

Middletown Multifamily Housing Analysis

October 2017

Prepared for

Town of Middletown, Delaware

Written by

Sean O'Neill, AICP, Policy Scientist

Linda Raab, AICP, Senior Land-Use Planner

Prepared by

Institute for Public Administration

School of Public Policy & Administration

College of Arts & Sciences

University of Delaware



**Institute for
Public Administration**

Middletown Multifamily Housing Analysis

October 2017

Prepared for

Town of Middletown, Delaware

Written by

Sean O'Neill, AICP, Policy Scientist

Linda Raab, AICP, Senior Land-Use Planner

Institute for Public Administration
School of Public Policy & Administration
College of Arts & Sciences
University of Delaware

Preface

The Town of Middletown, Delaware, has recently experienced an unprecedented number of proposals for multifamily dwellings. The town became concerned about these proposals because historically it has had few multifamily units, and the newly proposed developments represent a potentially large increase in both multifamily residences and the town's renter population. Middletown is also interested in improving its development standards for multifamily development and concerned that its current regulations are not sufficient to promote the style of development they would like to see. As a result of these concerns, the town has contracted with the University of Delaware's Institute for Public Administration to perform a multifamily housing analysis and zoning analysis on the primary zones that allow multifamily development.

This study serves as an **informational tool** for Middletown to be used by decision makers when taking into consideration any policy changes they deem necessary regarding multifamily development proposals. The following report is organized into six sections:

- **Executive Summary**, which highlights key findings from this analysis, focused on strategic actions that the town may want to take to better accommodate the influx of new multifamily development proposals.
- **Analysis of Existing Zoning Pertaining to Multifamily Apartments** that will focus on standards for the three zones that currently allow for multifamily development.
- **Analysis of Recorded and Proposed Projects** that will focus on some of the recorded and proposed multifamily projects that the town is anticipating for new development.
- **Analysis of Existing Housing Conditions in the Town** that will focus on the town's existing unit mix and character of the housing and how it would be impacted potentially by the new development proposals.
- **Analysis of Build-Out Conditions for Multifamily Properties** that will project what the town's current existing zoning allows on currently undeveloped properties.
- **Recommendations**

As the director of the Institute for Public Administration (IPA) at the University of Delaware, I am pleased to provide this report, *Middletown Multifamily Housing Analysis*.

Jerome R. Lewis, Ph.D.

Director, Institute for Public Administration

Acknowledgements

This project was conducted in cooperation with and support from the Town of Middletown. We sincerely appreciate the time commitment and support of those who contributed to the success of this project, including Town Manager Morris Deputy. We also thank Lisa Moreland and Sarah Pragg for their editorial and formatting assistance.

Sean O'Neill, AICP, Policy Scientist

Linda Raab, AICP, Senior Land-Use Planner

Contents

1. Executive Summary	1
2. Analysis of Existing Zoning Pertaining to Multifamily Apartments	3
R3 Zone	3
C2 Zone	3
C3 Zone	3
3. Analysis of Recently Recorded and Proposed Multifamily Projects	5
Approved & Recorded Development Sites (997 units total)	6
A. Southridge – 360 units proposed with 216 completed as of August 2017 (under construction) .	6
B. Highlands – 336 units proposed	8
C. Promenade – 273 units proposed	10
D. Sommerton – 28 units proposed (with commercial below).....	12
Proposed Projects/Projects Under Consideration (1,592–1,692 units total)	14
E. Middletown Crossing – 240 units proposed (with commercial as part of a planned community)	14
F. Money Property – 250-300 units proposed	16
G. Pederson Property – 250-300 units	18
H. Maple Grove – 350 units.....	20
I. Capano Property – 250 units	22
J. Casapulla Property – 252 units (no photo available).....	24
4. Analysis of Existing Housing Conditions	25
5. Analysis of Build-Out Conditions for Multifamily Properties	27
6. Recommendations	28
7. Summary and Explanation of Recommendations	31
Appendix A. Sample Mixed-Use Zoning Ordinances	33
Appendix B. Build-Out Analysis	38
Documentation for Middletown Build-Out Calculations	39
Result	39

List of Figures and Tables

Figure 1 – Middletown Zoning Map	4
Figure 2 – Middletown Recorded and Proposed Multifamily Projects	5
Figure 3 – Outside of Southridge Apartment development leasing office, facing east toward Main Street.	6
Figure 4 – Outside of Southridge Apartment development leasing office, facing southeast toward South Ridge Avenue & Kohl’s.....	7
Figure 5 – Outside of Southridge Apartment development leasing office, facing northeast.	7
Figure 6 – Highlands Development Site, facing south on Cleaver Farm Road toward Main Street.	8
Figure 7 – Highlands Development Site, facing west across Cleaver Farm Road.	9
Figure 8 – Highlands Development Site, facing east from Cleaver Farm Road.....	9
Figure 9 – Promenade Development Site, from S. Catherine Street facing east toward the Post Office.	10
Figure 10 – Promenade Development Site, facing south along S. Catherine Street.	11
Figure 11 – Promenade Development Site, facing northeast from S. Catherine Street toward Main Street.	11
Figure 12 – Sommerton Site facing south toward Levels Road.	12
Figure 13 – Sommerton Site facing east toward Levels Road.....	13
Figure 14 – Sommerton Site facing north toward Levels Road and Route 301.	13
Figure 15 – Middletown Crossing Site facing north toward Main Street.....	14
Figure 16 – Middletown Crossing Site facing south toward the intersection of Dickerson Boulevard and E. Shakespeare Drive.....	15
Figure 17 – Middletown Crossing Site facing east toward Acme Supermarket shopping center.....	15
Figure 18 – Money Property Site facing north toward the future intersection of Levels Road and the Route 301 Bypass.....	16

Figure 19 – Money Property Site facing west toward construction for the Route 301 Bypass.17

Figure 20 – Money Property Site facing south.17

Figure 21 – Pederson Property Site facing west from Rutkoske Drive.18

Figure 22 – Pederson Property Site facing northwest from Rutkoske Drive.19

Figure 23 – Pederson Property Site facing south toward Main Street from Rutkoske Drive.....19

