NOTES OF THE MILLVILLE TOWN COUNCIL WORKSHOP
July 24, 2012 @ 7:00PM

1. **CALL TO ORDER:**
   Mayor Hocker called the meeting to order at 7:00PM with the Pledge of Allegiance.

2. **ATTENDANCE:**
   Mayor Hocker, Deputy Mayor Subity, Council Members Gordon, Kent, and Bennett. Legal Counsel Seth Thompson, Town Manager Debbie Botchie, Building and Code Administrator Eric Evans and Town Clerk Donna Schwartz.

3. **NEW BUSINESS:**
   None

4. **OLD BUSINESS:**
   A. Review and discuss Millville by the Sea as a Special Development District – Town Manager and Town Solicitor.
   Synopsis: In 2009, Resolution 09-01 was passed by the Town Council which designated Millville by the Sea as a Special Development District (SDD). An Ordinance was never passed to levy a tax, issue bonds, or fund the district. New Councilmembers need to be educated regarding the SDD and Council as a whole need to discuss its status and any plan going forward.

   Mayor Hocker read the synopsis to those assembled. Mr. Seth Thompson explained further the Council had received a letter of intent and application in June 2008 for the creation of a Special Development District from Gulfstream Development LLC [original developer of Millville by the Sea]. Council amended the Town Charter in February 2009 to allow for a special development district and approved Resolution 9-01 designating Millville by the Sea as a special development district. Mr. Thompson said no development agreement was signed at the time, nor any tax amount identified. He said the purpose of the district was to issue bonds that would pay for infrastructure in the development.

   Mr. John Stalfort, Bond Council, said it was a special tax for roads and sewers. The Town would issue bonds and the proceeds would pay for any debt for servicing the special development tax. Only residents in that special development district would pay the tax. He also noted the bond sale does not affect the Town's credit rating.

It was noted that a formal request from the developer has not been received by the Town as of this date.

Mr. Chuck Ellison, of Miller and Smith, current developer of Millville by the Sea, was present and spoke to Council, saying that since 2010 they have been re-envisioning and restructuring due to the bad economy and have crafted a new business plan which amounts to 1/3 of the original plans and now includes 1,000 homes and a lifestyle center which he considers their core community. He also said Council had recently approved their plan for a new lake, and they have preliminary approval from Planning and Zoning for a new product line, water lines, sewers, roads and storm water drains. Mr. Ellison said the special development tax is an alternate funding mechanism; conventional financing is difficult to non-existent at this time.

Council Member Subity asked Mr. Ellison what the timeline was for these items. Mr. Ellison replied they have three goals, the lifestyle center, new homes [Avalon cottage homes] and new attached housing in 2013.

Council Member Kent asked about the infrastructure, and commented other developers were not in need of a special tax for infrastructure. He also asked why the scale down in size from the original plan. Mr. Ellison replied they need financing to fund the infrastructure, without money they cannot proceed. Mr. Kent was concerned why they did not have financing.

Mr. Thompson expressed some concern that bonds that might be used to pay for previous infrastructure. Mr. Ellison said some reimbursement on previous work is allowed. He said the money would be used for a better community. Mr. Stalfort said bond money could not be used to build the Lifestyle Center because it was not considered infrastructure and would be privately owned by the Home Owners Association, the bond money can only be used on infrastructure projects that benefit the entire community. The cost of the lake, which is a part of the storm water management system, could be reimbursed. Mr. Kent said he could not understand their funding problem.

Mr. Stalfort stated in order to move forward there needed to be a plan of finance, an independent market study, an appraisal, engineer's report study, an offering report and limited offer to try and sell. Council would need to adopt the special tax, rate and method, determine maximum tax which depends on improvements, town, underwriter, developer, and reasonable market assessment. The bonds are marketed, interest calculated, money is put in escrow, past cost or future cost, appropriate

governmental inspections. There is absolutely no cost to the town; all fees are reimbursed by the special tax. If one property owner does not pay, it does not affect their neighbors. The delinquent property would be subject to a tax sale. The developer must also pay the special tax on all their undeveloped property also.

Council Member Bennett asked if she was clear about the Town doing the administrating of the bonds and being reimbursed the administrative costs, a portion of the bond interest would be used to pay the cost of the Town. Mr. Stalfort replied she was correct and all costs or fees would be paid by bond proceeds and would be roughly $30,000 yearly. Mrs. Bennett also asked how long the tax would be in effect, to which Mr. Stalfort replied it was considered long term financing, about 30 years unless prepaid early. The time is not negotiable.

Mr. Ellison said the amount they were thinking was $125 per property, per month.

Mr. Stalfort noted the developer would pay all costs associated with the bond issue [lawyers, administrative costs, etc.]

Mayor Hocker pointed out that as the original concept for Millville by the Sea of 3200 homes has changed to about 800, as has the idea of using the bond to satisfy some of the needs of the Town have also changed. The Town no longer needs the bond money to fund an addition to the building, we built it ourselves, and a police or public works department is not needed at this time.

Mr. Stalfort offered some examples of bond uses in Millsboro and Bridgeville, where a new library was partially funded using bonds. Council Member Subity asked what the timetable was going forward. Mr. Stalfort said the developer needs to make a formal request. Mr. Subity then asked Mr. Ellison what happens if the request is denied. Mr. Ellison stated they will have to find an alternative source of money and/or put the project on hold until the economy improves.

