

*Minutes*  
**DAGSBORO TOWN COUNCIL**  
**Bethel Center**  
**Monday, April 21, 2025**

**I. CALL MEETING TO ORDER**

The meeting was called to order by Mayor Chandler at 6:00 p.m.

In attendance were Mayor William Chandler, Vice-Mayor Jason Russell, Councilwoman Carol Thompson, Councilman CJ Shortridge, Councilman John Marvel, Town Administrator Cynthia Brought, Chief Nicholas Disciullo, Town Solicitor Greg Morris, and Engineering Consultant Kyle Gulbranson. See sign in sheet for others in attendance.

**II. PUBLIC COMMENT**

There was no public comment.

**III. PUBLIC HEARINGS**

**An Ordinance to Add Section 83 to the Municipal Code of the Town of Dagsboro for the Adoption of Regulations for the Prevention and Abatement of Public Nuisances**

Mayor Chandler stated that this is a continuation of a Public Hearing that was commenced earlier and properly noticed. This was discussed at earlier meetings and the amendments to the proposed Ordinance were given to all Town Council members. He then turned the Public Hearing over to the Town Solicitor Greg Morris.

Mr. Morris stated that as Mayor Chandler indicated, this Ordinance sets forth the Town of Dagsboro's intention to regulate and abate nuisances and sets procedures and authorizes the Town to impose penalties and take legal action for the properties that are considered public nuisances. Mr. Morris confirmed with Town Administrator Brought that the Public Hearing was properly noticed and she confirmed that "yes, it was." Mr. Morris then opened up public comments about the hearing.

Sherine High, 29182 Shady Creek Lane, asked for the definition of public nuisance. The reason she asked is because they have an extreme number of loud dogs in the neighborhood. When residents aren't home you can hear them outside and other neighbors are complaining. Would that be something that would be considered in this nuisance?

Mr. Morris stated that within the Ordinance there are various definitions and instances of nuisances that have been added which can be reviewed. He stated that as for a barking dog, that complaint can be addressed appropriately if not under the nuisance, but some other violation in which the police could be called.

Mr. Morris stated hearing no other public comments on this Ordinance Mayor Chandler can close the public hearing so the Town Council can discuss and vote.

Mayor Chandler asked Town Council members if they had any questions or comments on the Ordinance. Councilman Shortridge asked if the property owner was fined from this Ordinance and did not pay the fine what action would be taken? Mr. Morris stated that there would then be a lien on the property and then it would be up to the Town if they wanted to take further legal action.

Councilwoman Thompson made a motion to adopt the Ordinance. Councilman Shortridge seconded the motion. All were in favor of the Ordinance. The vote was 5-0.

### **An Ordinance to Add Section 12 to Chapter 75-12 Implementing a Moratorium on Development Applications**

Mr. Morris stated that this Ordinance establishes a moratorium against the acceptance of development applications during a specified period of time, during which research and revisions to the Town Code and Land Development Ordinances and other public safety concerns are considered by the Town Council. Mr. Morris opened up public comments on this Ordinance.

Mr. Burton asked if he should ask his questions at this point in time. Mayor Chandler asked Mr. Burton if he could wait until he goes over the reasons. Mr. Burton agreed.

Mayor Chandler then stated the following:

#### **REASONS FOR A MORATORIUM**

1. **Purpose:** Dagsboro and Sussex County are both under pressure to consider multiple plans for development in and around Dagsboro's jurisdictional limits. In Sussex County: Over 22,000 new building permits have been issued since 2021 and some of those are multifamily permits. Over 4,000 major subdivision applications/rezoning requests are pending. Despite what you might think, just driving between Dagsboro and the beach resorts, there is a moratorium in effect at the County level. It is a *de facto* moratorium, however: which is a function of the average 2-year delay in processing applications for rezoning/subdivision approval. Dagsboro is not alone in taking this step. The Town of Frederica, for example, recently adopted a moratorium for the very reason we are considering it tonight: to study its infrastructure capacity given increasing development pressures and to give itself time to make changes to its zoning laws, impact fees and related issues.
2. Dagsboro is positioned directly in the path of the geographic area targeted for exponential growth. I use the term "exponential" in its mathematical sense: when something grows in proportion to how big it is already, it grows exponentially. Why do I say that Dagsboro is in a "targeted" area? Because Dagsboro is in a designated Level 1 & 2 Development Area. Milford to Selbyville is designated by the State as Level 1 and 2 growth areas—that is, areas where the

State encourages and directs higher density development. Level 1 and 2 zones from Bethany Beach to Dagsboro will soon be maxed out, driving development inexorably west through Dagsboro and Frankford to Gumboro, Seaford and eventually to Reliance.

