



Town of Dewey Beach Newsletter

MAYOR
Dell Tush

TOWN MANAGER
Gordon Elliot

November 2008

COMMISSIONERS
Marc Appelbaum
Rich Hanewinkel
Diane Hanson
Marty Seitz

Planning and Zoning Hearing on New Zoning Codes
December 6, 1:00 p.m. at the Life Saving Station

New Town Zoning Code On Track for January Approval

By Vice Chair of Planning and Zoning, David King

Re-codification process. Review and amendment of the Town Zoning Code is required for the implementation of the Town's 2007 Comprehensive Development Plan (CDP). Essentially, the comprehensive plan establishes the vision for development in the Town over the next ten years. It is the amended zoning code that establishes the detailed zoning requirements that will actually guide future development. By State Law our new zoning code must support and enforce the development goals and objectives set forth in the CDP, and the re-codification process needs to be completed by January 29, 2009 – 18 months after the CDP was approved by the State. Now, the next step is for the Town Commissioners to hold a Public Hearing on the proposed draft zoning code. This public hearing will take place Saturday December 6, 2008 from 1:00 to 4:00 pm at the Life Saving Station. The final draft of the proposed zoning code will be made available for inspection at Town Hall and on the Town website

www.townofdeweybeach.com.
Written comments may be submitted to Town Hall, 105 Rodney Avenue, Dewey Beach, DE 19971, but need to be received prior to 4:00 pm on Thursday December 4, 2008.

History and process. The 2007 CDP was developed by the Town's Comprehensive Plan Working Group, which included participation by 3 Mayors, 9 Town Commissioners and 10 members of the Planning Commission, and was facilitated by the University of Delaware Institute for Public Administration over the course of two years of public hearings and workshops. A major guiding factor in the development of the CDP was the Fall 2005 Community Questionnaire sent to all Dewey property owners, with an over 50% response rate. This survey clearly articulated the citizens' desire to retain the small beach town feel of Dewey by encouraging future development that is similar in character, scale and density to the

existing community, preserving open and green space, encouraging mixed-use development where appropriate and discouraging mansionization and high-density development.

Continued Page 2

Table of Contents

Page 2	Christmas Party
Page 3	Dewey Beach Accommodations Tax Election Results
Page 4	Budget & Finance Update Town Council Meeting Recordings Reminder: Town Meetings
Page 5	Application for Rental License or Non-Rental Declaration
Page 7	Beach Widened by Summer Reminder: Town Building Official Winter Watch Be Sure to Winterize Beach Tax Bills Mailed From the Editor

With adoption of the CDP, the Town turned its attention to amending its zoning code to support and implement the development strategies and vision in the CDP. The process of comprehensive review and revision of the Dewey Beach Zoning Code started with the Planning and Zoning Commission (P&Z). Nine members of P&Z have worked on the zoning re-codification over the past 18 months, during which P&Z held 28 workshops and public meetings, including two recent Public Hearings, conducting more than 70 hours of commission discussion and public testimony, and reviewing more than 200 written comments from residents and property owners. P&Z voted unanimously on September 27, 2008 to recommend the draft zoning code to the Town Commissioners for adoption. Final approval is the responsibility of the Town Commissioners, who have already held two workshops to review, discuss and amend this draft. The final step in this 4-year process – from the early stages of developing a comprehensive plan to approval of implementing the new, revised zoning code – is for the Town Commissioners to hold a Public Hearing on the draft language being considered for adoption.

Big-picture perspective. The zoning issues most affecting future residential development include:

- 1 Retention of two residential districts (the center of Houston Street is the dividing line, with the NR-Neighborhood Residential district to the north

- and the RR-Resort Residential district to the south), with a clarification of uses and zoning regulations that should serve to permit each district to develop in a manner consistent with its current distinctive character;
- 2 Retention of the town-wide height limit of 35', measured from roof peak to grade;
- 3 Adoption of tiered-setback requirements to ease the visual impact of new, potentially larger residential and commercial/mixed-use structures, rather than imposing a lower Floor Area Ratio (FAR) or larger front/side/rear setbacks;
- 4 Definition of a residential "overlay" development district (PR-Planned Residential) to facilitate the unified development of large tracts of land in a manner more beneficial to the Town than individual lot-by-lot development.

