete Products, 901 North Highway 77, Hillsboro TX 76645, Hill County.
  - CXT Precast Concrete Products, 3808 North Sullivan Road Building 7, Spokane WA 99216, Spokane County.
  - Carr Concrete, 362 Waverly Road, Williamstown, WV 26183, Wood County.
- DISCOUNT FROM LIST PRICES OR STATEMENT OF NET PRICE: Prices shown are net. Prices exclude all federal/state/local taxes. Tax will be charged where applicable if customer is unable to provide proof of exemption.
- QUANTITY DISCOUNT(S): SIN 361-10A & 361-10H None offered. SIN 361-32 (Services) – Non offered.
- 8. PROMPT PAYMENT TERMS: Payment to CXT by the purchaser shall be made net 30 days after the submission of the invoice to the purchaser. Interest at a rate equal to the lower of (i) the highest rate permitted by law; or (ii) 1.5% per month will be charged monthly on all unpaid invoices



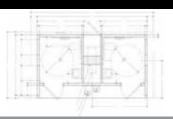
- beginning the 35th day (includes (five) 5-day grace period) from the date of the invoice. Under no circumstances can a retention be taken and purchaser shall pay the full invoiced amount without offset or reduction.
- 9a. NOTIFICATION THAT GOVERNMENT PURCHASE CARDS ARE ACCEPTED BELOW THE MICROPURCHASE THRESHOLD: Visa, MasterCard, and American Express.
- 9b. NOTIFICATION WHETHER GOVERNMENT PURCHASE CARDS ARE ACCEPTED OR NOT ACCEPTED ABOVE THE MICROPURCHASE THRESHOLD: Visa, MasterCard accepted above the micropurchase threshold.
- 10. FOREIGN ITEMS: None.
- 11a. TIME OF DELIVERY: 90 days ARO.
- 11b. EXPEDITED DELIVERY: Contact vendor.
- 11c. OVERNIGHT AND 2-DAY DELIVERY: None.
- 11d. URGENT DELIVERY: None.
- 12. FOB POINT(S): FOB origin prepay and add.
- 13. ORDERING ADDRESS(ES): CXT Precast Products, Inc., 3808 N. Sullivan Road, Building 7, Spokane, WA 99216.
- 13b. ORDERING PROCEDURES: Fax GSA Purchase Order to (509) 928-8270.
- PAYMENT ADDRESS(ES): CXT Precast Products, Inc., 3808 N. Sullivan Road, Building 7, Spokane, WA 99216.
- 15. WARRANTY PROVISIONS: CXT provides a warranty against defects in material or workmanship for a period of twenty (20) years on all concrete components. The warranty is valid only when concrete is used within the specified loadings. Furthermore, said warranty includes only the related material necessary for the construction and fabrication of said concrete components. All other non-concrete components will carry a one (1) year warranty. CXT warrants that all goods sold pursuant hereto will, when delivered, conform to specifications set forth above. Goods shall be deemed accepted and meeting specifications unless notice identifying the nature of any non-conformity is provided to CXT in writing within the specified warranty. CXT, at its option, will repair or replace the goods or issue credit for the customer provided CXT is first given the opportunity to inspect such goods. It is specifically understood that CXT's obligation hereunder is for credit, repair, or replacement only, F.O.B. CXT's manufacturing plants, and does not include shipping, handling, installation or other incidental or consequential costs unless otherwise agreed to in writing by CXT.
- EXPORT PACKING CHARGES: N/A
- TERMS AND CONDITIONS OF GOVERNMENT PURCHASE CARD ACCEPTANCE: Government purchase cards will be accepted on all orders.
- 18. TERMS AND CONDITIONS OF RENTAL, MAINTENANCE AND REPAIR (IF APPLICABLE): N/A

- TERMS AND CONDITIONS OF INSTALLATION APPLICABLE): Customers are responsible for marking exact location building is to be set; providing clear and level site, free of overhead and/or underground obstructions; and providing site accessible to normal highway trucks and sufficient area for the crane to install and other equipment to perform the contract requirements. Customer shall provide notice in writing of low bridges, roadway width or grade, unimproved roads, or any other possible obstacles to access. CXT reserves the right to charge the customer for additional costs incurred for special equipment required to perform delivery and installation. Customer is responsible for all building permits required and compliance with Davis-Bacon Requirements. Customers will negotiate installation on a project-by-project basis, which shall be priced as separate line items. For more information regarding installation and truck turning radius guidelines please see our website at www.cxtinc.com.
- 20a. TERMS AND CONDITIONS OF REPAIR PARTS INDICATING DATE OF PARTS PRICE LISTS AND ANY DISCOUNTS FROM LIST PRICES (IF APPLICABLE): List of repair parts available upon request.
- 20b. TERMS AND CONDITIONS FOR ANY OTHER SERVICES (IF APPLICABLE): N/A
- 21. LIST OF SERVICE AND DISTRIBUTION POINTS (IF APPLICABLE): N/A
- 22. LIST OF PARTICIPATING DEALERS (IF APPLICABLE): N/A
- PREVENTATIVE MAINTENANCE: Maintenance manuals available online at www.cxtinc.com. Printed manuals available by request by calling (800) 696-5766.
- 24. SPECIAL ATTRIBUTES SUCH AS ENVIRONMENTAL ATTRIBUTES: N/A
- 24b. SECTION 508 COMPLIANCE: N/A
- 25. DATA UNIVERSAL NUMBER SYSTEM (DUNS) NUMBER: 157004896.
- 26. NOTIFICATION REGARDING REGISTRATION IN CENTRAL CONTRACTOR REGISTRATION (CCR) DATABASE: Cage Code 0GA05.