Figure 24 – Maple Grove Site facing north from adjacent parking lot near Sleep Hollow Drive.....20

Figure 25 – Maple Grove Site facing northwest along Bunker Hill Road.21

Figure 26 – Capano Property Site facing west across Merrimac Avenue.22

Figure 27 – Capano Property Site facing northwest across Merrimac Avenue.23

Figure 28 – Capano Property Site facing north along Merrimac Avenue toward Route 301.23

Table 1: Homeownership Rates among Selected Delaware Municipalities.....26

1. Executive Summary

At the request of the Town of Middletown, Delaware, the Institute for Public Administration (IPA) at the University of Delaware has contracted to develop a multifamily housing market analysis. Middletown requested assistance from IPA due to the fact that it currently has close to 1,000 multifamily units recorded to be built in the near future, along with at least five additional proposals for multifamily projects. Although the town has grown substantially in size over the past 25 years, it previously has not encountered this level of multifamily development. Research for this effort focused on assessing the existing zoning for multifamily housing, assessing recently proposed multifamily housing projects, conducting a brief analysis of existing housing conditions in the town, conducting an analysis of how many multifamily units the town is currently allowing for by right, and recommending zoning code revisions as well as other policy changes suggested to achieve the town's goals.

As a result of its analysis, IPA has developed a list of recommendations for Middletown to consider. While the approved and proposed multifamily projects present some challenges for the town, they also present great opportunity. Middletown is a very attractive place for people of all ages and backgrounds to live. The new Route 301 Bypass, which is currently under construction along the town's western border, has made the area all that much more attractive due to the improved access it will afford residents to job centers in New Castle County. The town has an opportunity to define what it will look like for its next generation of residents. IPA sees this as a unique opportunity for the town to revise its zoning and make other policy changes to guide this new growth in a manner that suits its long-term desires. The town can build upon its recent successes by creating a new and exciting growth area along the new Route 301 Bypass while also focusing on better supporting and connecting to its historic Main Street area. To better accommodate the large amount of growth and proposed multifamily development that Middletown is currently reviewing, IPA recommends the town pursue the following:

Revise the C2 and C3 zoning districts to only allow for multifamily development under conditional use, instead of by right.

Consider adopting a new MixedUse (MX) zoning district, particularly for newly annexed areas adjacent to the Route 301 Bypass, that will be designed to help create new pedestrian-friendly and well-connected "town center" areas that are both attractive and accessible to a variety of age groups.

Consider revising the R3 zone to allow for building heights up to five stories (60 feet) with residential densities up to 24 units per acre, but only through conditional use approval.

Consider creating a new “Route 301 Corridor Plan” for the west side of town along the existing Route 301 Corridor and the Route 301 Bypass that will give a more detailed plan of action for new development over the next few decades.

Create a pedestrian and bicycle master plan for Middletown that will make the town more pedestrian and bicycle friendly and will better connect the western portion of town with the historic Main Street area.

2. Analysis of Existing Zoning Pertaining to Multifamily Apartments

Middletown currently has three zones that allow for multifamily apartments. These zones are the following:

R3 Zone

The R3 Zone was intended to be the most intense residential use when the zoning code was written and is primarily intended for multifamily housing. Middletown's R3 Zones allow for a maximum of three stories and 40-foot heights with a density of 16 units to the acre by right. Property owners with over ten acres of land are able to apply for special exception in the R3 Zone that allows them to build multifamily apartment buildings up to four stories and 50-foot heights with a density of 24 units per acre. The R3 Zone is found on the eastern edge of town at Willow Grove Mill; in the central portion of town near Main Street in neighborhoods such as Middletown Crossing, Ashley Court, and North Village; in the western portion of town adjacent to The Parkway at Southridge and Bunker Hill; and in the southwestern portion of town adjacent to the Amazon fulfillment center (see Figure 1).

