



Location of Change:
801 N State Street

0 0.25 0.5 1 Miles

Legend

Location

- 801 N State St

Land Use Classifications

Land Use

- Active Agriculture
- Commercial
- DoverAFB
- Industrial and Public Utilities
- Institutional
- Mixed Use
- Office
- Open Space, Conservation, Recreation
- Residential High Density
- Residential Low Density
- Residential Medium Density
- Train Track
- Water
- Dover Boundary

Plan Title: 801 North State Street
Location: 801 North State Street
Plan Type: Comprehensive Plan Amendment
Tax Parcel: ED05-068.09-01-13.00
Current Land Use: Residential Medium Density
Proposed Land Use: Commercial
Owners: 801 Gold Coast LLC
Date: 4/1/2015

CHAPTER 13

GROWTH AND ANNEXATION PLAN

Part I – Growth and Annexation Background

Dover has a history of growth through annexation. One of the most outspoken advocates of annexation was the late Mayor Crawford Carroll. Under his guidance and leadership, Dover's land area grew in size from 8,267 acres in 1969 to 12,287 acres in 1971 through annexation. Mayor Carroll understood the wisdom of annexing lands surrounding the City that were under development pressure and, during this period, the City had a policy of not providing services unless the property was annexed into the City. Over time, these lands developed into bustling commercial, industrial, institutional, and residential areas that provided Dover with the tax base needed to continue to offer the high quality public services which are the trademark of the City.

Since Mayor Carroll's time, the City has continued to grow through annexation at a more modest pace. By 1996, the City's land area was approximately 14,400 acres, and between 1996 and 2003, only a few parcels consisting of approximately 59 acres were annexed. Since 2003, the City's land base expanded more substantially, by a total of 596 acres. A number of the more recent annexations were enclaves that were mostly surrounded by other lands in the City; however, there were several large areas of expansion, particularly the south side of State Route 8 west to Artis Drive, as well as the Bush Farm north of Denneys Road.

Dover is now at a time when rounding out the boundary and filling in the holes are the priorities for annexation. Annexation of enclaves is important, as these "holes" within the City often benefit from City services without the opportunity to participate in the local government that provides those services, or fulfilling the obligation to pay municipal taxes. Additionally, these enclaves often cause confusion to service providers, including emergency services, in that it is often unclear whose jurisdiction the parcels belong.

This plan represents an evaluation and restatement of Dover's annexation policies, and a new set of annexation objectives that are consistent with Delaware law, the Governor's Livable Delaware initiatives, the *State Strategies for Policies and Spending*, and the plans of adjacent municipalities and Kent County. The following sections will discuss the above-mentioned plans, and how this Growth and Annexation Plan has been coordinated with them.

General Policy Statement

Annexation is the systematic expansion of the City's corporate boundaries into an unincorporated area. The process for annexation is detailed both in the City's charter and within Title 22, Chapter 1, Section 101, Delaware Code.

With annexation properties gain access to municipal services and property owners gain political voice within the City government that is providing them with City services and utilities. Without timely and properly planned annexations, developing local jurisdictions would be burdened with tax inequities, municipal service inefficiencies, political fragmentation, and disorderly growth patterns.

People residing adjacent a local boundary often enjoy many of the services of the municipality without providing monies to support the cost of the services such as parks, recreation programs, libraries, police and fire, as well as other essential services provided by incorporated jurisdictions. Some problems that result from fragmentation of boundaries include the fact that cities and towns cannot properly plan or address orderly growth, transportation issues, environmental issues including, but not limited to, pollution control, sewer districts, water services, and school districts.

Benefits of Annexation

- Orderly Growth – Presents a true reflection of existing social, economic and cultural components of the local jurisdiction.
- Unified Community – Prevents fragmentation of government authority and duplication of services.
- Transportation Issues – Roads, sidewalks, mass transportation and bike paths are more easily addressed within an incorporated area.
- Unified Political Representation – Citizens may participate in the local government jurisdiction which is providing them with City services.
- Access to Full Range of Municipal Services – Properties that are annexed become eligible for the full range of City services provided by the municipality, such as street sweeping, trash removal, street lighting and the like.

