



Downtown Development Districts

Application for District Renewal

District Renewal Application for Expiring DDD Districts

Application Period and Deadlines: The application period opens three years prior to expiration. Applications for extensions must be submitted within 6 months of the current DDD program expiration. Applications are accepted on a rolling basis and reviewed by the Cabinet Committee on State Planning Issues (CCSPI) at their next scheduled meeting. Application must be accompanied by a Resolution from the legislative body supporting the application for a DDD District Designation Extension, and an updated District Plan.

Review and Approval: Applications for five-year DDD District Renewal are reviewed by OSPC and agency partners. OSPC will prepare a report and recommendation which will be presented to the CCSPI which will in turn make a recommendation to the Governor. The Governor may renew Districts for up to two 5-year renewal periods. Completed applications should be sent to OSPC@delaware.gov

Completeness: Applications for District Renewal will be evaluated by the Office of State Planning Coordination for completeness upon receipt. Incomplete applications will not be reviewed and will not be forwarded to the Cabinet Committee on State Planning Issues for their consideration. Applicants are encouraged to meet with the OSPC early in the process, and work with the OSPC Principal Planners throughout the application process to ensure a complete and accurate application.

Municipality / County: Town of Laurel, Sussex County, Delaware

DDD Program expiration date August 2026

- Check list:
- Application Form
 - Legislative Body Resolution
 - Updated District Plan

If proposing the removal of parcels from the original District Boundary:

- Certified Mail Receipts, to owners of all parcels to be removed
- Public Hearing Minutes, revised boundary meeting



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Contact Person for Application	
Name: <u>Jamie Smith, Town Manager</u>	
Address: <u>201 Mechanic Street</u> <u>Laurel, DE 19956</u>	
Phone: <u>(302) 875-2277</u>	
Email: <u>laureltm@comcast.net</u>	
Signature	Date

District Administrator (if different)	
Name: _____	
Address: _____	
Phone: _____	
Email: _____	
Signature	Date

Legislative Body Resolution:

The resolution must affirmatively indicate that the legislative body supports the application for the extension of Downtown Development District designation and is willing to adhere to the District Plan and the Local Incentives for the extended duration.

Date of Resolution in support of DDD Extension Application: October 20, 2025

Resolution number: 2025-9

Program Administration:

Describe any proposed changes in how the DDD program will be administered (such as new organizational structure or personnel to enhance implementation of the DDD program).

<p>Laurel’s Downtown Development District (DDD) program is administered by the Town Manager and her staff. The Laurel Redevelopment Corporation (LRC) has assisted with promoting the program and maintaining the program website.</p> <p>With the DDD designation renewal, Laurel will renew efforts to promote the program and will update the program materials and website. In the next five years, LRC will no longer maintain the website, therefore, the Town will assume that responsibility.</p>



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Need and Impact:

Describe the impact the DDD program has had on your downtown thus far. In the response, please consider the program's effectiveness in creating capital investment, creating jobs, improving housing stock, increasing residents and visitors, providing enhanced retail and entertainment opportunities, and otherwise improving the quality of life within such district. Refer to the Key Priority Projects identified in the initial DDD program application; Was the District successful in implementing these projects?

Provide justification as to why the program should be extended.

The Laurel DDD has been instrumental in the success of improving the housing stock and increasing homeownership within downtown Laurel through construction of new affordable homes and renovation of older buildings. During the first 10 years of the program, 17 residential projects were completed through the Laurel DDD program, including a large project completed by the Laurel Redevelopment Corporation (LRC) that includes 20 duplex residential units on Broad Creek. Additionally, Sussex County Habitat for Humanity has rehabilitated four homes and built five new homes, and Milford Housing Development Corporation has constructed four new homes. Despite this investment, housing and homeownership rate remain prevailing issues within Laurel due to the aging building stock, the costs associated with renovating buildings that have been vacant or underutilized, low income and poverty rates, and low homeownership rates.