3. I'm sure everyone is also aware of the State's *Affordable Housing Production Task Force*, created last year by House Bill 442. Its recent Report to the Governor and General Assembly concluded that Delaware needs at least 45,000 additional housing units to meet alleged shortages and to meet growth needs by 2030. To that end, the Task Force is recommending that the State (i) initiate local zoning reforms, (ii) streamline approval and permitting processes, (iii) enact a statewide building code, (iv) adjust comprehensive plan requirements, (v) provide incentives to developers to create more affordable housing, (vi) promote diverse housing types, including duplexes, group homes and high-rise multi-family dwellings. This means that the State likely will be imposing restrictions on municipalities to carry out these mandates, such as requiring minimum of densities 24 units per acre for any zone that allows multifamily dwellings, a minimum of 4 units per acre for single family homes, establishing maximum lot sizes of 5,000 square feet for single family homes; establishing height limits of not less than 60 feet in all multifamily zoning districts, reductions in the realty transfer tax to 1% for housing units priced less than a fixed number, and ultimately, adjusting all municipal comprehensive plans to allow for higher density developments.
4. **Why is it important for Dagsboro to act now?** Because it is harder to fix things *after* they are broken than before. We know the development pressures in Sussex County. We know the State's plans, which I just described. We also know something else: First, plans are in the works for ~700 new multifamily units on Piney Neck Road (near the Botanical Gardens). **Second**, plans exist for ~300 single and multifamily units along Nine Foot Road and Route 113, adjacent to Dagsboro, that will need water, sewer, and electric; this development likely will seek annexation, as it is contiguous to our jurisdictional boundary. So, that is one thousand housing units combined, to our east and to our west. **Third**, plans exist for ~300 new housing units on Clayton Street. That is 300 units in addition to the 50+ units underway at the Highlands development on Clayton St, for a total of 350 additional homes and attendant vehicles on Clayton Street alone. That means a total of 1,350 homes, and potentially 2,700 additional vehicles (assuming 2 vehicles per housing unit), using the services of Dagsboro, as well as streets and roads for transit in and through Dagsboro. Even those developments outside our jurisdiction, across Route 113 or on Piney Neck Road, inevitably impact our services: For one example: You can be sure that our police, fire and ambulance services will be called when there is an emergency at any of these developments—even though they are ostensibly under state police jurisdiction, Dagsboro's police will inevitably be asked to respond. And certainly, our streets will be affected by the additional traffic, including service vehicles and heavy truck traffic during the construction phases of these units. Finally, our neighbor to the south, Frankford, has approved 500 additional single and multi-family homes on the old Cress dairy farm, which will also affect our streets and our emergency responders.

