

**Minutes of Meeting
Dagsboro Planning & Zoning Commission
Bethel Center
May 29, 2025**

I. Call Meeting to Order

Commissioner Brad Connor called the meeting to order at 6:00 p.m.

Those in attendance were: Commissioner Brad Connor, Commissioner Theresa Ulrich, Commissioner Armando Graziosi, Commissioner Cindy Gallimore and Commissioner Will Labor and Town Administrator Cynthia Brought. Please see the sign-in sheet for others in attendance.

II. Public Comment

There was no public comment.

**III. Approval of Minutes
February 6, 2025 Minutes**

Commissioner Ulrich made a motion to approve the meeting minutes as presented. Commissioner Labor seconded the motion. All were in favor.

**IV. New Business
a. Discussion on Moratorium Proposal/Plans**

Mayor Chandler stated that at the Town Council meeting on May 19, 2025, the Council unanimously adopted a six-month moratorium on development. He was here to explain the purpose of the moratorium and to enlist the P&Z Commission in the effort. The moratorium doesn't stop all development and growth in the town. If you own a lot and would like to build a house or add improvements like a garage or porch to your already existing property, then this wouldn't affect you. The moratorium is for major and/or minor subdivisions. He felt that the town is going to be confronted with some major developments, especially since some have already come to him regarding development. He stated that there are two on Clayton Street, one being 100 homes, another two hundred homes as well as a 400 to 500 home across Rt. 113 that would like to be annexed into Town. There is also the property down Piney Neck Road past the Botanical Gardens that has a contract with contingencies, which is a proposal to put 700 homes there. He felt the moratorium would give the Town time to be prepared for that magnitude of development and make sure everything was in order. Currently the Town has a lot of meetings in regard to development and those costs aren't covered when we have to consult with the Engineer and Town Solicitor. The current fees were set when there was less development.

Currently Town Hall has a staff of three and a part-time maintenance person and the police department that operates with six officers. With this potential growth he doesn't feel it's realistic to think that the Town could continue to operate on this basis. He stated that we are understaffed and under capitalized and there is not sufficient building space because the police department can't get accredited with the current space therefore, we are borrowing Millsboro Police Department's detention facilities when a person needs to be detained. The fire department is going to have increasing demands on them as a resource. If you look at how they are funded now, the police department gets part of the Capital Improvement Fee, and the Fire and Ambulance Service get one quarter of a percent of the total construction cost as part of their fee. Mayor Chandler felt that all the fees need to be reconsidered.

Mayor Chandler stated that there are several Zoning Districts in the Town of Dagsboro. Some are ordinary zones like AR and MR Density which allow up to three homes per acre, but then there is also Higher Density or Cluster District that allow even higher densities per acre. Mayor Chandler stated that if you refer to the survey that was recently done by the residents, for the Comprehensive Plan, the majority would like to see what is already here, single family homes on

modestly size lots. Therefore, we need to consider if we want to maintain districts that have much higher density potentials.

Mayor Chandler stated that another fee is the property tax, which has not been increased since 2014. It increased eleven years ago to .56 per 100 from .38 per 100 of the assessed value. Property taxes are the prominent revenue source for the town to be able to provide the services that it does. He stated that Sussex County reassessed all properties pursuant to a court order from the Court of Chancery. That assessment has changed for everyone within Sussex County. We currently pay Eric Piner of Vision Government to do the assessments in the Town. Mayor Chandler stated one thought is we could save the Town some money by not having our own assessor and relying on what Sussex County has for assessed values, which should be close if not the same. It is not designed to increase your taxes, just adjust the tax rate so that the new tax rate applied against your new assessed value yields the same amount. The question is whether the effort to do that is worth the outcome. That is adopting the County assessment and figuring out the new tax rate based on that assessment. Would it be a big enough save for all the effort?

The last one we would have to have a lawyer assist with and that is a Special Purpose Tax District. He stated that other towns have this in places like Millsboro, Millville, and Bridgeville. If you know where development is going to be going in a certain area of the Town, you would use the Special Purpose Tax District as a way to fund the infrastructure for that area. The Town would issue bonds that would be used for that infrastructure and the people in that District would pay a tax to pay the Town back on that Bond. The theory is that the people who are causing the need for the new infrastructure would be the ones paying for that to be placed there for them rather than everyone in the Town subsidizing or paying in effect for the infrastructure in a particular area where development is going. The funds from the Bonds could also provide money for the town for other infrastructure needs that it might have. The funds aren't restricted to one area the funds can be used anywhere. He has been told that it has been successfully used in other towns. Unfortunately, the Charter would have to be amended, which is what the other towns had to do, and the difficulty would be that it has to go through legislature and be signed by the Governor, which does not happen overnight.

Mayor Chandler stated that it was adopted May 19th so technically we have until November 19th to improve or change the revenue structure. He asked if the P&Z Commission could meet over the summer months and make suggestions as to how to be prepared for the incoming development.