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Cortez with chase restroom building. Standard features include simulated barnwood texture walls, simulated cedar shake textured roof, vitreous china fixtures, interior and exterior lights, off loaded and set up at site.

Cortez			Base Price	
Optional Sections:				
Restroom Qty: =	Shower	* Qty:	=	
Family Assist Shower/Restroom Combo* Qty: =	Storage	Qty:	=	
Concession Qty: =				
*Includes hot water tank.			ptional Sections	
Added Cost Options:		Pri Per l	ce Jnit	
Final Connection to Utilities				
Optional Wall Texture -choose one Split Face Block (\$2,370) Struck Tro				
Optional Roof Texture -choose one Delta Rib		\$		
Two-Tone Color Scheme \$				
Stainless Steel Plumbing Fixtures (1 water closet & 1 sink)	Qty:	\$		
Electric Hand Dryer (each)	Qty:	\$		
Electronic Flush Valves (1 water closet & 1 sink)	Qty:	\$		
Exterior Mounted ADA Drinking Fountain w/Cane Skirt				
4-gallon Electric Water Heater		\$		
Skylight in Restroom (each)	Qty:	\$		
Marine Grade Skylight in Restroom (each)	Qty:	\$		
Marine Package for Extra Corrosion Resistance	\$			
Fiberglass Entry and Chase Doors and Frames				
Tile Floor in Restroom				
Defense Shield - Anti-Graffiti Coating		\$		
Timed Electric Lock System (does not include chase door)		\$		
Exterior Frostproof Hose Bib with Box \$				
Paper Towel Dispenser (each)	Qty:	\$		
Toilet Seat Cover Dispenser (each)	Qty:	\$		
Sanitary Napkin Disposal (each)	Qty:	\$		
Baby Changing Station (each)	Qty:	\$		
CXT Wastebasket (each)	Qty:	\$		
Paint Touch up Kit - Single Color		\$		
Paint Touch up Kit - Two Tone Color		\$		
Total Cost of Selected Accessories from Ac	\$			
Estimated One-Way Transportation Costs to Site (quote):				
Custom Options:				
	Total Cost	per Unit Placed at Jo (excludes o		

Disclaimer: Please call to confirm selected sections are compatible.

This price quote is good for 60 days from date below, and is accurate and complete.
CXT Sales Representativ
Dat

ocess this order.	
Company Name	
Customer	
Date	

Exterior Color Options: (For single color mark an X or	for two tone	combinations	use W = Walls / F	R = Roof.			
Amber Rose	Liberty	Liberty Tan		auve	Sage Green	Sage Green	
Toasted Almond	Oatme	 Oatmeal Buff		n	Rosewood		
Sun Bronze	Golde	n Beige	Mocha	Carmel	Malibu Taupe		
Sand Beige	Natura	al Honey	Salsa Re	ed	Java Brown	Java Brown	
Pueblo Gold	Сарри	Cappuccino Cream		ilk	Raven Black		
Granite Rock	Georg	ia Brick	Western	n Wheat	Nuss Brown		
Rich Earth	Charco	oal Grey	Hunter	Green	Evergreen		
Special roof color	#						
Special wall color	#						
Special trim color	#						
(Sage green, hunter and evergr	een colors are	e not available i	n colored through	concrete.)			
Rock Color Options:							
Basalt	١	Mountain Blend		cural Grey	Romar	na	
Roof Texture Options:							
Cedar Shake	F	Ribbed Metal					
Wall Texture Options: (For single texture mark an X	or for differe	nt top and bott	om textures use 1	「 = Top / B = !	Bottom.)		
Barnwood	ŀ	Horizontal Lap	Nap	oa Valley Rocl	:k <b>`</b>		
Split Face Block	E	Board & Batt		er Rock	Can only be use	₽d	
Stucco/Skip Trowe	l E	Brick		d Stone	s bottom textu	ire	
(Textures not included in CXT's	quote are ad	ditional cost.)	·				
Door Opener Options:							
Non-locking ADA I	Handle	Pull Han	dle/Push Plate				
Privacy ADA Latch		Pull Handle/Push Plate w/Slide Lock		v/Slide Lock			
Deadbolt Options:							
CXT Supplied	Custom	Customer Supplied: Type					
				umber			
Accessible Signage Option	s:						
Men	Womer	1	Unisex				
Paper Holder Options:							
2-Roll Stainless Ste	el	3-Roll Stainle	ss Steel				

Notes: