



CITY OF DOVER ORDINANCE #2025-01

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

That Dover Code of Ordinances, Appendix C - Downtown Redevelopment, be amended to read as follows:

ARTICLE I. INTENT

The city council has deemed it to be in the best interests of the residents of the city and in furtherance of their health, safety and welfare to promote the redevelopment of downtown Dover. In order to promote the redevelopment, the council has determined that incentives in the forms of tax abatements, impact fee waivers and building permit caps should be offered.

ARTICLE II. DOWNTOWN DOVER PARTNERSHIP

- (a) The Downtown Dover Partnership shall be established and duly incorporated under the not-for-profit corporation provisions of the Delaware General Corporation Law (8 Del. C §101 et seq.) for the purpose of fostering redevelopment within the target area.
- (b) Certification of incorporation. The city solicitor, as incorporator of the company, shall prepare and cause, or amend, the certificate of incorporation to be filed with the secretary of State of Delaware, which certificate shall include those requirements set forth in 22 Del. C. § 1504, as amended.
- (c) Membership of company and board of directors. The management company shall be a corporation comprised of a board of directors established in accordance with the by-laws approved by the board of directors, provided that not less than five directors shall own commercial property within the target area, or shall be the designee of such owner.
- (d) Company reports. The management company shall file with the finance department and with the city clerk a quarterly financial report and shall also provide an annual operating report. The city shall annually review the performance of the management company and shall prepare for public inspection a report which certifies that the management company is in compliance with its enabling ordinance, its certificate of incorporation and bylaws, and the provisions of this appendix and 22 Del. C. Ch. 15 (22 Del. C. § 1501 et seq.); the management company is fiscally sound; and the management company has not discriminated against any person based upon race, sex, national origin, religion, age or disability.

ARTICLE III. DEFINITIONS

The following words, terms and phrases, when used in this ordinance, shall have the meanings ascribed to them in this article, except where the context clearly indicates a different meaning:

Section 1. Beneficiary of the incentives.

The *beneficiary of the incentives* shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

Section 2. Eligible project.

Eligible project shall mean a new construction or renovation that meets the requirements of Article IV. Eligibility of this Appendix.

Section 3 . Target area.

Target area shall mean that part of the city more particularly described as follows:

Beginning at a point at the intersection of the centerlines of North New Street and Clara Street south to the intersection of the centerlines of North New Street and Mary Street, east to the intersection of the center lines of North Governors Avenue and Mary Street south to the intersection of the centerlines of North Governors Avenue and Cecil Street, east to the intersection of the centerlines of Cecil and North State Streets, then continuing on the centerline of North State Street in a southerly direction to the intersection of the centerline of State Street and an extension of the centerline of Delaware Avenue, then continuing on the centerline and an extension of the centerline of Delaware Avenue in an easterly direction to the point of intersection of an extension of the centerline of Delaware Avenue and the St. Jones River, then following the centerline of the St. Jones River in a southerly direction to the point of intersection of the centerline of the St. Jones River and the southerly property line of the property located at 631 South State Street then proceeding in a westerly direction along said property line to the easterly right-of-way line of South State Street (U.S. Route 13-A), then crossing the right-of-way line of South State Street in a westerly direction and joining the centerline of Hope Street and proceeding in a westerly direction to the centerlines of Hope Street and South Governors Avenue, then proceeding in a southerly direction along the centerline of South Governors Avenue to the point of intersection of the centerlines of South Governors Avenue and Dover Street, then proceeding in a westerly direction along the centerline of Dover Street to the point of intersection of the centerlines of Dover Street and Westview Terrace, then continuing in a northerly direction on the centerline of Westview Terrace to the point of intersection of the centerline of Westview Terrace and New Burton Road, then proceeding in a northeasterly direction on the centerline of New Burton Road to the point of intersection of New Burton Road and West Street, then continuing in a northerly direction along the westerly right-of-way line of West Street to the point of intersection of the westerly side of the right-of-way of West Street and the northerly property line of the property located at 724 South West Street, then continuing in a westerly direction along said property line to the point of intersection of said property line and the lands of the railroad right-of-way, then proceeding in a northerly direction along the easterly right-of-way line of the railroad right-of-way in a northerly direction to the point of intersection of the centerline of West North Street and then westerly along the centerline of West North Street to Clarence Street and north along the center line of Clarence Street to Slaughter Street, and west along the center line of Slaughter Street to Cherry Street and north along the center line of Cherry Street to the intersection with the center line of Lincoln Street, west 122 feet to the southeast corner of the property at 826 Forest Street, north along the easterly border of said property, to Forest Street, northwest 287 feet to the intersection of the centerlines of Forest Street, Weston Drive, and West Division Street, north 508 feet along Weston Drive to the southern border of the

property located at 200 Weston Drive, east 142 feet to the southeast corner of said property, north 538 feet to the southwest corner of the property located at 300 Ridgely Street, east along the southern border of said property 680 feet to the eastern side of the railroad right-of-way, north 359 feet to the edge western terminus of Mary Street, east to the intersection of the centerlines of North West Street and Mary Street, east 27 feet to the western property line of the property located at 511 Mary Street, then continuing north 403 feet along the western border of said property, east 430 feet along the northern border of said property to North Queen Street, then north 346 feet to the intersection of the centerlines of North Queen Street and Clara Street, and east to the intersection of the centerlines of Clara Street and North New Street.