Commissioner Connor asked if there was enough the six months was enough time to change Zoning due to having to have a Public Hearing? Engineering Consultant Gulbranson stated that Zoning is more time sensitive because of the process of changing it. He stated that his recommendation would be to look at the Zoning first. Commissioner Ulrich stated that she felt that the property taxes should be put on hold until we see what Sussex County is increased too. Indian River School District has a referendum and if that doesn't pass aren't they going to the County? Mayor Chandler stated that the school district feels that they should have the same rights as the school districts up north have. Mr. Gulbranson asked Mayor Chandler if the impact fees needed a Public Hearing to be raised because he doesn't believe that we did when we just raised them. Mayor Chandler agreed and stated that once the Council agreed on a fee the impact fees should be increased too. The Council would do a Resolution and adopt it at a regular meeting. However, the Zoning change does require a Public Hearing because you have to give notice. The Council would need to decide what we want to change then draft up the Ordinance. Commissioner Labor asked Mayor Chandler how many of the new proposals are in the zoning areas that would be affected. Mayor Chandler stated that there are no zones in Dagsboro that are zoned RPC or Cluster. Mr. Gulbranson stated that the only one would be the Layfield property, that is RPC, and the Highlands was RPC. Commissioner Labor stated that he would be interested in doing a case study of the Highlands to see what they paid in "x, y, & z" fee and how much did the town layout to produce "x, y, & z" which would give a good indicator as we think about 200 homes. Then we could adjust these fees and add a clause which he believed we did last time that the town wasn't liable for any additional costs. Rather than try to come up with a cost which won't keep up with inflation. He stated that if we did a study we could see we adjust the impact fee in a fair way to make sure good growth is encouraged to drive revenue, but to still make sure the towns' costs are covered. Mr. Gulbranson stated that an exercise could easily be done with the Highlands since it's only 51 homes. He stated to take the current fees and get an estimate of what the town is going to bring in from that development.

In regard to the Zoning change Mr. Gulbranson stated that he has charts that compare all of the local communities' impact fees and compares their R, R1 or A1 District densities and what is allowed in them as well with RPC's for comparison as to what is going on around Dagsboro. Mr. Gulbranson stated that once you agree the changes that you want it will take two months to get them approved. Commissioner Labor felt that focusing on the impact fees first and then the Zoning Districts because even worse case scenario and run out of time its in process. Mayor Chandler stated that if there was something in the process the Council would have the authority to extend the moratorium for a month or two. Commissioner Labor felt that the impact fees would be the most tangible to make sure that we are set up at the end of the six months. Mr. Gulbranson asked if annexation was included in the moratorium? Town Administrator Brought stated "no, we did not." Commissioner Connor stated that the town would have to vote for an annexation. Mayor Chandler stated that the Council would have to appoint a Commission to examine the pros and cons of the annexation. Then the Council would vote to annex the property or not based on that report. Mr. Gulbranson stated that annexation is a four-month process.

Mr. Gulbranson stated that the State has established an Affordable Housing Task Force which will be coming forward with multiple pieces of legislation. In the meeting there was a group of municipal planners, and it sounded like there were going to be a lot of mandates that communities are going to have to meet. He states that he does not have all the details, but it should be soon since the session is ending. Mayor Chandler advised the P&Z Commission that he talks about this task force report in his reasons for a moratorium. He stated that it means that the State of Delaware will dictate what your zoning is, they will tell you what density you can have and how many houses per acre you shall permit.

V. Old Business

There was no old business.

VI. Public Comment

Holly Stiles, 32382 Cea Dag Circle, Unit 1005, stated that she is employed by a large corporation and every set of plans that she has seen there are fifteen more coming right behind it. She felt that this is as good as time as any for this pause. She has been given the honor of working with the police department as a PAC member. She stated that there are six police officers, and they are not 24/7. They have many mandates with the State of Delaware with accreditation and a lot has to change. She strongly suggests the impact fees increase to support the police department and the fire department.

Ms. Stiles also stated that she lives in Cea Dag which is a multi-unit community, not single-family homes, and they are a community in crisis. She stated that the developers build and then leave everything to the community. She is on the HOA which consists of six volunteers. The HOA has tried to find an attorney and/or property management company, and out of twelve property management companies four called her back, three were flat out no and the fourth said they would may take them on. She would like the Council to think about the long-term effects of the communities when the developments present themselves. Cea Dag is the most affordable HOA community in Sussex County. The HOA fees barely cover their insurance and trash pick-up. The developers should do more than the bare minimum of buffers and community open space because Dagsboro is a nice community and needs to be able to offer more than trash pick-up and insurance to justify an HOA.

VII. Adjournment

Commissioner Ulrich made a motion to adjourn. Commissioner Labor seconded the motion. All were in favor.

The meeting adjourned at 7:15 p.m.

Respectfully Submitted,
Stacy West, Finance Clerk