

City of Harrington
MINUTES
City Council Workshop
July 8, 2013

A workshop with the Harrington City Council was held at Harrington City Hall, 106 Dorman Street, on July 8, 2013 and was attended by the following: Mayor Anthony R. Moyer; Council Member Duane E. Bivans; Council Member Fonda Coleman; Council Member Amy Minner; Council Member Charles W. Porter; Council Member Kenneth Stubbs; William Pepper, City Solicitor; Teresa Tieman, City Manager; and Kelly Blanchies, Clerk of Council.

Also present: Chris Fazio, City Engineer; Debbie Pfeil, City Planner; Richie Sapp; and Brian Lessard.

Vice Mayor Cheryl Lahman was absent.

Mayor Moyer called the meeting to order at 6:32 p.m.

The Pledge of Allegiance was given.

Discussion with developers

Mayor Moyer stated that this meeting is a conversation about what the City can do to help developers. No decisions will be made; it is just informational.

Richie Sapp stated that he has been in Harrington all of his life. He is working closely with the City Planner on a townhouse project. The property fronts East Street and Peck Avenue. Phase 1 has been submitted to be reviewed by the Planning & Zoning Commission. Mr. Sapp stated that he is new to developing and has built about six homes in the past ten years in Harrington. The City Planner has been a huge help.

Brian Lessard stated that the City has been kind. The challenge has been that a process that should have taken three to four months took years. In the past, the City was not ready for growth, including a lack of things like zoning maps. Banks are apprehensive about the capabilities of Harrington. Usually when development occurs on the highway, cities make an investment in their own town by bringing in infrastructure, and the developer pays back a percentage of the cost when they connect. When the City provides the water and sewer, they control the growth moving forward. Mr. Lessard stated that for his project, they have to use a grinder pump and get easements. The infrastructure is convoluted, because the City has not taken control of putting the utilities in the right way and having the contractor, developer, or homeowner pay their share when they come on board. For the City to take over the infrastructure installation would be huge. The

developer is placing infrastructure that serves only them and does not support further growth. The project also becomes upside down because of the substantial cost of infrastructure. Kent County has had bonds where the property owners agree to pay their proportionate share. The money for a project allocated to run infrastructure down the road is high, and banks do not like that. A proactive approach to infrastructure benefits the town because adequate, quality utilities support growth.

Mayor Moyer asked if sewer or water is the barrier. Mr. Lessard stated that it is both. It makes more sense to install a system that supports the entire area rather than one property, and the town owns and maintains it. Fire protection is a huge issue. Utilities that are expected to be in place are not there and are difficult to get to some properties.

Mr. Sapp asked if the City still uses equivalent dwelling units (EDUs). The City Planner stated yes, and how they are calculated has been changed to match the County. Mr. Sapp asked if there are plenty of water and sewer EDUs available. The City Planner stated that it is first come, first served, but everyone that is in the City's growth area is already allocated.

Mayor Moyer asked if water is more of an immediate issue. The City Engineer stated that to continue to develop, the City has to continue to expand the utilities. An engineering report was done several years ago indicating the need for a new well, an above ground storage tank, and increased diameter of several lines. The need is dictated by the speed of development. Mayor Moyer stated that the City can build infrastructure and hope for growth or not get growth unless infrastructure is built. There is only so much money the City can spend.

The City Planner stated that Mr. Lessard's property is a little unique; the Comprehensive Plan was amended on the City's budget to allow the property into the growth area. Regulations were also changed to allow annexation to occur at the same time as conceptual. This property has created enclaves; ideally the enclaves would all be annexed, but those properties are adamant about not coming into town. It is a large cost to install infrastructure, but that was divulged from the conceptual phase. The project was caught between two different City Engineers, but the current City Engineer did honor a lot of the recommendations from the previous City Engineer.

Mr. Lessard stated that developers will sign a commitment to pay a share of the infrastructure. When sewer and water are accessible to a property, the value increases. The City Planner stated that density also increases value. The County's system works, because all the properties are in the same jurisdiction. Companies that are building want to start within twelve months.

Mr. Lessard stated that downtown areas are struggling, because originally traffic went through downtown, but now the center of commerce is on the highways. So

growth is going to come to Route 13, because all businesses require drive by business.

Mayor Moyer stated that he does not want the City to go into deeper debt. The City Planner stated that an alternative is to not annex properties unless utilities are in front of it. There is a lot of in fill growth that could occur. In Harrington, as in many communities, the cost of the expansion is on the developers. The economy may have changed the developers borrowing capabilities, but the requirements for them to pay for the expansion of the utilities has remained the same. Mr. Lessard stated that he will still end up spending the money; the difference would be the City would be investing in a larger line for future expansion. Right now it will only benefit his project, and it will not be adequate for anyone else to tie into it. That is what has happened all along the highway. The City Planner stated that ideally the developer would run a line that would provide for the region, but the compromise for economic development is what is being done.

The City Engineer stated that the biggest problem is that one entity is trying to come into town; their budget facilitates a cost effective solution, which is not putting in a large main. If there were multiple people in the area that wanted to annex, then costs could be split. It is more cost effective to have the builders install infrastructure, because they are not required to pay prevailing wages.

Mayor Moyer asked if the City installed lines, would it jump start additional development. The City Planner stated that that the other properties that are in city limits are already served. To not deter economic development, the grinder pump station was the best solution for the Lessard property. The best for the City would have been a larger line with a regional loop.

The City Planner stated that the best thing that Harrington can do is to determine what sewer and water lines the City has, what has to be fixed, and look at rates for future expansion. If the City were to pay for the line to this property then other developers would want the same thing. The Legacy has to run lines a great distance and loop them. The City Engineer stated that large developments can sustain the impact of having to do the infrastructure.

The City Engineer stated that the City has water system and sewer system studies completed, which is a positive, and seems like impact fees will be looked at next. There is knowledge that the City did not have five years ago. The City Planner stated that the City is not to the investment part yet. Usually cities want to take care of what is happening internally before expanding. There is a lot of internal work that needs to be done. Mayor Moyer stated that both need to be done, and he is more willing to spend money when it brings money in, like getting the tax base up and increasing jobs.

The City Planner stated that the Mr. Lessard is requesting a one year extension to his final site plan approval, so he would have to have his financing in place and be ready to begin construction within a year. Mr. Lessard stated that they are very close to that.

The City Manager stated that a referendum just failed for needed water and sewer improvements so getting the funding to provide lines for future expansion would be difficult. The City Planner stated that it is not definite that the enclaves will want to be annexed at any point in the future.

Mr. Lessard stated that the property that is being looked at and will probably sell next is where the new light is being installed at the realignment north of town. The City Planner stated that is out of city limits. Mr. Lessard stated that the properties located at the traffic lights are more desirable. The City Planner stated that no business has contacted the City about possibly changing the annexation zone to include that area.

Mr. Sapp stated that for his conceptual submittal, he had to have approval letters from the school district, other utilities, and the fire company committing that they can provide adequate services to the proposed development. He asked if it is unreasonable to ask the City for the same commit for water and sewer. The City Engineer stated that the City is required to provide it. When a large development is brought to the City, it is determined if there are adequate utilities. Negotiations occur to get to the utilities brought in or upgraded.

Council Member Minner asked if there is anything else the City needs to improve on. Mr. Lessard stated that every town is trying to figure out how to work again. The Town of Felton is difficult to deal with, and their fee structure is out of control. With the current state of the market, it is difficult to cover such high fees with the sale of a property. To encourage infill, he recommends lowering fees to make the land more affordable. The City Manager stated that it cost three thousand dollars (\$3,000) more to build outside of Harrington limits. The City Planner asked how a developer would feel if another person's fees were waived. This community is not in the position to waive fees, because infrastructure work needs to be done now. Mr. Lessard stated that it would be fair, because it would apply to anyone that applies for a building permit and rewards those willing to take a risk in a down market. If the fees in Harrington are lower than other places, then the City should advertise that. Fees can be reduced or other incentives offered. Cash flow is important to builders. Once a few homes are sold then momentum will increase. Also promote how the City streamlines the permit process. Service does not cost money. The image of Harrington is not a good one.

The City Planner stated that Mr. Lessard's project is the only one with final approval at this point. Mr. Lessard stated that the bank was unable to lend money on commercial properties but is coming out of that now. The small builders are busy one home at a time, and larger builders are not getting the

financing for projects. Development is slow everywhere, not just Harrington. Hopefully, there will soon be growth again in Kent County.

Mayor Moyer thanked Mr. Sapp and Mr. Lessard for attending the meeting.

There being no further business, the Council Workshop adjourned at 7:40 p.m.

Respectfully Submitted,

Kelly Blanchies
Clerk of Council