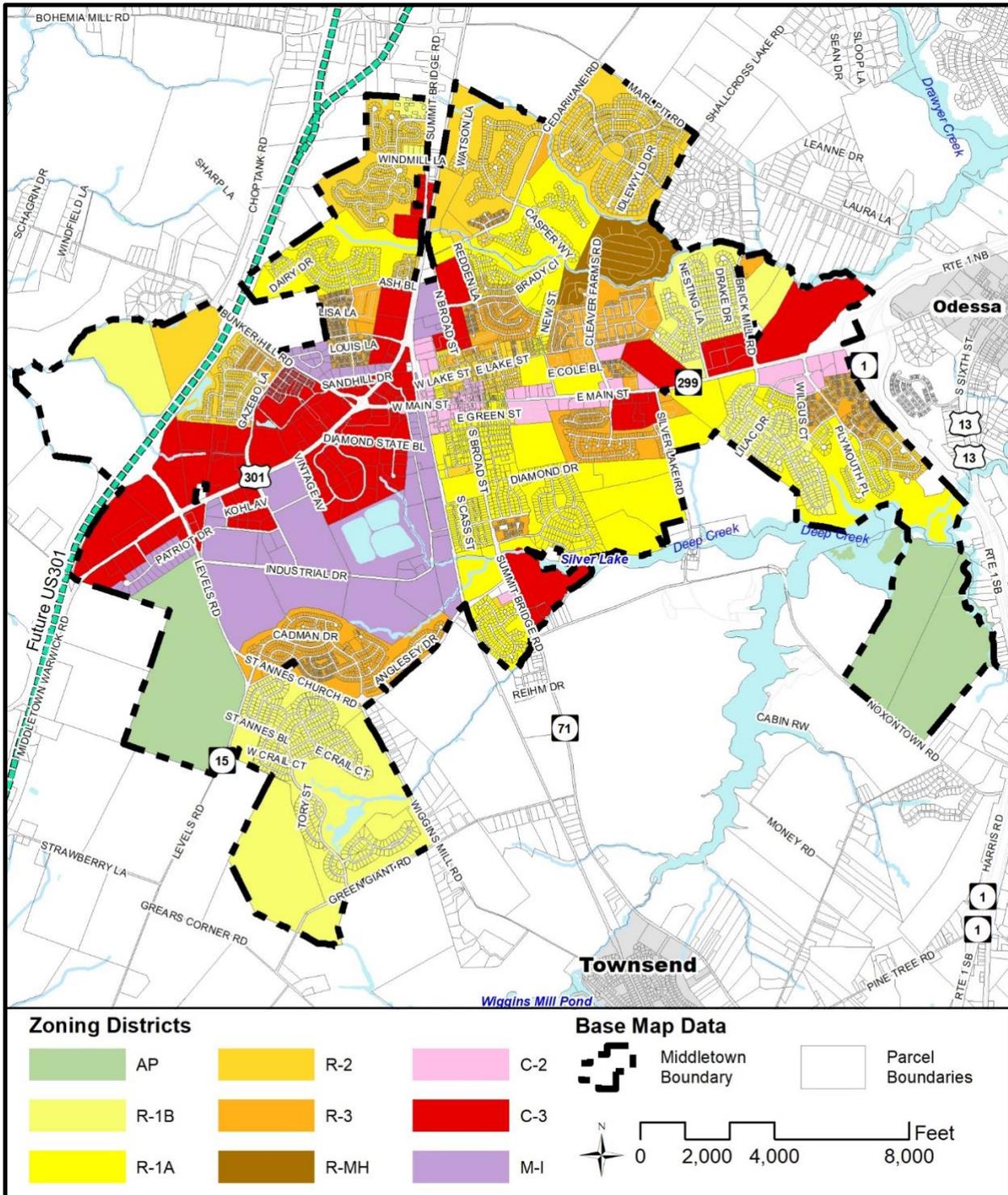
C2 Zone

The C2 Zone was amended to allow for multifamily apartments, but was not originally written with that intent. Middletown's C2 Zones allow for the same standards for multifamily apartments that are allowed in R3 Zones in terms of height, bulk, and density. The C2 Zone is found primarily in the center of town along Main Street, but is also found on the eastern edge of town; along the railroad line and Peterson Road; and in the southern portion of town off Summit Bridge Road across from the DelDOT Maintenance Yard (see Figure 1).

C3 Zone

Similar to the C2 Zone, the C3 Zone was not originally intended to allow for multifamily apartments. Due to the nature of the town's zoning code, when the C2 Zone was amended to include multifamily apartments it was also allowed in the C3 Zone. Therefore, the C3 Zone allows for the same standards relating to height, bulk, and density that the C2 and R3 Zones allow. The C3 Zone is found primarily in the western portion of town, encompassing most of the land between the railroad crossing along Main Street and the new Route 301 Bypass highways that is currently under construction. Large portions of C3 can also be found along Middletown-Warwick Road and on the eastern portion of town along Main Street (see Figure 1).