Major changes. In the NR-Neighborhood Residential district, the major changes include:

- 5 Adoption of a maximum FAR requirement of 1.00 (not including the floor area of any private garage or open porch or deck);
- 6 Adoption of regulations that limit new development to 2 ½ stories and prohibit flat roofs and roof-top decks;
- 7 Reduction of the required front-yard setback from 20' to 18' and increase in the rear-yard setback

- from 10' to 12' (retains the same amount of buildable area);
- 8 Definition of minimum planting and open space beautification requirements;
- 9 Increase in off-street parking requirements for new construction to be consistent with other districts.

In the RR-Resort Residential district, the major changes include:

- 10 While still permitting 3-story residential structures with flat roofs and roof decks, and retaining a maximum FAR requirement of 1.20, the floor area of roof decks and garages will now be included in the FAR calculation;
- 11 Reduction in permitted building frontage from 150' to 100' for multi-unit residential or townhouse structures;
- 12 Increase in the required planting and open space requirement by 25%.

As a result of the new zoning-district map approved with the Comprehensive Development Plan, a few properties are being rezoned from Resort Residential to one of the three new Resort Business districts or from Resort Business to RR. The zoning regulations for residential development in the proposed Resort Business-3 district are similar to those in RR; proposed zoning for RB-1 and RB-2 does not permit strictly residential development.



Christmas Party at the Life Saving Station 5:00 PM on December 6, 2008

We scheduled our celebration on the evening of the Town meeting to increase the likelihood of attendance. The party will be a Pot Luck rather than finger foods. We will have a spiral ham, fruit salad, green salad and we ask that anyone coming bring

a covered dish of potato salad, baked beans, cole slaw, rolls, green bean casserole, vegetables, turkey, desserts, appetizers, wine, punch, & sodas, or anything you would like to contribute.

Please contact Dell Tush by email at: delltush@townofdeweybeach.com or call 302-227-0938 or 302-270-2894 with your selection in order to coordinate the food. Please mark your calendar and join the festivities.

Dewey Beach Accommodations Tax

By Commissioner Richard Hanewinckel

The September 2008 town election contained a referendum item for the implementation of an accommodations tax on gross rental receipts for short term (less than one year) rentals. The referendum passed by a wide margin as the town voters recognized the need for a more predictable source of revenue, particularly in difficult economic times when major sources of Town revenue, including real estate transfer tax and building permits, are way down. Once implemented, it will put Dewey Beach on par with every other Delaware beach town that has a similar tax.

Passing the referendum is the first step in implementing the tax. The implementation of any new tax requires a change to our town charter. Charter changes require prior approval by the state General Assembly and Governor. Only then can the town council vote to implement the tax. Working with our Town Solicitor our plan is to submit a bill to the General Assembly for their consideration when they reconvene in January 2009. It is strongly anticipated that state approval will be granted since the precedent of accommodation taxes has been established in all of our surrounding beach towns. Consequently, our Town Solicitor has advised the Town Council that we can

begin assessing the tax prior to receiving state approval.

There are a number of important facts pertaining to the tax that you should know including:

- *How is the tax calculated?* Over time the Town Council may, based on revenue projections, modify the rate of the tax from 0 to 3%. The consensus of the Town Council at a recent public workshop was for a 3% tax in 2009.
- *What is taxed?* The tax is assessed against the gross rent. Other charges such as cleaning or pet fees and security deposits are not assessed the tax.
- *What rentals qualify for the tax?* The tax is assessed on all residential rentals shorter than one (1) year in duration. Rental contracts of one year or longer are not assessed a tax.
- *When is the tax due?* The Town Council is reviewing several options regarding payment policies and is expected to discuss and vote on them in an upcoming Town Council meeting.
- *When will the tax start?* The accommodations tax applies to all short-term lease contracts ratified on or after December 31, 2008 and commencing on or after January 1, 2009.

- *What happens if the tax is not approved by the state legislature in 2009?* In the unlikely event state approval is not completed in 2009, all tax paid to the town will be refunded.
- *Who collects and pays the tax?* Ultimately the property owner owes the tax since they receive the rental income. That said, it is customary to pass the tax through to the tenant by adding the tax as a separate line item on the lease agreement, analogous to retailers (in other states) adding sales tax to purchases. In this way the tax is paid by the tenant and collected and remitted to the Town by the owner. If a rental agent rents your property they usually collect the tax from the tenant and pay it directly to the Town.
- *What is the penalty for failure to comply with the accommodations tax?* The consensus of the Town Council at a recent public workshop was to impose a fine of \$500 for each occurrence, i.e. each rental contract, of failure to remit the tax, plus interest on the unpaid tax. The Town Council will discuss and vote on this policy at an upcoming public meeting.