Coordination with Relevant Planning Documents and Efforts

Strategies for State Policies and Spending

The *Strategies for State Policies and Spending* sets forth the State's policy on land use and development. The *Strategies* document and associated maps (originally approved in 1999) were updated and approved with Governor Ruth Ann Minner's signature on September 23, 2004. The *Strategies for State Policies and Spending* identifies land as Level 1 through 4, indicating the appropriateness of development. These levels differ from the Categories identified on the Dover Potential Annexation Areas Map.

One of the core principles guiding Livable Delaware is to direct urban development to occur in and adjacent to existing towns and developed areas. The *Strategies* Map 14-1 designates the majority of the land within the City of Dover boundaries as Level 1, described as higher density development, a variety of transportation options, mixed uses and a sense of place with a common identity. The State policy will be to encourage redevelopment and reinvestment along with providing services to the community. The Level 1 areas have the highest priority for State investment and spending. The *Strategies* indicate that the State will invest in infrastructure, public facilities, and employment and social services in these areas.

With the small exception of lands that have significant environmental or policy impediments to development, the balance of the land within the City is designated as Level 2. These are described as less developed areas either near larger communities or as independent small towns and rural villages, but all with services. The State's intent for properties within these areas is to "...use spending and management tools to promote well designed development...(that) provides

for a variety of housing types, user-friendly transportation systems and provides essential open spaces and recreational facilities, other public facilities, and services to promote a sense of community.”

There are few Level 3 areas within the City and they generally are on the upper reaches of the St. Jones River or the Mudstone Branch, and the agricultural lands east of State Route 1. These lands in the City of Dover context are described as being “...adjacent to or intermingled with fast growing areas...” identified as Level 1 or 2. The State intends that while these lands may be developed, there are issues of timing, phasing, site characteristics or State agency programs that may make the development inappropriate in the short term. The investments encouraged by the State are for “... agricultural preservation, natural resource protection, (and) parks and open space...” The State will maintain the existing infrastructure, while supporting local growth management efforts.

A few parcels or areas are identified as “out-of-play” by the state. These are the waterways of the St. Jones, the Mudstone Branch, the two agricultural parcels whose owners have sold their development rights to the state, and the Dover Air Force Base. These are identified as “...not at all available for development or redevelopment...”

There are no Level 4 areas within the City, but a portion of the Growth Area is identified as such. Level 4 properties are identified as predominantly agricultural and agriculture related or natural areas, parks and preserves. As documented in *Strategies for State Policies and Spending Update-2004*, “It is the state’s intent to discourage additional development in Investment Level 4 areas unrelated to the area’s need.”

In looking at the City’s Growth and Annexation Plan, the areas identified for annexation during the five-year horizon are largely consistent with the Level 1, 2 and 3 areas. The exceptions to this include the Papan Farm east of Wyoming Mill Road, which recently came out of an Agricultural Preservation District, which is reflected as Level 3 and Level 4, and a portion of the lands along Artis Drive west of the City which are Level 4.

In addition, the lands owned by Dover International Speedway (and immediately surrounding these lands), immediately north and south of Leipsic Road, are located within the Level 4 area. If any development is planned in this area, it will be subject to a master plan developed in cooperation with the property owner, the State of Delaware, and the City of Dover.

Kent County Comprehensive Plan

The City also reviewed the Growth Zone identified in the Kent County Comprehensive Plan¹ in developing its Growth and Annexation Plan. With the exception of the lands identified above in the area of Artis Drive, lands identified within the Growth and Annexation Plan are largely consistent with the Kent County Growth Zone. The Kent County Comprehensive Plan is supportive of growth in and around municipalities. The City will continue to coordinate development efforts with Kent County in areas of mutual concern and will work with the County to ensure development along the shared boundary remains consistent.