Section 4. Downtown Development District

Downtown Development District shall mean that area within the Target Area designated as such by the State of Delaware in accordance with 22 Del. C. Ch. 19 and more particularly described as bounded by the street center lines as follows:

From the intersection of the centerlines of North New Street and Clara Street south to the intersection of the centerlines of North New Street and Mary Street, east to the intersections of the center lines of Mary Street and North Governors Avenue, south to the intersection of the centerlines of North Governors Avenue and Fulton Street, east to the intersection of the centerlines of North State Street and Fulton Street, south to the intersection of the centerlines of State Street and Division Street, east to the intersection of the centerlines of Pennsylvania Avenue and Division Street, south to the intersection of the centerlines of Pennsylvania Avenue and Kings Highway, southwest to the intersection of the centerlines of Kings Highway and Reed Street, east 1,361 along the southern boundary property located at 89 Kings Highway SW to the westerly edge of Mirror Lake, south along the westerly edge of Mirror Lake to Loockerman Street 201 feet west of the intersection of the centerlines of Loockerman Street and Park Drive, west 1,386 feet along Loockerman Plaza, south 282 feet to the northeast corner of the property located at 15 East North Street, west 36 feet to the northwest corner of the property located at 15 East North Street, south 73 feet long the westerly border of the property located at 15 East North Street to North Street, west 137 feet to the intersection of the centerlines of South State Street and North Street, east 73 feet to the northwest corner of the property located at 7 The Green, south 274 feet along the westerly edge of the property located at 7 The Green to The Green, 792 feet along the western portion of The Green to the intersection of the centerlines of South State Street and The Green, south 200 feet past the intersection of the centerlines of South State Street and Water Street to the northeast corner of the property located at 540 South State Street, west 787 feet along the northern border of the property located at 540 South State Street to South Governors Avenue, north 172 feet to the intersection of the centerlines of South Governors Avenue and Water Street, west to the intersection of the centerlines of South Queen Street and Water Street, north to the intersection of the centerlines of South Queen Street and West North Street, west to the intersection of the centerlines of Clarence Street and West North Street, north to the intersection of the centerlines of Clarence Street and Slaughter Street, west to the intersection of the centerlines of Cherry Street and Slaughter Street, north to the intersection of the centerlines of Cherry Street and Lincoln Street, west 122 feet to the southeast corner of the property at 826 Forest Street, north along the easterly border of said property, to Forest Street, northwest 287 feet to the intersection of the centerlines of Forest Street, Weston Street, and West Division Street,

north 508 feet along Weston Street to the southern border of the property located at 101 Weston Drive, east 142 feet to the southeast corner of the property located at 101 Weston Drive, north 538 feet to the southwest corner of the property located at 300 Ridgley Street, east along the southern border of property located at 300 Ridgley Street 680 feet to the eastern side of the railroad right-of-way, north 359 feet to the edge western terminus of Mary Street, east to the intersection of the centerlines of North West Street and Mary Street, east 27 feet to the western property line of the property located at 511 Mary Street, north 403 feet along the western border of the property located at 511 Mary Street, east 430 feet along the northern border of the property located at 511 Mary Street to North Queen Street, north 346 feet to the intersection of the centerlines of North Queen Street and Clara Street, and east to the intersection of the centerlines of Clara Street and North New Street.

ARTICLE IV. ELIGIBILITY

Section 1. Eligible Project

Eligible projects shall include a new construction or renovation which:

- (a) Is located within the target area; and
- (b) The fair market value of the materials to be used in and the labor to be performed on the project exceeds the sum of \$5,000.00; and
- (c) Is for commercial, office, or a residential use; and
- (d) Conforms to the intent of this ordinance.
- (e) In accordance with the agreement with the Delaware Office of State Planning Coordination and the Delaware State Housing Authority, no rebates will be granted for expansion of the gross square footage of the building on parcel 2-05-07705-04-5200-00001 (9 East Loockerman Street) unless an eligible project(s) mitigates future flood risks and improves the resiliency of the site. Renovations to the existing building may be considered appropriate, at the discretion of the Office of State Planning Coordination (OSPC) and the Delaware State Housing Authority (DSHA).
- (f) In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in article 12 of Appendix B - Zoning. Construction or renovation of accessory buildings as defined in article 12 of Appendix B - Zoning shall not be eligible for development incentives.