September 20 Election Results

Two Town Commissioner positions were on the ballot this year along with two important referendum items. Commissioners Tush, Hanson, and Hanewinckel, elected last September, will continue their terms of office for another year. Marc Appelbaum and Martin Seitz were elected to replace Dale Cooke and Claire Walsh as commissioners for a two year term.



	Machine Votes		Absentee Votes		Total Votes	
Marc Appelbaum	308		274		582	
Martin Seitz	298		244		542	
Kris Appel	107		107		214	

	Machine Votes		Absentee Votes		Total Votes	
Question Number 1 Accommodations Tax	Yes 289	No 94	Yes 212	No 124	Yes 501	No 218
Question Number 2 35' Height Limit	Yes 324	No 60	Yes 284	No 54	Yes 608	No 114

Budget and Finance Update

By Marc Appelbaum, Commissioner and Chairman of Budget & Finance Committee

As your newly elected commissioner with 7 months' service on the Budget & Finance (B & F) Committee, I was asked to chair the 2008 B & F Committee. This is a summary of the current disposition of the Town's budget.

Each month the town generates a Profit and Loss Statement (P&L) that compares our revenue and expenses to the budget. This is done in detail by department and formatted on a year-to-date basis. This report is available on the Town's website.

Based on anticipated revenue and expenses, Town Manager Gordon Elliott and the Budget/Finance committee, under former Chairman Dale Cooke, developed an itemized budget by departments which projected a \$100,000 surplus. The 2007 Budget is posted on the Town's website.

Through the month of September 2008, the Town has a budget deficit of approximately \$640,000. The

revenue is down approximately \$449,000. Most of that amount is due to large shortfalls in transfer tax income, building permit fees, and interest income. At the same time, we are approximately \$190,000 over on expenses.

The town manager now anticipates a year end shortfall of approximately \$700,000 off the budget forecast. This amount, after adjusting for the anticipated surplus of \$100,000, will result in taking approximately \$600,000 from our general surplus account. This will leave the general surplus account with slightly over 1 million dollars.

The timeline and meetings to finalize the budget are posted on the Town's website as follows

- November 21: Meeting to work on recommendations for a balanced 2009 budget
- December 4: Commissioners Budget Workshop (open to public with no public comment)
- December 6: Ratification of the budget at the Commissioners'

Town meeting (Check the Town's website for changes in dates/times).

As chairman of the B & F Committee, I am committed to a balanced budget for 2009. To accomplish this goal, we need to find additional sources of revenue, and we need to cut the amount that we are spending. All departments are being studied for ways they can save money.

The current world-wide economic conditions create many challenges – in Dewey and across our country. I feel that by creating a sound balanced budget and setting up the proper mechanisms to track, monitor and hold people accountable for their spending, we can prevail in these difficult times.

Please feel free to contact me to discuss any questions or concerns you may have.

Chevy Chase MD 301-951-0324
Dewey Beach 302-226-1573
Email: map12@verizon.net



Recordings of Town Council meetings Available

On a trial basis, recordings of Town Council meetings are now linked to the Dewey Beach Town website thanks to Dick Cleaveland. Dick has graciously agreed to be our town webmaster at the exorbitant price of \$1.00 per month. Dick has done a lot for our town by working with the computer committee and has also been responsible for the Dewey Beach Civic League's website. We appreciate all that Dick does for us.

Visit the Town website at www.townofdeweybeach.com to see all the latest updates and improvements. Analyses of the financial challenges facing the town, along with current news articles, are also posted at www.deweybeachcivicleague.org.