¹ Kent County adopted its County Comprehensive Plan on October 7, 2008.

Camden and Wyoming

Camden and Wyoming are the only two municipalities that are close to or adjacent to the boundaries of the City of Dover. The Town of Camden adopted its 2007 Comprehensive Plan in May 2008, and the Town of Wyoming is in the process of updating its plan.

The Town of Camden 2007 Comprehensive Plan, does not include any potential annexation areas that approach the Dover area. The annexations anticipated by Camden are to the south and west of the town, infill parcels or enclaves.

Wyoming's most recent plan was adopted in January 2004 and includes an annexation component. The town is currently in the process of updating its Comprehensive Plan. City of Dover Planning staff met with the Mayor and staff from Wyoming to discuss areas of common interest. The three areas of common interest in annexation are the lands south of Webbs Lane and east of New Burton Road, the Papan Farm east of Wyoming Mill Road, and the Papan Farm parcels west of Wyoming Mill Road. In response to concerns raised by the Town of Wyoming, the City removed the Papan Farm parcels west of Wyoming Mill Road from the Category 3 Annexation Area, but still shows them as an Area of Concern on Map 13-1.

The City of Dover and the Town of Wyoming determined that both jurisdictions have a vested interest in the Papan Farm east of Wyoming Mill Road and the lands east of New Burton Road and Webbs Lane, and that both municipalities will continue to show these within their annexation areas. If, and when, a property owner requests annexation into either municipality, the municipality receiving the request will notify the other, at which time such municipality will have the opportunity to comment through the public process. Both Wyoming and Dover agree that if the West Dover Connector bisects the parcel, this road would become an appropriate southern boundary to Dover and an appropriate northern boundary to Wyoming.

The City of Dover continues to assert that Dover is in a stronger position to provide utilities, including water, sewer and electric, to these areas, along with the wide array of other City services including trash collection, street sweeping, planning support, inspection services, and code enforcement.

Part II -- Annexation Goals and Policies

Purpose

The purpose of having an annexation policy is to provide the City Council, Planning Commission, and staff a basis from which to make sound and consistent decisions regarding the growth of the City. Specific goals to support this policy include:

- Direct urban development toward the City center where more efficient and effective provision of City services is provided.
- Direct urban development away from agricultural lands, environmentally sensitive areas, and natural open spaces existing at the City's periphery.

- Avoid premature annexation of lands that could lead to development contrary to the goal of containing urban development within planned areas where the basic services of sewer, water, streets, waste management, police, fire, electricity, community facilities, schools, recreation and transportation can be provided without lowering the quality of services currently provided to the existing population.

Part III - City of Dover 2008 Annexation Plan

Lands Considered for Annexation

The City of Dover's 2008 Growth and Annexation Plan is described in this chapter and is graphically depicted on Map 13-1. **The term "Growth and Annexation Plan" refers to both the text and the map, and in practice, neither should be considered or relied upon without referencing the other.** Using the above goals as a framework, the City has identified three distinct areas of annexation potential for the City of Dover, identified as Category 1, 2, and 3. These categories are based on those developed in the *2003 Comprehensive Plan*, but they have been refined to address current circumstances.

Category 1 – High Priority Annexation Areas

These lands are shown in dark green on Map 13-1. Lands in this category are primarily enclaves of unincorporated territory mostly surrounded by the City of Dover. In all or most of these cases, the City provides these parcels with one or more essential services (sewer, water, police, fire, trash). It is the intention of the City to annex these properties within the five-year planning period. The City will work with those interested in annexation and their neighbors, as well as incentivize annexation to residents of these areas. Because annexation often comes with City property taxes and costs associated with connecting to the City's water and sewer systems, the City should make efforts to incentivize annexation within Category 1 areas.