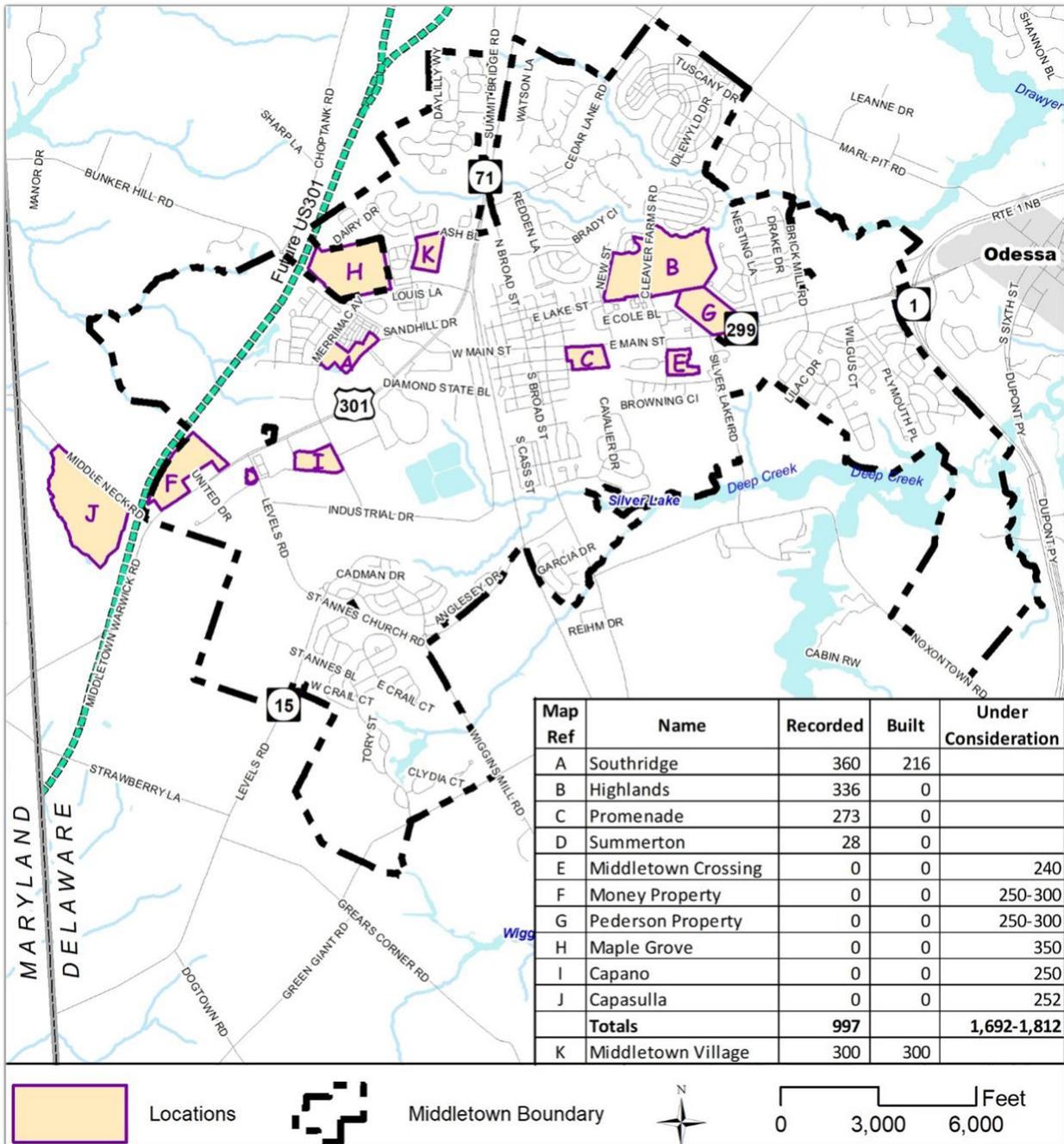
Figure 1 – Middletown Zoning Map



3. Analysis of Recently Recorded and Proposed Multifamily Projects

After IPA was contacted to perform this analysis, Middletown was asked to provide details of the projects that were approved or proposed for the near future. This information is provided below:

Figure 2 – Middletown Recorded and Proposed Multifamily Projects



Approved & Recorded Development Sites (997 units total)

A. Southridge – 360 units proposed with 216 completed as of August 2017 (under construction)

- **Location:** Southridge is located on the west side of town at the southwest corner of the intersection of Bunker Hill Road and Sandhill Drive.
- **Considerations:** Southridge Phase 1 is complete and leasing apartments. Southridge Phase 2 is currently under construction. While the project is approved and currently under construction, there is opportunity to improve some of the pedestrian connections between the apartments and the commercial center along South Ridge Avenue and the western spur of Sand Hill Drive.

Figure 3 – Outside of Southridge Apartment development leasing office, facing east toward Main Street.



Figure 4 – Outside of Southridge Apartment development leasing office, facing southeast toward South Ridge Avenue & Kohl's.



Figure 5 – Outside of Southridge Apartment development leasing office, facing northeast.



B. Highlands – 336 units proposed

- **Location:** Highlands is located to both the western and eastern side of Cleaver Farm Road directly north of the Nemours duPont Pediatrics office building.
- **Considerations:** The Highlands community is located adjacent to the existing Middletown Trace Apartments and within walking distance to commercial shopping centers on either side of Dickerson Boulevard south of Main Street. Connectivity across Main Street and Cleaver Farm Road to both of these locations should be an important consideration in the development of this property.

Figure 6 – Highlands Development Site, facing south on Cleaver Farm Road toward Main Street.



Figure 7 – Highlands Development Site, facing west across Cleaver Farm Road.



Figure 8 – Highlands Development Site, facing east from Cleaver Farm Road.



C. Promenade – 273 units proposed

- **Location:** Promenade is located along the southern portion of Main Street to the southeast of the intersection with Cathedral Street.
- **Considerations:** This location is one of the most important undeveloped properties in town. It is adjacent to an elementary school, the post office, and a historic church at the town center. This development should serve as a natural extension of the eastern edge of the historic Main Street area. Careful consideration should be taken with this development as it will be vital to the town’s future. This is a prime location to consider mixed-use development with ground-floor commercial uses such as restaurants, offices, and retail establishments.

Figure 9 – Promenade Development Site, from S. Catherine Street facing east toward the Post Office.



Figure 10 – Promenade Development Site, facing south along S. Catherine Street.



Figure 11 – Promenade Development Site, facing northeast from S. Catherine Street toward Main Street.



D. Sommerton – 28 units proposed (with commercial below)

- **Location:** Sommerton is located on the southwestern portion of town along Levels Road and Patriot Drive, near the intersection with Route 301.
- **Considerations:** Sommerton is a relatively small development compared to the others referenced in this analysis, but contains some proposed ground-floor commercial uses. Its location is not especially conducive to mixed-use development, and it is not a particularly walkable environment. Most of the surrounding uses are industrial or highway commercial-oriented uses.

Figure 12 – Sommerton Site facing south toward Levels Road.



Figure 13 – Sommerton Site facing east toward Levels Road.



Figure 14 – Sommerton Site facing north toward Levels Road and Route 301.



Proposed Projects/Projects Under Consideration (1,592–1,692 units total)

E. Middletown Crossing – 240 units proposed (with commercial as part of a planned community)

- **Location:** Middletown Crossing is located to the southwest of the intersection of Frost Drive and Dickerson Boulevard, within walking distance to Main Street and adjacent to a shopping center with an Acme supermarket.
- **Considerations:** Middletown Crossing is located adjacent to a large shopping center with many retail uses that would be very convenient for new residents. It is also adjacent to single-family neighborhoods and could potentially help to better connect both areas through pedestrian improvements. This development could also be viewed as an opportunity to better connect the single-family neighborhood with Main Street and the commercial areas along Main Street. Given the large amount of retail surrounding this location, there is not an apparent need to design it for mixed-use development, which would likely include additional retail.

Figure 15 – Middletown Crossing Site facing north toward Main Street.



Figure 16 – Middletown Crossing Site facing south toward the intersection of Dickerson Boulevard and E. Shakespeare Drive.



Figure 17 – Middletown Crossing Site facing east toward Acme Supermarket shopping center.



F. Money Property – 250-300 units proposed

- **Location:** The Money Property is located to the far southwest of town bordering the 301 travel plaza to its east and the under-construction Route 301 Bypass to its west.
- **Considerations:** This property has the potential to be strategically important for Middletown. Given that it is located directly adjacent to the new Route 301 Bypass, it will have great visibility to all the vehicles traveling along that route once it is open. This is a very valuable location for any commercial developer, but especially so for multifamily due to the great visibility it has from the new roadway. This visibility is important for marketing all new properties, but can be especially important for multifamily properties. This property has the potential for a more high-end mixed-use product than many of the other properties referenced in this study due to its location, and could be considered as one of a few “mixed-use hubs” along the Route 301 Bypass. Connecting this development more directly to other areas of town, especially the historic Main Street area, will be of critical importance.