Mayor Hocker asked Mr. Ellison if he thought the additional tax would deter new buyers. Mr. Ellison said he felt they were competitive with the other developments in the area.

Town Manager Debbie Botchie and Council Members read the letters received from property owners for the record [Letters were received from the following property owners -- Chadwick, Pantall, Givens, Taylor, Shoobridge, Lynch/Walker, Chiappetta, Madigan, Kestler, Carter and Wisgirda]

Public Comment was then heard by Council:

1. Mr. Steve Maneri, Pembrooke Lane, stated he was against the new tax. Originally, the 3200 homes would have had a huge impact on Town roads. At the time he purchased tennis courts, pools, a hospital, a town center, a cultural center, fire department, sewage treatment etc. were some of the things listed on the master plan. Since that time they have learned they are only getting 1/3 of what was promised and $125 monthly tax does not make sense.

2. Ms. Sally Griffin, Huntington St, said she was against the SDD and agreed with what Mr. Maneri said. She also said she was told the project was fully funded when she purchased her home. She stated she is also concerned about the limited connectivity and downsized project.

3. Ms. Penny Herrel, Tybee Street, said she was against the SDD tax, and complained there will be no connectivity to the Lifestyle center from Sand Dollar Village. She wanted to know how the SDD tax would benefit the present homeowners.

4. Mr. Mitchell Rubin, Windsor Ct, stated he was against the SDD tax and also commented on the planned Stream Valley Park across from his home, which he said he learned was nothing more than a drainage ditch. The lifestyle center will be almost a mile away and will have no road to get there, can't walk, can't bicycle, can't drive, in fact without connectivity he is concerned they will be cut off from the facilities all together.

5. Ms. Jane Kestler, Tybee St, asked to clarify that the tax cannot be used for a pool or an amenity center, only infrastructure.

   Chuck Ellison stated they have not abandoned the master plan of Millville by the Sea they are just concentrating on the first 1/3; the whole project will take longer than anticipated.

   Mitchell Rubin said he heard that the land for the entire project have not been completely purchased, in fact there were only agreements which are expiring and are not going to be renewed.

Mr. Stalfort emphasized to everyone from a legal perspective, both the bond counsel and administrators must be convinced the project is a benefit to the whole community, there will be no special tax if the project is not beneficial to whole the Millville by the Sea community.

This was a meeting for informational purposes, there will be other workshops in the future and will be notice under FOIA.

Mr. Mark Reeve, Beck Circle, noted the infrastructure and improvements must be adopted by the Town at the end of bond term and this will affect all tax payers.

Town Manager Debbie Botchie agreed with Mr. Reeve and stated this was a stopping point of discussion with Mr. Bob Harris back in 2009.

Mayor Hocker motioned for a five minute break @ 8:32. Deputy Mayor Subity seconded his motion. All present voted in favor. Motion carried unanimously 5 - 0.

Mayor Hocker motioned to go back into regular session @ 8:39. Council Member Bennett seconded his motion. All present voted in favor. Motion carried unanimously 5 - 0.

B. Review and discuss amendments to Article IX Sign Regulations. Power Point Presentation.
Synopsis: Town Council directed the Town Manager and Code & Building Administrator to work in conjunction with the Planning & Zoning Commission to review the sign regulations for possible amendments.

Code and Building Administrator Eric Evans presented a power point presentation on current signs in Town and the code regulations.

In discussion following the presentation, Mr. Evans explained some of the changes suggested by Planning and Zoning in the corresponding document. The first suggestion was to remove the word "temporary" from the definition list. Mr. Thompson agreed the word temporary has a different meaning for different signs, and the timing element is also different for each type of sign.

Mr. Evans used temporary real estate "sold" signs as one example saying the current code allows 30 days for removal, whereas he feels they should be removed within 7 days from closing sale. Council Member Bennett thought seven days could be difficult to enforce.

Mr. Evans offered another example as temporary construction, which he would like to see changed to temporary "active" construction. This would mean the contractor should be actively working while his sign is displayed and not while waiting to begin another phase of the project.

While the Council Members were not necessarily in agreement with Mr. Evans, they did agree on not wanting construction signs stretching a street's length. Council Member Kent suggested allowing one large sign showing multiple contractor names instead of five or six smaller signs lined up on the road. Mr. Kent felt the developer should be the one to handle the sign. Mr. Evans stated he would put something together and distribute to Council at a later date.

The next type of sign Mr. Evans addressed were "political signs" saying there is currently nothing in the code addressing political signs. Mr. Thompson pointed out the political signs could be regulated but not banned in the sign code, and the code could not be more restrictive than the State code. He suggested mirroring Title 17.

Mr. Evans also noted sandwich boards were added as allowable in all commercial zones however this would not include realtor signs in residential zones.

Abandoned signs were the final type of signs discussed. Mr. Evans suggested including language in the sign code to remove this type of sign from all businesses that have closed.

Council Member Bennett stated she would like to see a mechanism in place to make the non-conforming businesses comply with the sign code. She said there should be equity among those asked to conform, a reasonable amount of time to comply and suggested public information sessions be held with the businesses. Mrs. Bennett said she thought a little goodwill will go a long way.

5. **PROPERTY OWNERS/AUDIENCE COMMENTS:**
   None

6. **ADJOURNMENT:**
   Council Member Bennett motioned for adjournment at 9:59pm. Council Member Gordon seconded her motion. All present voted in favor. Motion carried unanimously 5 - 0.

Respectfully submitted,
Donna M. Schwartz, Town Clerk