5. Others are taking steps now as well. I have already mentioned Frederica and Sussex County. Even the IR School District, after its recent failed referendum, is asking the County Council for permission to impose impact assessments on all future developments in the school district to help offset the costs and resource demands inflicted by the influx of new residents. Sussex County is the only County, to my understanding, that does not afford that power to local school districts.
6. Dagsboro, no less than Frederica and the IR School District, needs to assess the need for and scope of special impact assessments to help offset the costs and resource demands of additional residential and commercial developments.
7. **So, what are some of those anticipated resource demands?** Without being exclusive, it includes:
8. (A) Street repairs and storm water improvements. (B) Demands on the Town to regulate and even to provide trash removal. (C) Providing adequate fire protection, ambulance and rescue services, police and related public safety measures, (D) licensing and permitting services, electrical lighting services for every new street that is publicly dedicated as well as maintenance of those streets, [E] water and sewer sufficient for every residential or commercial establishment in the Town, (F) engineering and legal services required for every commercial or residential development, (G) Increased demands on the town's maintenance staff, which is currently only a solitary, part-time person. (H) Increased demands on the office staff, currently just 3 full time persons who are already strained to the breaking point in keeping up with the water department, billing and payroll, code enforcement, business and rental licenses, gross receipts taxes. That is only a fraction of the duties and responsibilities of our woefully understaffed and overworked personnel. If you want to get a complete picture, go to the recent job posting for Town Clerk and read the full page of job duties. It's an eye opener. And PKS reminds us during our yearly audit of the accounting deficiency due to insufficient staff. Just as importantly, our police department must handle all incoming calls (with the help of Cindi and Stacy), scheduling, payroll, grant writing and processing of administrative work. That means our Chief and other officers have less time to be out on the road because of the office work; we are long overdue for an executive assistant in the Police Department who can handle that paperwork and free up our officers for the public safety work in our community that our residents expect and deserve.
9. These are only a few of the additional hard and soft infrastructure demands that over 2,000 additional residents in or near town will impose on Dagsboro. To address those demands before they arrive, a temporal pause, a moratorium, is needed to allow us to assess the adequacy of our fee structures. Impact fees, for example, currently benefit only the Fire Department and Ambulance Services, but not the Police Department. We know the resource limitations of our Police Department, and those resources will be stretched even thinner with hundreds of new residents. That needs to be reviewed, with careful thought given to not only the magnitude of

the impact fee, but also to what agencies it is dedicated. As another example: Dagsboro incurs engineering and legal costs for every new development project. It also incurs these same costs when a zoning change is requested, or an amendment to the permitted uses in a particular zone, like Highway Commercial, is requested. We should assess the method, the amount of fees, and assessments that are collected and determine whether they are sufficient to offset our costs.

10. Our zoning code, moreover, may not reflect the sentiments of our residents. For example, we have zoning provisions that permit high density development, including RPC and Cluster districts. Those types of districts, at least arguably, are inconsistent with our recent Comprehensive Plan survey in which the overwhelming majority of our residents indicated a strong preference for single-family homes on modestly sized lots.

Additional review needs to occur concerning the density provisions of our AR and MR districts to ensure alignment with public sentiment. In that connection, keep in mind that the Affordable Housing Task Force Report, mentioned earlier, urges the State to amend local comprehensive plans to allow up to 24 units per acre for zoning districts that permit multi-family dwellings.

11. Finally, we need time to explore the adequacy and sufficiency of our property tax rate, currently .56 per hundred of assessed value. It was last increased in FY2014. But with Sussex County reassessing all properties, we should, as other Towns are doing, examine whether it makes sense to follow the county assessed value (thereby avoiding the cost of doing our own property assessments) and instead adjust our tax rate to keep the level of tax liability basically the same, or revenue neutral. We also need time to study the possibility of creating within Dagsboro, Special Purpose Tax Districts. You may be familiar with this concept, which has been used in other municipalities, including Bridgeville, Georgetown, Millville, Millsboro, Seaford and most recently Milton. A Special Purpose Tax District is an area where a town expects development to occur. Public infrastructure (roads, sewer, water, electricity etc) is then funded in the designated area through the issuance of tax-exempt bonds. The bonds are then repaid through taxes levied on the property located within the Special Purpose Tax District. The advantages include that those in the development area are paying for the growth because the costs of the infrastructure needed to accommodate those new residents is paid for by those new residents over time. The bonds can also help pay for additional infrastructure within the Town overtime. There are multiple benefits to the Town, the current residents and the developer from Special Purpose Tax Districts. We need time to study this and, if recommended, act to implement it. Title 22, Chapters 17 and 18 of the Delaware Code provide for municipal tax increment financing and special development districts for municipalities with populations in excess of 35,000 people. However, the Legislature has authorized charter amendments to allow smaller municipalities to create these districts (such as Bridgeville, Georgetown, etc). It would be relatively easy to amend Dagsboro's Charter similarly. For example, we could amend our Charter Section 28, the Powers Section, or Section 33, the Power to Borrow Money and Issue Bonds, to grant the same powers contained in the Delaware Code sections in Chapters 17 and 18 mentioned earlier. Our

Charter Revision Committee, chaired by Carol Thompson, could add this to their list of action items, perhaps?