Figure 18 – Money Property Site facing north toward the future intersection of Levels Road and the Route 301 Bypass.



Figure 19 – Money Property Site facing west toward construction for the Route 301 Bypass.



Figure 20 – Money Property Site facing south.



G. Pederson Property – 250-300 units

- **Location:** The Pederson Property is located along Main Street to the northwest of the intersection with Dove Run Boulevard and directly across the street from Middletown High School.
- **Considerations:** Given its close proximity to the Highlands property (already approved) and Middletown Crossing (better location), this property may be better suited for commercial development, rather than multifamily development. Given the large number of multifamily development proposals at the moment in town, this property seems even more suitable for other uses. Any new construction in this area should seek to better connect Rotkoske Drive over to Silver Lake Road or East Hampstead Court to create better connectivity for motor vehicles in the area.

Figure 21 – Pederson Property Site facing west from Rutkoske Drive.



Figure 22 – Pederson Property Site facing northwest from Rutkoske Drive.



Figure 23 – Pederson Property Site facing south toward Main Street from Rutkoske Drive.



H. Maple Grove – 350 units

- **Location:** Maple Grove is a property that is not currently part of Middletown proper, located on the western side of town bordering Bunker Hill Road to its south and the under-construction Route 301 Bypass to its west. It is also located almost directly across Bunker Hill Road from the Southridge development.
- **Considerations:** Similar to the Money Property, Maple Grove’s location along the Route 301 Bypass makes it a very valuable and marketable piece of property for a potential developer due to the visibility it would have from the vehicles driving along the Bypass every day. If it were to be annexed into town, it could be considered another one of the few “mixed-use hubs” along the Route 301 Bypass. It is also located along Bunker Hill Road, which makes connecting to the historic downtown and Main Street that much more important and somewhat easier. It will be extremely important to pay close attention to the new development’s pedestrian connections across Bunker Hill Road to the Southridge area as well as the commercial properties adjacent to Southridge. In addition, it would be essential to make it easy for residents of Maple Grove to drive, walk, or bike to the historic Main Street downtown area to keep that area active and successful. Maple Grove is a prime location to build a larger mixed-use “new town” area that, along with the closely linked Southridge area, can become a new center of residential and commercial activity for Middletown.

Figure 24 – Maple Grove Site facing north from adjacent parking lot near Sleep Hollow Drive.



Figure 25 – Maple Grove Site facing northwest along Bunker Hill Road.



I. Capano Property – 250 units

- **Location:** The Capano property is located in the southwestern portion of town at the northwest corner of the intersection of Patriots Drive and Merrimac Avenue, within walking distance to Route 301. It is also located directly across Merrimac Avenue from the new Amazon distribution center.
- **Considerations:** The Capano property's most significant advantage is that it is located directly across from a major employment center, the Amazon distribution center. There is also a DART bus stop located at the front of the property, which services the distribution center. There is a large amount of new construction happening around the site, with new retail planned just north of the site and new industrial planned just south of the site. It is also close to a large amount of existing retail including Walmart and the new Westtown Movie Theater. This location would be suitable for mixed-use development with ground-floor commercial that would attract frequent traffic from the large number of employees from the Amazon facility as well as those riding to and from the site on the DART bus. The proximity to industrial uses—both existing and anticipated—however, is a major concern for the health of potential future residents at this site.

Figure 26 – Capano Property Site facing west across Merrimac Avenue.



Figure 27 – Capano Property Site facing northwest across Merrimac Avenue.



Figure 28 – Capano Property Site facing north along Merrimac Avenue toward Route 301.



J. Casapulla Property – 252 units (no photo available)

- **Location:** The Casapulla property is located outside of town to the far southwest, bordering the under-construction Route 301 Bypass to the east and Middle Neck Road to the south.
- **Considerations:** Given the large amount of multifamily development being proposed in town as well as the distance from the historic town core, it would be wise to delaying annexing this property. If the property is annexed into town, then it should include a wide variety of commercial and residential uses including multifamily, townhouses, single family, retail, and offices. It potentially could be treated as a new mixed-use “hub” for transportation and services similar to the Maple Grove or Money Properties.

TOTAL NUMBER OF UNITS APPROVED OR PROPOSED = 2,589–2,689

4. Analysis of Existing Housing Conditions

Middletown is primarily residential in nature with the vast majority of units being single-family residential units (86.4% per ACS 2015). Most of the residential buildings in the area are very new, with approximately 69 percent of all housing units built between 2000 and 2009. In recent years, the town has developed more commercial and industrial property as it has grown in land area and population, particularly on the western side of town along the Route 301 Corridor. The town's population has also grown exponentially over the past 25 years, increasing from 3,834 in 1990 (1990 Census) to an estimate of 19,744 in 2015 (ACS 2016).

To better evaluate the existing housing conditions and the effect that 1,000–2,000 new multifamily units may have, IPA has used U.S. Census data from other area municipalities, New Castle County, and the state to demonstrate how new multifamily development may impact the town's potential home ownership and rental rates. This analysis assumes all the estimated additional rental units would be renter occupied. The data are provided in Table 1 on the next page.

As the data show in Table 1, Middletown has a much larger homeownership rate than the other comparison areas. The addition of 1,000 occupied rental units would change the balance, but the town would still remain at a higher homeownership rate than the other areas used for comparison. With an additional 1,000 occupied rental units, the town also would have higher rental rates than the state and New Castle County, but lower than the other comparison municipalities. With an addition of 2,000 occupied rental units, however, the town would become comparable to statewide ratios for homeownership and would have a larger proportion of renters than the state and New Castle County. The additional 2,000 occupied rental units would make the town's rental rate similar to the City of Newark's 2015 ratio of rental units. Vacancy rates for the additional occupied rental units cannot be accurately estimated in this analysis, but given that the current vacancy rate for all units in Middletown is extremely low compared to the other comparable municipalities one could assume that they would remain relatively low (with the addition of either 1,000 or 2,000 occupied rental units).