Remember Town Meetings are on Saturday mornings from now until May:



Town of Dewey Beach Application for Rental License or Non-Rental Declaration
All Owners Must Complete and Return This Form
License Year – 1/1/2009-12/31/2009

Return To: Town of Dewey Beach
105 Rodney Avenue
Dewey Beach, DE 19971
(302) 227-6363 - Fax: (302) 227-8319

Permit No. _____

Issued: _____

The Dewey Beach Municipal Code requires that any person, firm or corporation engaged in renting, leasing rooms, cabins, private houses or apartments shall pay an annual license fee for the period which begins January 1 and ends December 31 of **each calendar year.**

Property Reference: District 3-34 Map _____ Parcel _____

Physical Street Address: _____

Complex Name and Unit Number: _____

Owner's Name, Permanent Mailing Address and Phone Number: (Print)

Name: _____

Address: _____

Phone Numbers: (home) _____ (work) _____

Part A – For Rental Property

License Fee is \$130.00 per unit up to and including 2 bedrooms, plus \$10.00 for each additional bedroom (per Resolution No. 86, adopted April 14, 2007). It is the responsibility of the property owners to advise their tenants of the Disorderly Dwelling Ordinance.

Number of Bedrooms: _____ Amount Remitted: \$ _____
(Make check payable to Town of Dewey Beach)

Maximum Occupancy Limit: _____ (Occupancy limited to 2 persons per bedroom plus 1 additional room may be designated as a bedroom.)

Trash Collector's Name: _____
(Trash disposal is the responsibility of the property owner. Rental properties are required to have twice-a-week pickup.)

Real Estate Company: _____

House Review: Ordinance No. 423, dated February 12, 2000, to provide for inspection of premises. Upon presentation of proper credentials and/or upon written notice to the record title owner of a premises of a

(over)

House Review (Cont'd)

time and date for inspection to determine compliance of construction or the existing premises with the provisions of the Dewey Beach licensing regulations, zoning provisions or building requirements of the Dewey Beach Code or the Sussex County Housing Code, the Building Official or a duly authorized representative may enter at reasonable times any building, structure or premises within the Town limits to perform any duty imposed upon the Building Official by this Code.

I hereby agree to abide by the Dewey Beach Code as it relates to the rental of my property.

Signature: _____ Date: __/__/2009

Part B – For Owners who do not Rent

I HEREBY STATE, UNDER PENALTY OF LAW, THAT I DO NOT RENT OR LEASE MY PROPERTY AND THEREFORE AM NOT APPLYING FOR A RENTAL LICENSE.

I also agree to abide by the Dewey Beach Code as it relates to the use of my property.

Signature: _____ Date: __/__/2009

The Beach will be Widened by Summer

Dewey Beach is slated to have our beach re-nourished by the Army Corps of Engineers this winter and spring. Tony Pratt of DNREC has indicated the project should begin after December 1, 2008 and be completed in the spring of 2009. Dewey Beach will receive 300,000 cubic yards of sand from the Fenwick Shoal area. The sand is slated to be placed on the southern end of Dewey Beach since the sand washes to the north and will naturally re-nourish the northern end. Our beach will have better quality sand with this re-nourishment.



Reminder from the Town Building Official

Building Permits are required for improvements to your property. Call the Town's Building Official, Bill Mears, with any questions on whether a project or repair that you are planning needs a permit. Also, any individual or company that is performing improvements, repairs, or additions to your property must have a State of Delaware and a Town of Dewey Beach Business License. Cooperation regarding the above requirements is needed to ensure the health and safety of you and any guests on your property.

Winter Watch

To have police check on your property in your absence as part of the Town's Winter Watch Program, please go to the town website at www.townofdeweybeach.com to print the form or call town hall at (302) 227-6363. Mail completed form to:

Town of Dewey Beach
105 Rodney Ave.
Dewey Beach, DE 19971



Be Sure to Winterize

It's getting cold outside and it's easy to forget when you leave the beach on a warm fall day... Be sure to drain outdoor shower pipes and drain indoor pipes or keep the heat on 55 degrees.



Beach Tax Bills Mailed

The beach tax bills have been mailed and are due December 31, 2008. If you've not received your invoice, please contact town hall.



From the Editor

Budgetary restrictions permit us to send only one hardcopy to the property owners on file. If you would like to receive additional copies via email, please contact me directly. Email: diane.hanson@townofdeweybeach.com or Phone: 302 858 8926.

We also need volunteers who can help write and proofread, and we would love to have someone with graphics skills to help design a new letterhead. Please contact Diane Hanson at the email or phone number above.

Diane Hanson
Commissioner

Happy Holidays!

Thank you to Dewey Beach's Minuteman Press and owner Kristine Johnson for the new look of our Town newsletter. Kristine, you did a great job!





Town of Dewey Beach
105 Rodney Avenue
Dewey Beach, DE 19971
www.townofdeweybeach.com