Category 1 Recommendations:

- In Category 1 areas, the City will not utilize the cost-revenue analysis model, as the parcels are primarily small parcels for which the model is not correctly calibrated. Additionally, because the Category 1 areas consist primarily of enclaves, they should be annexed regardless of the results of the model.
- The City will explore incentives for property owners within these areas to annex into the City. Incentives may include phasing in of taxes, a limited tax abatement, and/or developing a payment plan for connection fees and impact fees to the City's water and sewer system.
- The City will not extend sewer and/or water infrastructure to Category 1 areas unless the property owners annex into the City. In cases where there is an immediate need due to a failing septic system or another issue impacting the health, safety and welfare of the area residents, the City may connect the properties to utilities with the condition of annexation. This may be necessary, as the annexation process can take up to three months. Exceptions to this requirement may be made with the approval of the City.

Planner and City Manager, with documentation as to why annexation is not technically or legally feasible.

Category 2 – Priority Annexation Areas (0 – 10 Years)

These lands are shown in yellow on Map 13-1. Lands in this category are on the periphery of the City, and in many cases close gaps or holes in what would appear to be the orderly limits of the City. Many of these areas help to round out City boundaries. In some cases, owners of these parcels have expressed interest in annexation. In other cases, these parcels would provide for a logical extension of City services and utilities. It is the intention of the City to consider annexing these properties within the next ten years, as properties express interest. Lands in Category 2 will be further scrutinized by using the cost-revenue analysis model.

The Category 1 and 2 lands represent the extent of the City's annexation interest within the five-year planning horizon. With the exception of the new Category 2 property along Route 8 and Artis Drive all Category 1 and 2 lands are consistent with the Kent County Comprehensive Plan.

One area of land included in the Category 2 annexation area is land owned by Dover International Speedway (and lands immediately surrounding these lands) that is located east of State Route 1, immediately north and south of Leipsic Road. Much of this land is used for RV camping associated with NASCAR racing events.

Because of its location east of State Route 1 and adjacent to active agricultural lands (some of which are in agricultural preservation districts or easements), the City is sensitive to the concerns that any development planned in this area be very carefully planned in a way that respects the natural and agricultural environment. While Dover International Speedway has no immediate plans for development in this area, they have expressed interest in possible annexation of this land into the City. As Map 13-2 Potential Land Use for Annexation Areas indicates, the appropriate zoning for this land will be determined at the time of annexation. If any of this area annexes prior to plans for development, the land will be zoned A (Agriculture Zone). If annexation is associated with a development application, a zoning district will be applied that is compatible with a master plan associated with the property to be annexed. No amendment to the Comprehensive Plan is required as long as development is proposed in accordance with a master plan developed in coordination with the property owner, the State of Delaware and the City of Dover.

Category 3 – Areas to Be Considered for Long Term Annexation (5+ years)

These lands are shown in orange on Map 13-1. These lands are generally adjacent to or near the City boundaries, but slightly beyond the parcels in Categories 1 and 2. Some of these lands are vacant, while some include existing developments that may or may not be already receiving City services at unincorporated rates. The City does not intend to annex these parcels within the five-year planning period, but rather believes it is important to begin planning for potential annexation over the long term.

The majority of the Category 3 lands are consistent with the Kent County Comprehensive Plan. Some of the Category 3 lands are within Agricultural Preservation Districts. The City does not intend to annex these lands as long as they are in preservation; however, if they come out of the

Agricultural Preservation Program and are proposed for development, the City would like to consider annexation.

Areas of Concern

Map 13-1 identifies “Areas of Concern” as areas where the City has a vested interest in the future of the areas but does not intend to annex them during the planning horizon. Most notably, these include areas east of State Route 1 and areas west of Wyoming Mill Road. The areas east of State Route 1 north of Garrison Oak are predominantly lands that were requested for inclusion in the City’s annexation area by Dover International Speedway. Earlier drafts of the Potential Annexation Areas map depicted these as Category 2 Annexation Areas; however, these areas were removed from this designation following objection by the Delaware Department of Agriculture. The Areas of Concern shown west of Wyoming Mill Road are areas shown in earlier drafts as Category 3 Annexation Areas; however, these areas were removed after discussions with the Town of Wyoming during which the Town expressed their interest in annexing these areas. If developed, the City would like to be notified by the Town of Wyoming or Kent County so that the City can work with the relevant jurisdiction to ensure that land planning includes interconnections with areas that may ultimately develop in the City of Dover.