Table 1: Homeownership Rates among Selected Delaware Municipalities

	Middletown	+1000* Middletown	+2000* Middletown	State	NCC	Dover	Newark	Wilmington
Owner	76.00%	66.0%	58.3%	59.1%	63.7%	44.9%	52.1%	38.6%
Rental	19.60%	30.2%	38.3%	23.9%	28.5%	45.2%	39.7%	45.0%
Vacant	4.40%			17.0%	7.8%	9.9%	8.2%	16.4%
Total Units	6,609	7,609	8,609	414,416	219,421	14,362	10,821	34,542

*occupied rental units

Source: American Community Survey, U.S. Census Bureau, 2015

5. Analysis of Build-Out Conditions for Multifamily Properties

To better estimate the number of potential multifamily units that Middletown already allows by right in its zoning ordinance, IPA used ArcGIS to estimate a potential build-out of undeveloped or underdeveloped areas allowing for multifamily buildings by right. As stated previously in Section 1 of this report, the R3, C2, and C3 zoning districts currently allow new apartments to be developed by right at a density of 16 units per acre and a maximum of three stories (40 feet) in height. A density bonus is available only for sites that are a minimum of ten acres in size, which allows for a density of 24 units per acre at a maximum height of four stories (50 feet). For this analysis, ArcMap was used to determine the size of each parcel in town. After that was determined, vacant lots that are located in the R3, C2, and C3 zoning districts were identified. Once those parcels were selected, the following criteria were used to determine how many units could be developed on each lot:

- Minimum of one acre in size
- Maximum lot coverage of 20 percent
- Maximum of 16 dwelling units per acre

After applying those standards to the selected vacant parcels in zoning districts R3, C2, and C3, it was determined that:

- There are 515 total acres of vacant property available for new apartment development by right in the R3, C2, and C3 zones.
- If all of those properties are developed under the current multifamily apartment standards, **there is the potential of an additional 1,648 apartment units** to be developed by right under the existing zoning.
- This analysis does not include anticipated annexation areas, potentially rezoned areas, or currently developed properties in the R3, C2, or C3 Zones that could be redeveloped as new apartments. If those properties were to be developed, then the potential number of apartment units would be even higher than the 1,648 estimate.

6. Recommendations

To better accommodate the large amount of growth and proposed multifamily development being considered by Middletown, IPA recommends that the town should pursue the following actions:

1. Revise the C2 and C3 zoning districts to only allow for multifamily development under conditional use, instead of by right.

- a) Implement conditional-use approval to give Middletown more control and flexibility to deny multifamily applications if the proposed projects are not suitable for the C2 or C3 commercial zoning districts. New walk-up-style garden apartments should be limited in these zones due to the lack of ADA accessibility and a need for a more diverse set of housing options.
- b) Allow new multifamily developments that already have been approved by Middletown's Planning and Zoning Commission to move forward under the current zoning standards if so desired by the property owner.

2. Consider adopting a new Mixed Use (MX) zoning district, particularly for newly annexed areas adjacent to the Route 301 Bypass, that will be designed to help create new walkable "town center" areas that are attractive and accessible to a variety of age groups.

- a) The stated intent of the MX zoning district will be to create areas that are pedestrian and bicycle friendly and more accessible to people of all ages, including senior citizens. The new zoning district should be designed to give the town more site design control as a requirement for approval than the current approval process requires. It also builds on the land-use recommendation from the town's 2012 Comprehensive Plan Update to "Continue reviewing existing land uses to identify additional areas suitable for mixed use, especially in the downtown area and Westtown."
- b) Through the new MX Zone, allow for a minimum of 50 percent residential uses (single-family attached and multifamily) while also allowing for non-residential uses such as retail, restaurants, and commercial offices. A minimum size for the new zone and for new developments in the zone should accommodate these requirements. Industrial or warehouse uses should not be permitted in the new zone.
- c) Consider allowing building heights in the zone up to five stories (60 feet) with residential densities up to 24 units per acre by right.
- d) Limit minimum setback requirements for the new zone to encourage a more walkable environment and increase maximum lot coverages to accommodate a more walkable design.

- e) Encourage on-street parking and ground-floor commercial uses in the MX Zone.
- f) Encourage amenities such as small parks, outdoor dining areas, and accommodations for activities such as walking and bicycling in the MX Zone.
- g) Review the Delaware by Design “5 Principles of Good Design” referenced in the 2012 Comprehensive Plan Update.

3. Consider revising the R3 Zone under conditional-use approval to allow for building heights up to five stories (60 feet) with residential densities up to 24 units per acre.

- a) Encourage the use of elevators in all new multifamily apartment buildings.
- b) Limit walk-up-style garden apartments to provide better ADA accessibility and a more diverse set of housing options in town.

4. Consider creating a new “Route 301 Corridor Plan” for the west side of town along the existing Route 301 Corridor and the Route 301 Bypass that will give a more detailed plan of action for new development over the next few decades.

- a) Provide more detail in planning for future development in these areas as well as improved connectivity between the western portion of Middletown and the rest of town through the creation of the “Route 301 Corridor Plan.”
- b) Identify areas of critical importance to the future design and development of the town, especially larger scale developments or new “town center” areas for the western part of town as a particular focus of the plan.
- c) Consider the creation of a system of “mixed-use hubs” of new development that can act as centers for transportation and commerce. The areas could be developed as part of a town circulator bus system to transport people to high-density residential areas and commercial activity.

5. Create a pedestrian and bicycle master plan for Middletown that will make the town more pedestrian and bicycle friendly and better connect the western portion of town with the historic main street area.

- a) Consider new improvements along West Main Street, Bunker Hill Road, Main Street, and Route 301 that would make the roads and the town as a whole more pedestrian and bicycle friendly.

- b) Consider improvements that include reducing vehicle lane widths, adding bicycle lanes or increasing the width of existing bicycle lanes, adding or extending sidewalks, revising minimum parking standards, and reducing building setbacks along roads.
- c) Refer to the “Complete Streets” recommendations made in the 2012 Comprehensive Plan Update.
- d) Identify other areas of town where viable pedestrian and/or bicycle improvements could be taken.