## **CONCLUSION**

For all the forgoing reasons, I recommend that we adopt the publicly noticed ordinance to impose a 6-month moratorium on all new residential and commercial development and subdivision applications, in order to give this Council time to review and propose necessary adjustments to Dagsboro's zoning codes, analyze its staffing needs, review and adjust its impact fee and permitting requirements, consider amending its Charter to allow Special Purpose Tax Districts, and weigh adjustments to our property assessment system and our tax rates—all with the aim of being prepared for and able to accommodate and direct the kind of growth and development our residents want and deserve.

Let me pause to emphasize one last point: **The moratorium, if adopted this evening, acts only in futuro, that is, it operates only prospectively to delay—temporarily--future development applications. It will have no effect or impact on any zoning or development applications that have already been filed with the Town; nor will it have any affect or impact on projects already in existence, underway or in progress.**

Ed Burton, 28380 Clayton St, stated that he did have questions regarding the moratorium, but believed that Mayor Chandler covered all of them with his reasons.

Holly Stiles, 32382 Cea Dag Circle, Unit 1005, questioned if there is a freeze on everything it seemed to her that the burden would be on the current taxpayers as opposed to the new construction that comes in. She stated that we are still going to need road repairs, water and sewer assessments. She asked how this would impact the current budget for the police department if there is no more revenue coming in except for what the current taxpayers are absorbing.

Mayor Chandler stated that it won't affect the budget at all, the budget is set for the existing residents, and the police force is all paid for the next year. This will give us time to adjust our fees and assessments if needed for when the new developments come into town. We will be able to defray the costs that come with those new developments. He stated that right now if we stick with what we have we will be in a negative position and will not be able to afford all the services that are demanded of us. Our existing structures simply won't enable us to collect enough to pay for that which was mentioned in my earlier remarks. The easy way, seems to him, is that we could go with the Special Purpose Tax District as it would make it easier for the Town to be able to afford the additional services going forward. He felt that if we wait until those developments are online, we will then find out that we have a shortfall and will be in the red in the budget and cannot afford to provide the services that we are being called upon to provide. That is the whole rationale for a temporary delay. He stated that the delay doesn't mean that we are still incurring costs that we aren't budgeted for. We budgeted all the costs we are going to have, and it won't change at all during a six-month pause. Mayor Chandler stated that this is only to give us the time to prepare for the incoming growth and development. So that we

are better able to assess the costs and make sure they are defrayed, and they are not being a burden on the current residents.

Ms. Stiles then asked at what point the impact fee starts benefiting the police department like it does for the fire department and ambulance services for the development that has been approved.

Mayor Chandler stated that right now there is a development already under way, so it's not affected by this Ordinance, all the units in that development are going to be assessed based on our existing permitting and licensing fees. He stated that once we have had time to review fees we can determine if some of the fee structures need to be a little higher. Once the Council has a meeting regarding changes on fees and has a Public Hearing on it then we could adopt the changes and apply to future developments that have not yet come into town. It would not be retroactively replicable to the development that is here and under way.

Sherine High, 29182 Shady Creek Lane, stated that she is one of the terrible transplants from another state, eight years ago, from the northern part of Maryland. She stated that Maryland does the same thing where it does the impact fee first, but if the Town is going to undertake this she wondered if an expert consulting firm was being hired. She stated the reason for asking is you can look at what other towns are doing across Sussex County and Mrs. Thompson could lead the Committee, but she is not sure that you would discover the best way to do it is by poking around. She asked if there is consideration for having a professional consultant. She stated that with her previous experience of being on a Planning & Zoning Committee that they brought in a professional and they not only compared them but also neighboring counties and the consultant's perspective changed the way they perceived a couple of things.

Mayor Chandler stated that we are not at that stage yet as we are just at the cusp of whether we are going to do this or not. Once it's decided to do this, his view is that there would be some workshops at which the public would be invited but also they do have some expertise here at the table. Kyle Gulbranson is very knowledgeable of the area and works for a lot of towns and can bring that that knowledge to us on some of these questions. There is also the Town Solicitor and his law firm that likewise represent other towns and can bring that to the table as well. He stated that whether we need to hire some independent third-party expert, that will have to be determined once we get into examining these different issues.