Classification of Potential Annexation Lands

Map 13-2 shows land use classifications for lands within the Category 1 and Category 2 Annexation Areas. The zoning classifications considered for each land use classification are identified in Table 12-1: Land Use and Zoning Matrix.

Map 13-2 identifies lands the following areas for medium density residential land use if annexed into the City: the Papan Farm east of Wyoming Mill Road, the Kesselring Farm south of Webbs Lane, the enclave area along Nixon Lane and Acorn Lane, and the area north of Denneys Road. The plan identifies areas to the west of the City, including Fox Hall Drive and the Artis Drive area, as low density residential land use. This designation is also recommended in the area east of State Route 1 along Fox Road (currently developed residential lots). The map identifies the large enclave area north of the Dover Mall (which is currently a mobile home park) as mixed use, as if this area were to annex and redevelop, it is an ideal opportunity for a master-planned mixed use community.

The large enclave area east of McKee Road and north of College Road has been identified as potential industrial land if annexed. This area is adjacent to other industrially zoned areas and is bisected by the railroad tracks. There is a small enclave area along McKee Road north of College Road that has been identified as Office and Office Parks. Most of the remainder enclave areas have been designated as Commercial in use if annexed.

Zoning Review for Annexations

The review of zoning for each parcel proposed for annexation should reflect a consideration of the details that may not be accommodated in a citywide Plan. That review may include:

- Proposed zoning be in compliance with the land use category shown on Map 13-2 and used in conjunction with Table 12-1: Land Use and Zoning Matrix;

- Character and compatibility of the surrounding land uses and properties;
- The street type and capacity serving the property;
- Environmental concerns and conditions that may influence land use and zoning;
- Market concerns and conditions;
- The compatibility with the overall goals of the Comprehensive Plan.

Each annexation request will be evaluated based on these criteria. Again, any request for exceptions to these criteria must be made through and subject to the approval of, the Planning Director and City Manager with documentation as to why exceptions are made and if they are technically and/or legally feasible.

Cost-Revenue Analysis Model

Overview

~~The City of Dover developed a model cost/revenue analysis model to apply in evaluating individual annexation requests. Conceptually, the model seeks to measure all potential fees and revenues associated with a particular annexation and all direct and indirect service costs as well as potential opportunity costs. Where appropriate, it accounts for quality of life impact factors and indicators.~~

~~The analysis model consists of a series of calculations and tables preceded by a development program for each annexation area under consideration. The development program draws physical data from existing City information, presents population and housing unit data from the US Census, and shows base calculations for land and property values as well as property tax impact for non-residential uses. The model analyzes both existing and proposed development and considers residential and non-residential uses separately. Non-residential uses include both commercial and industrial development.~~

~~The analysis model calculates fiscal impacts for ten primary cost areas including sewer and water, sanitation, police, fire, planning and inspections, streets, library, parks and recreation, electric, and general administrative (tax assessor, city clerk, council, mayor, city manager, information technology, finance, public works, central services, facilities management, fleet maintenance, administrative services, human resources, insurance, and retiree health care). Eleven revenue sources are included in the model: property tax, transfer tax, municipal street aid fund, electric, sewer and water, sanitation, permits and licenses, wastewater impact fees, Comcast franchise, library, emergency services (police, fire, ambulance), and miscellaneous (fines, 911 fees, miscellaneous charges, and recreation).~~

~~The detailed methodology for the cost/revenue analysis is a 465 page document available from the Department of Planning and Inspections. Other relevant data, calculations, and tables prepared by Kise Straw & Kolodner/Urban Partners are also available at the Department. The model will be used for the actual parcels proposed to be annexed as requests are submitted.~~