7. Summary and Explanation of Recommendations

The recommendations in this report are the result of a few key findings. First, the current multifamily zoning regulations for Middletown are insufficient and somewhat misguided in the C2 and C3 zoning districts. It appears the town has allowed zoning standards initially intended for the R3 Zone to also be applied to the C2 and C3 Zones. As a result, the zoning does not provide development that most planners would consider “mixed use” in the areas designated for such in the town’s 2012 Comprehensive Plan Update. In fact, the zoning allows for many different development types that are not always coordinated well. It also allows a very large portion of the town to be developed as multifamily by right, which does not appear to be the original intention or current desire of the town. In addition, the current zoning does not reflect the 2003 Westtown Master Plan’s intended land uses for the Westtown area. Removing the ability to build multifamily by right from the C2 and C3 Zones will allow them to return to their originally intended design, which was to encourage more standard suburban or highway commercial development.

By removing the multifamily allowances from the C2 and C3 Zones, the town would fall back into a situation of not allowing for as much multifamily or mixed-use development as intended in its most recent comprehensive plan update. To allow for more multifamily or mixed-use development moving forward, it would be in the town’s interest to create a new Mixed Use (MX) Zone. The town would determine implementation of the zone, but initially it could be applied within newly annexed areas interested in building a mixed-use style of development. Subsequent to that, the town could allow for other suitable properties to apply for MX zoning, preferably those that are currently within the R3, C2, and C3 Zones. The new MX Zone would allow for more flexibility and greater height and density than is allowed currently, but it would also require the developer to go through more extensive site plan reviews and present a site plan early in the development process. Allowing greater density in this new zone is not only intended to leverage the town’s ability to control the site design of a potential development, but also to accommodate buildings that can reasonably require elevators and ground-floor commercial uses. Some examples of mixed-use zoning ordinances that can be used for reference are provided in Appendix A of this report.

After implementing a Mixed-Use Zone that allows for greater density, the town may want to pursue more density in the R3 Zone. This report suggests that for the time being this should only be allowed by conditional use. The specific conditions placed on a developer for the increased density are for the town to determine, but they may include improvements for pedestrian and bicycle connections as well as other public amenities. Similar to the proposed MX Zone, part of the reason for allowing five stories in the R3 Zone would be to provide buildings that can reasonably accommodate elevators that allow for greater accessibility throughout a building to better accommodate the disabled or elderly.

Due to the Route 301 Bypass (currently under construction), the many new multifamily proposals, and the recommended new potential zoning changes, it would make sense for the town to consider taking a closer look at the Route 301 Corridor from a land-use, connectivity, and design perspective. A Route 301 Corridor Plan would take into account all properties on the western portion of town that are directly impacted by the existing Route 301 or the Route 301 Bypass. Considerations might include zoning, land use, the road network, public amenities, bicycle and pedestrian mobility, and the facilitation of a close connection with the town's historic Main Street area. The details and design of the study would be left to the town to determine, but one possible concept mentioned in this report would be to focus new growth around a handful of "mixed-use hubs" of commercial activity and residential density. The intent would be to develop the town around these focal points of town with various styles and amenities. In addition, these areas should be connected to each other by non-automobile transportation such as walking paths, sidewalks, bicycle lanes, and perhaps even a town circulator bus. In this way, areas of town would be connected to one another—especially the historic Main Street area with the newly developing areas of town.

Given the new growth and development that appears to be coming Middletown's way, it may be an appropriate time to address the need for alternative methods of transportation in a more comprehensive manner. One way to do this would be to develop a bicycle and pedestrian master plan for the town to identify key areas and routes for future development as opportunities become available. This would build on some of the recommendations from a Route 301 Corridor Plan, but would focus in more detail on specific bicycle and pedestrian improvements throughout Middletown and the surrounding area.

In closing, Middletown is facing a critical point in many ways. The Route 301 Bypass is an extremely significant development that has the potential to change the nature of the town for decades to come. The new highway will not only give Middletown many new growth and development opportunities, but will also present new challenges. Many towns that get a highway Bypass suffer in the long run due to the lack of traffic along their historic Main Street corridors. It is very important that Middletown not only pay close attention to the economic health of its historic Main Street, but also take the opportunity to build on the advantages the new growth presented by the Bypass. The town must carefully plan new developments in a way that will allow Middletown to become a place that is attractive and desirable for new and existing residents for decades to come.

Appendix A. Sample Mixed-Use Zoning Ordinances

1. Smart Codes – Model Land Development Regulations:

https://planning-org-uploaded-media.s3.amazonaws.com/publication/download_pdf/PAS-Report-556.pdf



2. BB District (allows for some limited ground-floor commercial) – Newark, Delaware:

https://library.municode.com/de/newark/codes/code_of_ordinances?nodeId=CH3_2ZO_ARTVIUSARREBUDI_S32-18BBDICEBUDI



3. XD Zone – City of Gaithersburg, Maryland:

https://library.municode.com/md/gaithersburg/codes/code_of_ordinances?nodeId=PTIITHCO_CH24ZO_ARTIIIIEAPPAZO_DIV19MXZOMIUSDE



4. MX Zone – City of Annapolis, Maryland:

https://library.municode.com/md/annapolis/codes/code_of_ordinances?nodeId=TI T21PLZO_DIVIII BADIRE_CH21.44 OFMIUSZODI_21.44.030MXMIUSDI