Tom Morse, 33334 Main St, felt that it's great to see a responsible government. With the prediction of a possible shortfall and seeing how it's really going to affect the residents and businesses here in Dagsboro. Even though the Town of Dagsboro is government, it's still a business, it has to have money coming in, in order for money to go out. Mr. Morse commended the Town Council for taking the time in doing what we are all desiring and he is in favor of it.

J.D. McGuirk, Ruppert Landscaping Branch Manager, but also owns a consulting company, would be willing to volunteer his services. He has worked with his family in Maryland on the environmental side

of landscaping and land development since the 1970's. There are two ways to approach land development. There is financial and responsible. In the three years he has been here he has seen Sussex County explode. His branch does most of the maintenance for the bigger communities and he has been there within a one inch to four-inch rainfall, and it's frightening what he sees. Land development has its landscapers but at what cost to the community. He stated that he was here to listen, and you have to look at the long-term effects. He believes in impact fees being from Annapolis, Maryland area and Anne Arundel County was slamming the builders and developers with \$30K to \$50K impact fees per lot not per development and they were paying for it. That fed the road infrastructure, local law enforcement officers, first responders, and water and sewer treatment plants and he felt that is the kind of steps that need to be taken. You need to look at the seven-to-ten-year plan. He stated that the back roads don't exist anymore. He stated that Millville by the Sea still has seven to eleven more villages to be built along Roxana substation road that aren't even close to being done yet, and that the entire area would be grid locked. He looks at future events if a hurricane or tidal surge hit the Delaware beaches, you would be under four feet of water from Coastal Highway to Ocean View. There is nowhere for it to go. He stated that with the water table, you are already at or just below. Water impact development has to be key in this area and if you don't know you will figure it out quickly. There is inadequate stormwater management, and it needs to improve.

Engineering Consultant Gulbranson stated that he knows that the way the Ordinance is drafted certain things are exempt one being government and the other utilities. He knows of a church that is going to be ready to submit plans for enlargement of an existing building on Armory Rd. and wasn't sure if the Council wanted to exclude churches from the Ordinance. Mayor Chandler and Councilwoman Thompson stated that they would be in favor of that.

Vice-Mayor Russell made a motion to approve the Ordinance. Councilwoman Thompson seconded the motion. All were in favor. The vote was 5-0.

#### **IV. APPROVAL OF MINUTES**

Approval Town Council Meeting Minutes March 17, 2025

Vice-Mayor Russell made a motion to approve the minutes. Councilman Marvel seconded the motion. All were in favor. The vote was 5-0.

#### **V. CONSENT AGENDA**

##### **a. Police Department Report**

Chief Nicholas Disciullo stated that they were heavy on administrative hours during March. Evidence storage equipment was purchased on a grant for accreditation and is close to finishing the accreditation process. He stated that the new officer started Field Training. The Police Department does need an administrative assistant, the amount of work that not only he is doing but delegating to his fellow officers he feels that they are doing the work of a ten-person department and only have six officers with one out on medical. April stats thus far regarding traffic is its summer as this past weekend traffic was



insane. The Frankford JMC swear-ins for the MOU are scheduled for May 2, 2025, with the Chief of Frankford Police.

Mayor Chandler advised the Chief that the high school is still in the works, and it seems they are going to have to go higher in ranks to the political level. Vice-Mayor Russell stated that for the record he felt that it is ridiculous that high school students' safety are at risk over this. Mayor Chandler and Chief Disciullo agreed.

- b. Treasurer's Report**
- c. Administrative Report**
- d. Building Official Report**
- e. Code Enforcement Report**
- f. Meeting Reports**
- g. Water Department Report**
- h. Prince George's Chapel Cemetery Report**
- i. Correspondence**

Mayor Chandler asked Town Administrator Brought if she was still working on reaching Melson's about the grave. She stated that "yes, I am I have called three times, but he is at funerals constantly." Mayor Chandler asked if he could call him. She stated that "you could try."