Section 2. Development incentive ineligibility.

An otherwise eligible project shall be ineligible for development incentives if:

- (a) Issuance of the certificate of occupancy and/or the completion and finalization of the building permit occurs before the application for development incentives is received; or
- (b) The subject property is exempt from City of Dover real estate taxes, except in cases where the property is owned by a non-profit organization constructing or renovating a dwelling unit to be transferred to non-tax-exempt homeowners; or
- (c) The beneficiary of the incentives is delinquent on any of the obligations listed in Dover Code, Chapter 1 - General Provisions, section 1-13(b).

Section 3 . Revocation of eligibility.

The beneficiary of the incentives provided by this Appendix must remain current on all obligations due the city. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in Dover Code, Chapter 1-General Provisions, section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

ARTICLE V. DEVELOPMENT INCENTIVES

Eligible projects within the Target Area and Downtown Development District shall be eligible for the following development incentives:

Section 1. Waiver of permit fees.

Fees for building, plumbing, mechanical, and fire protection permits shall be waived for eligible projects. Waivers do not apply to sign permits.

Section 2. Waiver of impact fees.

Eligible projects shall qualify for city water and wastewater impact fee waiver of the cost of such fees as established in Dover Code, Chapter 110, Article III and Article IV. The city cannot waive Kent County impact fees.

Section 3. Abatement of property taxes on the value of improvement.

Eligible projects shall receive property tax waivers for a period not to exceed ten years so that improvements to the properties made in accordance with the intent of this ordinance will not be taxed for a period of time not to exceed ten years from the date of the making of the improvements. The said ten-year period will commence with the date of issuance of a inspection or certificate of occupancy.

Eligible projects within the Downtown Development District shall also be eligible for the following incentives:

Section 4. Business license fee waiver.

Businesses that open within or relocate to the Downtown Development District on or after March 1, 2015, shall be eligible for a waiver of all city business license fees associated with the business for a period of three years. Eligible businesses are still required to obtain the required city business licenses.

Section 5. Rebate of the buyer's portion of the real estate transfer tax.

For properties which have transferred on or after March 1, 2015, the property owner shall be eligible for a rebate of the buyer's portion of the real estate transfer tax upon issuance of a certificate of occupancy, provided that a certificate of occupancy is issued for improvements to the property within five years of the payment of the real estate transfer tax.

ARTICLE VI. ADMINISTRATION

The city manager and his/her staff shall develop the administrative procedures and application forms necessary to implement this ordinance. If a potential beneficiary of the development incentives submits an application for incentives after a fee has been paid, except as otherwise provided in this appendix, the city will not issue a refund of fees paid.

ARTICLE VII. - APPEALS

Applicants denied development incentives shall have the right to appeal the decision to the city council within 30 days from the date that the notification was sent to the applicant. Such appeal shall be in writing, signed by the owner of the property in question, and filed with the city clerk.

ARTICLE VIII. SEVERABILITY AND EFFECTIVE DATE

Section 1. Severability.

Should any section or provision of this ordinance be declared to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the ordinance as a whole or any part thereof other than the parts so declared to be unconstitutional or invalid.

Section 2. Effective date.

This ordinance shall be effective as of January 1, 1991.

ADOPTED: February 24, 2025

SYNOPSIS

The purpose of this ordinance is to codify the updated boundary of the Downtown Development District (DDD) approved by the State of Delaware. The amendments to Appendix C include: The description of the Downtown Dover Partnership (DDP) is moved from definitions to its own article. The description of the Board of Directors make-up references the DDP by-laws and maintains the requirement that at least five (5) members represent downtown property owners. It also reduces the frequency for the DDP to submit financial reports to City Council from monthly to quarterly and reduces the frequency of operational reporting from monthly to annually.

The ordinance moves the details of development incentive eligibility requirements from definitions to the article on eligibility. It modifies the “Target Area” to encompass the entire DDD area. It renames the “High Priority Target Area” to “Downtown Development District” and references the State designation. It modifies the DDD boundary to align with the updated DDD boundary approved by the State of Delaware (summer 2024).

The ordinance clarifies that the ineligibility of tax-exempt properties does not apply to non-profits building or renovating houses that will be transferred to non-tax-exempt owners. It also clarifies that the City cannot waive Kent County impact fees and that permit fee waivers do not apply to sign permits.

(SPONSORS: HUGG AND ANDERSON)

Actions History

02/24/2025 – Final Reading – City Council

02/10/2025 – First Reading – City Council

02/05/2025 – Proofreading Edits by Planning Staff

01/28/2025 – Introduction - Council Committee of the Whole/Legislative, Finance and Administration