Interpretation of Results:

~~Findings vary widely depending on factors such as number and value of existing housing units and square feet of non residential uses, developable area, and proposed zoning type for new development. In interpreting these findings, it is important to consider the following key points:~~

~~1. Findings should not be viewed cumulatively:~~

- ~~▪ Not all areas will be annexed and developed simultaneously. The tool is intended to review the fiscal impact of individual annexations and does not consider cumulative impacts;~~
- ~~▪ The pace of development will vary depending on specific development proposals.~~

~~2. Findings will vary as the analysis tool is updated to reflect specific development proposals:~~

~~As areas come up for annexation consideration, the City may wish to update the analysis inputs to reflect particular development proposals or alternative zoning.~~

~~3. Annexation decisions should not be made solely on cost/revenue analysis findings:~~

- ~~▪ Analysis findings are intended to be considered as one of several variables taken into account by the City when weighing the pros and cons of the annexation of a particular site, as identified above;~~
- ~~▪ Other variables include quality of life and social benefits not accounted for in the tool, City growth management objectives, and infrastructure capacity.~~

Implementation

The City of Dover has or will take the following steps to implement the Annexation Plan:

1. Adoption of the Growth and Annexation Chapter and Annexation Plan Maps 13-1 and 13-2;
2. Develop incentives for annexation of lands within the Category 1 area, such as:
 - a. Developing a payment plan for utility connection charges and impact fees;
 - b. Abating City property taxes for a period of time or phasing in City property taxes over a period of time.
3. Initiate Owner-requested Annexations following the Adoption of the Annexation Plan;
4. ~~Implement the Cost/Revenue Analysis Model as a means of reviewing annexation proposals within Category 2 annexation areas.~~

An annexation policy would not effectively bring about the City's desired goal of directing urban development toward the City center and away from rural, valued agricultural and environmentally sensitive areas without coordination with Kent County Planning Services Staff and zoning practices. Therefore, the City will work with the County to develop the required coordination.

Annexation Requirements as per the Delaware Code and City Charter: The current process for the City to annex properties is a multi-step process. Annexations must comply with the following requirements of the Delaware Code:

1. All annexations must be consistent with the City's most recently adopted municipal comprehensive plan. The area(s) being considered must be depicted as area(s) for future annexation on the adopted plan.
2. The City shall have the ability to annex a parcel only if and to the extent that such parcel is contiguous with existing municipal boundaries. Nothing herein shall be construed to allow rights of way, utility easements and waterways or like entities to be annexed in corridor fashion or to be utilized as a corridor route for annexation to gain contiguity.
3. The City shall prepare a plan of services indicating those services it expects to provide to the newly annexed area, how such services will be provided, and the fiscal and operating capabilities of the City to provide such services.
4. At the time of annexation, the City shall by ordinance rezone the area being annexed to a zoning classification consistent with the adopted comprehensive plan or development strategy.
5. The City when proposing annexation must fully comply with the provisions of Chapter 92 of Title 29 as to state notice, and must demonstrate that it has notified all other affected jurisdictions, conducted a public hearing, and provided a comment period of at least 30 days before formal annexation. The City shall file with the State Office of Planning Coordination any written comments received concerning such proposed annexation together with any response(s) thereto.
6. The Advisory Council on Planning Coordination has established a mechanism for resolving disputes between jurisdictions regarding annexations. The mechanism developed by the Council includes:
 - a. Determination of how the costs for the dispute resolution process are born among the parties;
 - b. Timeline for the dispute resolution process; and
 - c. Extent to which the dispute resolution process will be enforceable. (42 Del. Laws, c. 120, §1; 22 Del. C. 1953, §101; 55 Del. Laws, c. 265; 70 Del. Laws, c. 186, §1; 73 Del. Laws, c. 186, §10; 73 Del. Laws, c. 213.)