Councilwoman Thompson made a motion to approve the consent agenda. Vice-Mayor Russell seconded the motion. All were in favor. The vote was 5-0.

## **VI. NEW BUSINESS**

### **a. Final Approval Thyme to Grub Cafe**

Logan with Harvey Construction stated that he is representing the owner of potential Thyme to Grub Café. He stated that this project will be a 1,000 sq foot expansion to the existing shed on Main St. He stated that they came to Town Council a month ago and received preliminary approval. They have now obtained the three approvals needed from the Fire Marshal, Sussex Conservation District, and DeIDOT. They are now here seeking final approval from the Town Council.

Engineering Consultant Gulbranson stated that they have all of their approvals and that the plan hasn't changed since the Council last saw it.

Mayor Chandler asked the owners to remind them what they would be serving or a highlight of the menu. The owner stated that mostly all from scratch. He has been cooking for almost 28 years and could cook anything you want. He is super excited to show the Council what he can do. Logan stated that he heard cheeseburger soup and made from scratch meatballs. Councilwoman Thompson stated that the last time you mentioned that there would be seating. He stated that "yes, there would be." Councilman Shortridge asked ten parking spaces he believed it said? Logan confirmed that there are 8

parking spots with one handicap parking spot and 16 seats. Mr. Gulbranson stated that it is based on the Code, parking spaces by square footage and that is what it equates too.

Vice-Mayor Russell made a motion to approve the Final Plan for a Thyme to Grub. Councilman Marvel seconded the motion. All were in favor. The vote was 5-0.

**b. Grass Cutting Bids**

Town Administrator Brought stated that we received two bids this year. One from Gray's Creative Touch and one from Three Roots Landscaping.

Councilwoman Thompson made to a motion to approve Gray's Creative Touch's bid. Vice-Mayor Russell seconded the motion. All were in favor. The vote was 5-0.

**VII. OLD BUSINESS**

**a. Continued Hounds Town Discussion Regarding Proposed Resolution/Ordinance**

Frank Duffy stated that they received the Ordinance and shared it with the sound engineer that they are going to employ. Mr. Duffy felt that it would be beneficial for someone who is knowledgeable about sound acoustics to review, which they did, and added additional comments about the floor and ceiling assemblies. Mr. Duffy stated that he hoped those changes would be agreeable to the Council.

Mayor Chandler stated that the changes were not agreeable to him. He is agreeable to the accessories including the walls and the floors, but your consultant is building in an inrun. Basically, the consultant is saying instead of doing that we could have an acoustic consultant with a certain amount of experience indicate that the construction will provide enough sound proofing to what would be considered acceptable to an adjacent occupant. Mayor Chandler stated that there is lots of ambiguity and weasel words in that as he doesn't know what is acceptable to an adjacent occupant. Mayor Chandler stated that he would strike all of that and keep it the way it was originally. All other council members agreed with Mayor Chandler to keep the original. Councilman Shortridge asked Mr. Duffy if that was a no for him? Mr. Duffy stated that "no, he still would proceed, and they were just getting another opinion."

Vice-Mayor Russell expressed his appreciation to Mr. Duffy for his patience with the Council. He stated that originally, he was not in favor of this but after talking with other council members and getting some other feedback he has changed his mind. Although he does not find his business model something that he would take his dog to, at the same time it is not his place or his business and that would be up to Mr. Duffy to know how he succeeds with his business. Vice-Mayor Russell made a motion to accept the Hounds Town Daycare. Councilman Marvel seconded the motion. All were in favor. The vote was 5-0.

**VIII. Executive Session**

Councilman Marvel made a motion to move into executive session. Councilwoman Thompson seconded the motion. All were in favor.

**IX. Return to Public Session**

Mayor Chandler stated that based on the discussion in the executive session there is a plan in place.

**X. PUBLIC COMMENT**

There was no public comment.

**XI. ADJOURNMENT**

Councilman Marvel made a motion to adjourn. Vice-Mayor Russell seconded the motion. All were in favor.

Meeting adjourned at 7:20 p.m.

Respectfully Submitted,

Stacy West, Finance Clerk