At the time of the initial application, beginning in 2016, leveraging the Broad Creek as a resource was core to revitalization efforts. This resulted in the conception of "The Ramble", a planned mixed-use community, including a village green, waterfront cottages, a nature-based playground, kayak launch, and walking trails, that also has the goal to protect water quality in Broad Creek. Recognizing the potential of the Broad Creek waterfront to bring people and jobs back to the downtown, The Ramble's vision has evolved to promote mixed-use development by pursuing the construction of a pocket neighborhood, (now known as the Promenade, a 28-unit subdivision underway) and attracting sustainable economic development, while still ensuring protection to the Broad Creek from erosion and pollution. Although the public components of The Ramble are not DDD eligible, and town-owned lands have been removed from the updated boundary, The Ramble remains a community anchor and focal point of the downtown by providing essential parks and recreational services to the community and by celebrating Broad Creek. Efforts led by the LRC have resulted in the completion of multiple projects within The Ramble footprint, including Tidewater Park, a kayak launch, walking trails, an award-winning bioswale and constructed wetland, and the restoration of Abbots on Broad Creek, a waterfront restaurant. As mentioned previously, a 28-unit residential project known as the Promenade is currently underway by the LRC, which advances the mixed-use vision of The Ramble by adding quality homes to the community. Bringing The Ramble to fruition has been an important goal for downtown revitalization efforts and was a key strategy in the 2016 District Plan.

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There are additional need and impact details included on page 2 of the Updated District Plan attached, as well as detailed demographic data on pages 12-17.

The following sections represent areas where there is a continued need for the Laurel DDD program despite the improvements to the housing stock and The Ramble.

1. Housing:

According to decennial census data, in census blocks that intersect with the DDD, the number of vacant housing units as a percentage of total housing units declined by one percent, 22% in 2010 and 21% in 2020. Additionally, homeownership rates declined from 46% in 2010 to 42% in 2020. Most of the investment within the Laurel DDD has occurred after 2020; therefore, decennial census data mostly presents the enduring need for the program. While progress has been made on the ground in terms of providing new opportunities for owner-occupied housing, it is evident that there is still need for ongoing investment in housing stock to continue increasing homeownership in Laurel's DDD. Please refer to the housing and population demographic data on pages 12-14 of the Updated District Plan for more information, as well as Appendix B of the plan. Maps 4 and 5 illustrate the block level change in homeownership rates from 2010 to 2020, and Map 6 shows 2020 block level vacancy rates.

2. Poverty & Income

Based on available census data, it is challenging to draw any conclusions about the impact of the DDD on income and poverty thus far. There is not block level data for most income and poverty measures included in the U.S. Census. Block group shapes that intersect with the Laurel DDD extend far beyond the DDD boundary. These include all three block groups that comprise Census Tract 518.02; therefore, this tract was used as the closest match to the DDD boundary. Maps 2 and 3 outline current tract, block group, and block shapes.

According to 5-Year American Community Surveys (ACS), the median household income has improved in Census Tract 518.02 in the past ten years, increasing by from \$39,428 in 2014 to \$62,358 in 2023. This exceeds the Town of Laurel's median income in the past ten years (\$33,387 in 2014 and \$44,593 in 2023) but trails the median income of Sussex County (\$53,505 in 2014 and \$78,162 in 2023), and Delaware (\$60,231 in 2014 and \$82,855 in 2023). From 2014 to 2023 the poverty rate increased across Delaware, Sussex County, and the Town of Laurel; however, Census Tract 518.02 saw a one percent decrease. In 2023, however, the poverty rate in Census Tract 518.02 (22%) continues to exceed that of Delaware (11%) and Sussex County (12%), although by a smaller margin than in 2014. According to HUD 2023 Low and Moderate Income Summary Data, Census Tract 518.02 experienced an increase in households with low to moderate income, growing from 43% in 2014 to 58% in 2023. While this is less than the Town of Laurel (44% in 2014 and 72% in 2023), Census Tract 518.02 exceeds the percentages of households with low to moderate income in both the State of Delaware (38% in 2014 and 41% in 2023) and Sussex County (38% in 2014 and 43% in



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2023). In the five-year estimates for 2023, the gap between low to moderate income rates of Census Tract 518.02 and Delaware and Sussex County more than doubled. It is unclear what impact the COVID-19 pandemic had on these ACS estimates. Please refer to the income and poverty data on pages 15-16 of the Updated District Plan for more information.

3. Age Distribution

The Town of Laurel trends younger than the State of Delaware and Sussex County. According to ACS five-year estimates, Laurel had a median age of 27.7 in 2014 and 30 in 2023, which is much lower than Delaware (39.1 in 2014 and 41.5 in 2023) and Sussex County (46.5 in 2014 and 51.4 in 2023). While this is not directly related to housing or income, it indicates that there may be a larger proportion of potential first-time home buyers in the Town of Laurel that need support compared to the surrounding geographies. Please refer to pages 16 and 17 of the District Plan for detailed age data.