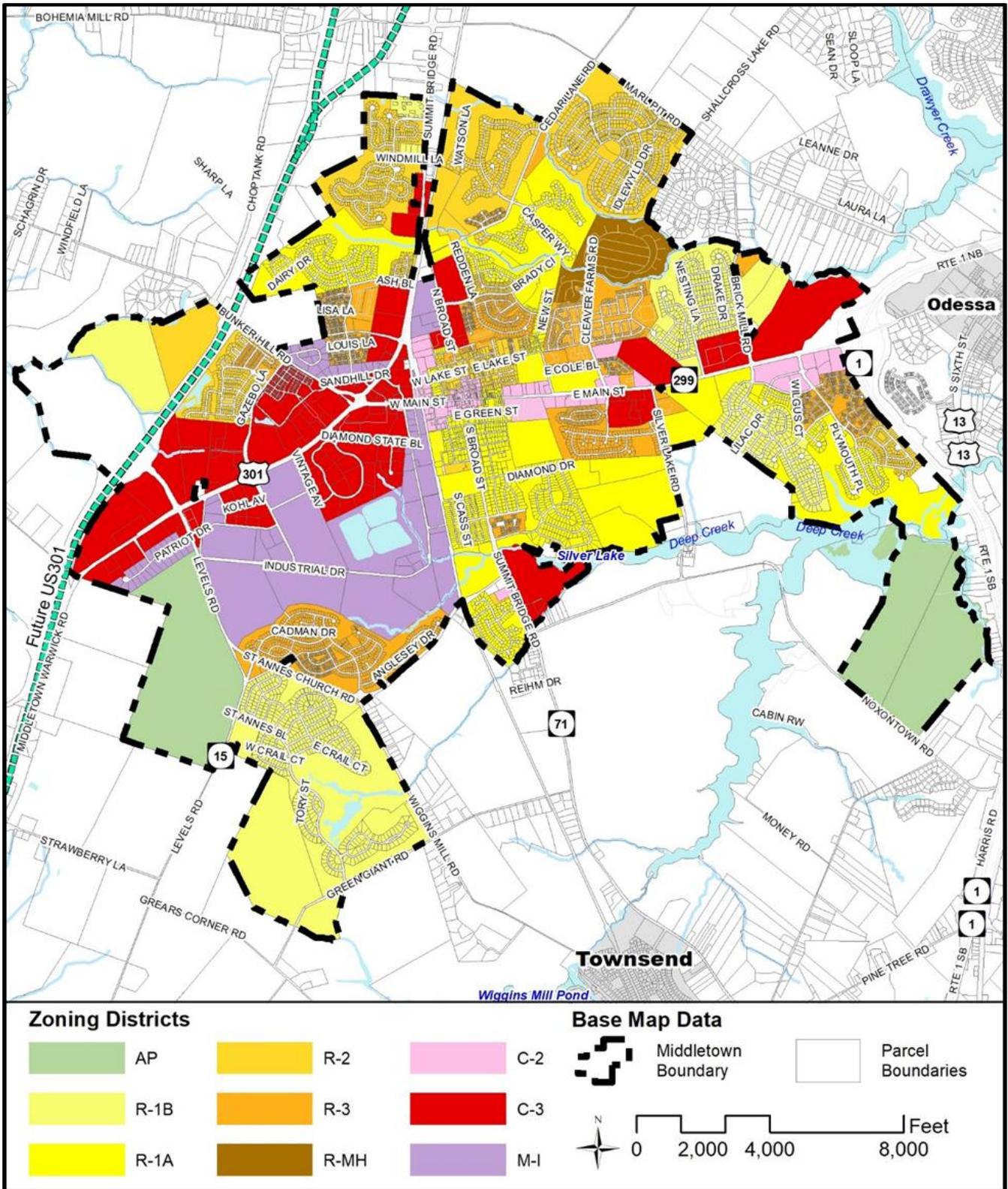


5. C-O-1.0 Zone – Arlington, Virginia:

<https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/38/2016/06/ACZO.pdf>



Appendix B. Build-Out Analysis



Documentation for Middletown Build-Out Calculations

- Reviewed Middletown Zoning Ordinance; determined that apartments allowed in R3, C2, and C3 Zones.
- Downloaded current parcel boundaries and centerline from New Castle County GIS mapping.
- Made shapefile showing Middletown’s boundary if pending annexations are approved; 61 acres planned for commercial or mixed-use development.
- Updated map showing parcels in Delaware agricultural preservation program.
- Updated zoning map using map provided by town.
- Updated existing land use using building footprints map from New Castle County GIS mapping, Google maps, and 2015 NAIP map from USDA.
- Used ArcMap to calculate area of all parcels.
- Reviewed vacant parcels in all zones.
 - Coded undeveloped parcels in recorded subdivisions “Vacant.”
 - Coded remainder “Redevelopable.”
- Identified (using Selection in ArcMap) parcels that are:
 - “Redevelopable”
 - Zoned R3, C2, C3, or AG and not in agricultural preservation; assumed agriculture parcels not in preservation are likely candidates for redevelopment (and higher zoning) due to proximity to new Route 301 R-O-W.
 - Calculated total acres meeting above criteria (using “Statistics” in ArcMap).
- Reviewed Middletown Zoning Ordinance to determine development standards for apartments.
 - Min lot size = one acre Sec 4D(1)(b)(vii).
 - Max coverage = 20 percent Sec 4D(1)(b)(ii).
 - DUs/Acre = 16 Sec 4D(1)(b)(i).
- Considered Other Assumptions
 - Development standards in the R3 Zone govern apartments in other zones.
 - Every selected parcel would be developed with apartments.

Result

515 = Total acreage zoned R3, C2, C3, or AG not in agricultural preservation, none less than one acre

103 = Total acreage for apartments (20% of 515)

1,648 = Total number of potential new apartments (103 x 16)



**Institute for
Public Administration**

Institute for Public Administration

School of Public Policy & Administration

College of Arts & Sciences

University of Delaware

180 Graham Hall University of Delaware Newark, DE 19716-7380

phone: 302-831-8971 e-mail: ipa@udel.edu fax: 302-831-3488

www.ipa.udel.edu

The University of Delaware's Institute for Public Administration (IPA) addresses the policy, planning, and management needs of its partners through the integration of applied research, professional development, and the education of tomorrow's leaders.

The University of Delaware is an equal opportunity/affirmative action employer and Title IX institution.
For the University's complete non-discrimination statement, please visit <http://www.udel.edu/home/legal-notices/>