Over the last decade, Laurel's DDD program has succeeded in sparking investment in housing and advancing the vision for The Ramble, setting the stage for continued investment and economic growth in years to come. As has been the case elsewhere in the State, the neighborhood-level challenges take longer than a decade to fully address, and sustained investment is imperative to keep momentum focused. Issues related to low homeownership and high poverty rates prevail in Laurel, and while the investments related to the DDD have begun to move the needle, there is more work to be done. The support of the DDD program and its incentives is critical to continue the investment in Laurel to fulfill the vision and goals of the DDD program over the next five years: to enhance commercial viability, walkability, and overall livability.

District Plan:

Revise the current District Plan to include the listed items below. The revised plan is intended to supersede the existing one and must be included with the Extension Application. The updated plan should assess progress made since program implementation, reflect relevant changes that may have occurred since plan adoption, and provide up-to-date guidance for redevelopment for the next 5 years and beyond.

District Plan update must include the following:

1. Rationale as to why the five-year extension is necessary and/or desirable to achieve redevelopment goals stated in the District Plan.
2. An evaluation and self-assessment of past program implementation and performance.
3. Updated demographic and redevelopment data, and analysis of that data in the current plan.



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4. An evaluation, and revision if necessary, of the vision, goals and strategies for downtown redevelopment.
5. Updated maps that reflect current conditions. Note any changes (within the District) to zoning or to the Future Land Use Map in the adopted comprehensive plan.

Briefly summarize changes made to the plan here:

The vision and goals of the updated District Plan remain the same as the 2016 District Plan: to enhance commercial viability, walkability, and overall livability. The Town of Laurel contracted the Rossi Group to conduct a thorough program evaluation to assess implementation and performance to date, and recommend program changes moving forward as part of this application. As a result, the implementation strategies have been revised to reflect the current status of action items and relevance to the Laurel DDD vision. Please refer to Appendix B for the implementation strategies from the 2016 District Plan and pages 20-22 for the revised implementation strategies.

A new DDD boundary is also proposed in the updated District Plan. The revised boundary will better align with need and impact, as well as maximize the area eligible for the DDD program. This includes the removal of Town-owned properties from the DDD boundary and the expansion of the boundary to encompass properties that provide more opportunities for commercial investment and housing redevelopment. Please refer to pages 18 and 19 for the updated boundary and rationale.



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Local Incentives:

List the local incentive package currently in place and briefly assess the effectiveness of each using data from completed projects. Please note any changes proposed to these incentives and describe why the change is needed.

List any new incentive options being proposed and explain how these new incentives will address the goals of the District Plan for the next 5-year period.

The Town of Laurel offers five (5) different incentives to encourage investment in the Downtown Development District (DDD). They include graduated reductions to water and sewer impact fees, abatement of property taxes on the value of improvements for five (5) years, a minimum discount of 25 percent on land owned by Laurel Redevelopment Corporation (LRC), donation of town-owned land at Market and Oaks Streets to the LRC or developer for use that realizes the DDD vision and goals, and purchase and remediation of parcels identified in the DDD (Ramble footprint). From 2017 to 2023, the total value of local incentives utilized was \$92,275.40.

The most frequently utilized incentive was the five (5) year property tax abatement. From fiscal year 2017 to 2024, nine (9) projects were provided with the five (5) year property tax abatement. The estimated value of property tax abatement for each project ranged from \$1,000 to \$15,682, which can have a significant impact on the purchaser or builder. The total value of property tax abatement over the course of the DDD program amounted to \$41,875.40. The updated District Plan recommends changing the five-year tax abatement to a phasing in of property taxes over five (5) years in 25% increments.

The graduated reduction of sewer and water impact fees was the second most common local incentive utilized. Applicable projects greatly benefit from this incentive, which has been valued at up to \$42,000 for The Villas, a large residential project along Broad Creek. In the fiscal year 2020, graduated reduction of sewer and water impact fees were provided for every project. Although used less than the property tax abatement, the total value of graduated reduction of sewer and water impact fees utilized during the Laurel DDD program from 2016 to 2024 is \$50,400, exceeding the total value of property tax abatements. While this was a useful incentive, a 50 percent reduction in building permit fees is recommended to replace the graduated reduction of water and wastewater impact fees to incentivize residential and commercial development. This allows the Town to collect revenue needed to fund infrastructure improvements, while offsetting this impact with the building permit fee reduction.

Under the Laurel DDD program, four (4) town-owned vacant lots were made available for donation to a development group that would further the goals of the district plan. In 2021, the Town agreed to deed over these properties to Milford Housing Development Corporation, who built four affordable, single-family detached homes that are now occupied by moderate-



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income households. Since these properties have been developed, this will no longer be offered as an incentive.

No investors utilized the incentive offered by the LRC to sell land at a reduced price.

Over the course of the DDD program implementation, Laurel Redevelopment Corporation (LRC) and the Town of Laurel acquired all waterfront parcels within The Ramble footprint and the DDD boundary. Included in this area are parks and recreational facilities, such as the newly constructed Tidewater Park and boat ramps along Broad Creek, Abbots on Broad Creek Restaurant, and the site of the Promenade, a 28-unit subdivision that will provide affordable, owner-occupied housing for the local workforce in Laurel. The site of the Promenade covers a former town dump, which LRC intends to clean up alongside construction.

During the entire Downtown Development District program in Laurel (2016 to 2024), projects received \$752,627 in rebates thereby leveraging \$4,349,602 in private investments.

For the next phase of Laurel's DDD program, the Town plans to modify the incentives offered.

The five-year tax abatement will be modified to a phase-in of taxes over five years. This acclimates the property-owner over time to the tax burden while also reducing the cost to the Town.

The reduction in the water/wastewater impact fee will be replaced with a reduction of the building permit fee. This ensures that impact fees are collected to support the capital costs associated with the Town's water and wastewater infrastructure, while also reducing the building permit cost to the investors, which was an issue raised by investors during the focus group.

Key Priority Projects:

The DDD application was updated in 2019 to include discussion of Key Priority Projects. These projects were to be identified in the District Plan as potential catalysts for other redevelopment activity or as examples of superior urban design. Key Priority Projects are specific projects expected to provide significant impact to the District when implemented. See *DDD Program Guidelines* for more information. [ddd-program-guidelines-2022.pdf \(delaware.gov\)](https://www.delaware.gov/ddd-program-guidelines-2022.pdf)

With this definition in mind, please describe the Key Priority Projects that were implemented during the past 10-year period. Briefly assess their impact and/or describe any barriers to implementation. Moving forward, what are the Key Priority Projects for the 5-year extension?



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Key projects and implementation strategies identified in the initial application included bringing The Ramble waterfront redevelopment initiative to life and improving community housing and homeownership, especially in the “Old Town” neighborhood. Both of these goals have been advanced in the past ten years, setting the stage for further investment.

Over the past ten years, many components of The Ramble have been completed. As noted previously, completed projects within The Ramble footprint include Tidewater Park, a kayak launch, walking trails, an award-winning bioswale and constructed wetland, and the restoration of Abbots on Broad Creek, a waterfront restaurant.

The “Old Town” neighborhood is located between The Ramble and Market Street and directly west of Central Avenue that was identified as a priority for rehabilitation in the 2016 District Plan. In the past ten years, eleven small residential projects have been completed. These include the construction of new affordable houses and repairing deteriorated buildings.

There are six key priority projects that build upon the success of the previous ten years and have the potential to transform the Laurel DDD. Two of these projects are underway and depend on DDD incentives to continue advancing.

Key Projects:

Central Station: LRC is restoring the historic building at Central Station, located at 201 North Central Avenue, to welcome Davelli’s Bagel Café, a locally owned and operated café known for its bagels, fresh breads, and pastries. This project supports the growing food scene in the DDD, contributes to quality commercial development, and restores dilapidated historic properties.

102 East Front Street: Just across Central Avenue from the Old Town neighborhood sits a one-story masonry building located at 102 East Front Street. This building is also undergoing restoration by LRC and will be transformed into a new café. This marks another exciting addition to the community’s growing food scene and is representative of the commercial development visualized in the 2016 District Plan. This also improves the building stock within the Old Town neighborhood.

Central Avenue Mixed-Use Development: Old Town is slated for other development in addition to Central Station at 201 North Central Avenue. LRC owns six parcels on this block and envisions mixed-use development which aligns with the 2016 District Plan recommendation to “set priorities for the program, beginning in the mixed-use neighborhood west of Central Avenue and between The Ramble and Market Street.”

Laurel Senior Center: Southeast of Old Town is the Laurel Senior Center, which is in a historic theater building on North Central Avenue. The building façade has preserved some historic architectural features but could use restoration to reach its full potential. The Laurel



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Senior Center provides an invaluable and multi-purpose community focal point where aging individuals may come together for services and activities. The center strives to enhance dignity, support independence and encourage involvement in and with the community, thereby enhancing the livelihood of residents. Working with the Senior Center to restore the historic theater has been a topic of discussion within the community. Ensuring that the Senior Center's needs are central to such a restoration would be a priority. This has been identified as a key project because it is an iconic building whose restoration could be a catalyst for further redevelopment of Central Avenue.

The Promenade: The Promenade is another highly anticipated residential project underway in the Ramble footprint. As noted previously, it is a 28-unit subdivision that intends to provide high quality yet affordable, owner-occupied housing for Laurel residents. The site of the Promenade is located between West Front Street and Broad Creek and covers a former town dump, which LRC intends to clean up alongside construction. The Promenade is critical in realizing visions outlined in the 2016 District Plan: to improve community housing and home ownership and to remediate and leverage waterfront property along Broad Creek.

118 North Central Avenue Mixed-Use: A mixed-use project, located with the Old Town neighborhood at 118 North Central Avenue, has applied for a large fund reservation. This project will offer laundromats on the first floor and rental units on the upper levels. The commercial and residential spaces complement the other projects within the Old Town neighborhood and work towards the same goal to provide economic opportunity and high quality housing. Construction has already begun.



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District Boundary Revisions:

As a part of the District Renewal process the local jurisdiction may revise the original District Boundary to meet the redevelopment goals of the next five-year period. The updated District Plan must fully describe the rationale for the revised boundary. The revised boundary must meet all guidelines and criteria for the District Boundary as described in Chapter 5 of the *DDD Program Guidelines*.

It is permissible to remove parcels from the original District Boundary and reallocate that acreage to other areas of the downtown as a part of the boundary revisions during the District Renewal process. Should the local jurisdiction propose removing parcels from the original boundary, the following is required:

- The owners of all parcels that are proposed to be removed from the District Boundary must be noticed of the change via Certified Mail or similar method. The local jurisdiction shall keep receipts or other documentation of this notice and submit it with the District Renewal application.
- All property owners that are proposed to be removed from the District Boundary must be given an opportunity to speak at a public hearing hosted by the local jurisdiction, to be held before the final decision has been reached regarding the revised boundary that is to be proposed as a part of the District Renewal application. Minutes of this public hearing or hearings must accompany the District Renewal application.

If the revised District Boundary proposes to remove any parcels from the original District Boundary, please briefly describe the rationale for removing the parcels and where the acreage has been reallocated to:

Since the initial establishment of the DDD Boundary, the Town completed expansions to include properties along the south side of East Sixth Street, in between South Poplar Street and Pine Street, as well as properties along the east side of Pine Street, between East Fourth Street and East Sixth Street. This expansion added approximately 6.5 acres to the Laurel DDD.

Within the Laurel DDD are eight acres of Town-owned parkland, which is ineligible to receive the Downtown Development District program benefits. To maximize the program's potential, the boundary has been revised to remove this portion and redistribute that acreage to properties eligible for the program.

As all parcels proposed for removal from the DDD boundary are owned by the Town of Laurel. Based on guidance from the Office of State Planning Coordination, the requirement to send certified mail to the affected property owners (the Town of Laurel) and hold a public hearing regarding removal of parcels does not apply to Town-owned property.



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The DDD Program now allows municipalities with a population of 9,000 individuals or less to designate DDDs that encompass up to 105 acres. The Town has strategically reviewed areas adjacent to the current District boundary to identify areas that meet the need and impact criteria and would benefit from the Downtown Development District Program. The revised District Boundary adds the following areas in an effort to promote housing development and commercial investment. Additions include the following:

- A 22-acre area west of the railroad and south of Market Street. This area extends west to the intersection of Townsend Street and West Sixth Street, then east to the intersection of Elm Street and West Sixth Street. The boundary follows the east side of Elm Street south to Center Street, then east along Center Street until West Street. At the intersection of West Street and Seventh Street, the boundary follows the north side of Seventh Street, past the railroad, until it meets South Poplar Street.
- A 10-acre area to the east of the district on the south side of North Front Street. This extends east to Willow Street, and follows it south until it reaches the DDD boundary south of Fifth Street.

The proposed expansion utilizes the updated allotted Downtown Development District acreage to maximize the potential of program incentives and investments. Please see Appendix C of the attached Updated District Plan as Map 8 illustrates the proposed boundary changes.

If the revised District Boundary proposes to remove any parcels from the original District Boundary, please include the receipts or other documentation of the public notice to all property owners to be removed, as well as the minutes of the public hearing where the boundary revisions were discussed in the District Renewal application.