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Memorandum

To: Sussex County Planning Commission Members
From: Staff, Sussex County Planning & Zoning
CC: Mr. Vince Robertson, Assistant County Attorney and Applicant
Date: September 8, 2025
RE: Staff Analysis for C/Z 2037 - CZ 2037 Mulberry Knoll Associates LLC

This memo is to provide background and analysis for the Planning Commission to consider as a part of application C/Z 2037 Mulberry Knoll Associates LLC to be reviewed during the September 17th, 2025, Planning Commission Meeting. This analysis should be included in the record of this application and is subject to comments and information that may be presented during the public hearing.

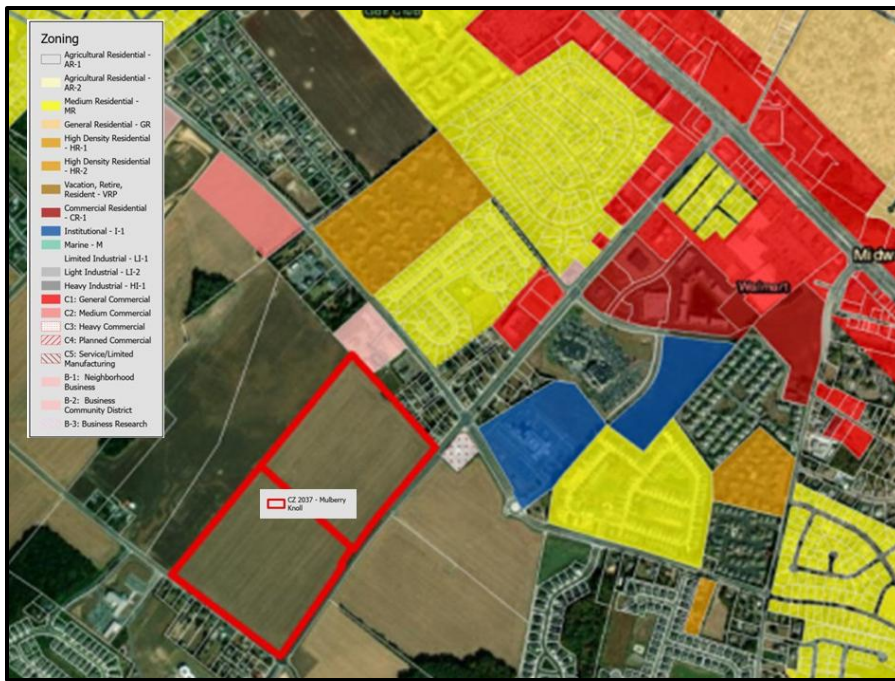
Please note that the following staff analysis is for informational purposes only and does not prejudice any decision that the Sussex County Planning & Zoning Commission or Sussex County Council may wish to make as part of any Application submitted to the Department.

Tax Parcel IDs: 334-12.00-46.00 & 334-12.00-47.00

Proposal: The request is for a Change of Zone for Tax Parcels: 334-12.00-46.00 & 334-12.00-47.00 from Agricultural Residential (AR-1) to Planned Commercial (C-4) to allow for a shopping center with improvements including (663,213) square feet of commercial improvements within (23) proposed structures, a fuel station, commercial drive-through facilities, internal roads, parking, sidewalks, landscaping, stormwater management, and associated site improvements. The two (2) Parcels are comprised of a total of (73.457 +/-) acres and located on the northwest side of John J. Williams Highway (Route 24) approximately 400 feet south of Plantation Road (S.C.R. 275 / Route 1D) and extending to the northwest corner of Mulberry Knoll Road (S.C.R. 284) in Rehoboth Beach, Delaware.

Zoning: The Parcels are zoned Agricultural Residential (AR-1) District. The adjacent parcels on all sides the subject property are zoned Agricultural Residential (AR-1) with the exception of a single parcel (TM# 334-12.00-115.00) across Route 24 to the east within the Heavy Commercial (C-3) Zoning District and a single adjacent parcel to the north with frontage on Plantations Road in the Neighborhood Business (B-1) Zoning District. Various commercial Zoning Districts are present to the north on both sides of Route 24 extending north to Coast Highway.





Staff note the legislative intent of the (C-4) Planned Commercial District as provided in (§115-83.24 – Purpose) as follows:

In order to encourage carefully planned large-scale commercial, retail, and mixed-use developments as a means of creating a superior shopping, working and living environment through unified developments, and to provide for the application of design ingenuity while protecting existing and future developments and achieving the goals of the Comprehensive Plan.

Staff have provided more detailed comments relating to the specifics of the site design via a Staff Review of the Preliminary Site Plan which reviewed the Application's site plan for compliance with Chapter 115 (Zoning Ordinance) and the Planned Commercial (C-4) District Site Plan specific criteria outlined in §115-83.25(F)(2)(a-h) and §115-83.25(F)(4)(a-d) and forwarded that letter to the Applicant on 8/27/2025. Please refer to the Staff Review for comments and recommendations on Chapter 115 of County Code and the site plan's design relating to pedestrian layout, sidewalk provisioning, street trees, parking lot landscaping, multimodal access, and interconnectivity. [Preliminary Site Plan \(C/Z 2037\) Staff Review 8.27.2025](#)

Future Land Use Map Designation w/in Comprehensive Plan: Commercial Area

Applicability to Comprehensive Plan: The project lies within the Growth Area and is categorized as "Commercial Area" (per the 2018 Comprehensive Plan). The Plan provides the following guidelines in Commercial Areas:

Commercial Areas include concentrations of retail and service uses that are mainly located along arterials, and highways. As opposed to small, traditional downtown areas that are often historic and pedestrian-friendly. Commercial Areas include commercial corridors, shopping centers, and other medium and large commercial vicinities geared towards vehicular traffic. In addition to primary shopping destinations, this area would also be the appropriate place to locate hotels, motels, car washes, auto dealerships, and other medium and larger scale commercial uses not primarily targeted

to the residents of immediately adjacent residential areas. These more intense uses should be located along main roads or near major intersections. Institutional and commercial uses may be appropriate depending on surrounding uses. Mixed-use buildings may also be appropriate for these areas. (2018 Sussex County Comprehensive Plan, 4-17).

The Plan's proposed Planned Commercial (C-4) Zoning District is listed as an Applicable Zoning District in the Commercial Area per Table 4.5-2 – *Zoning Districts Applicable to Future Land Use Categories* in the Plan (2018 Sussex County Comprehensive Plan, 4-16).

Comprehensive Plan - Design & Development Items

To assist the Planning & Zoning Commission in their review of the Plan, Staff has assembled guidelines and recommendations selected from the Comprehensive Plan deemed relevant to the proposed Plan and have included those items for reference as follows:

12.3.3 Sidewalks

- Sidewalks (or asphalt paths along main roads in rural areas) are an important element in residential neighborhoods that increase safety and connectivity for pedestrians and can provide them with an ability to walk or bicycle to stores, schools and parks. Also, overly wide residential streets and intersections should be avoided when possible to discourage speeding and to make it easier for pedestrians to cross the street

12.3.4 Parking Location

- Whenever practical, parking should be located to the rear or side of buildings, so that the front yard can be landscaped.
- Staff note that parking in the front yard setback is discouraged in County Code and subject to site plan review by the Planning & Zoning Commission (§115-166(C)).

12.3.1 Trees

- The planting of street trees can improve aesthetics and eventually provide a canopy of shade over streets. If it is not appropriate to have shade trees in the right-of-way, they can also be planted immediately outside of the right-of-way.

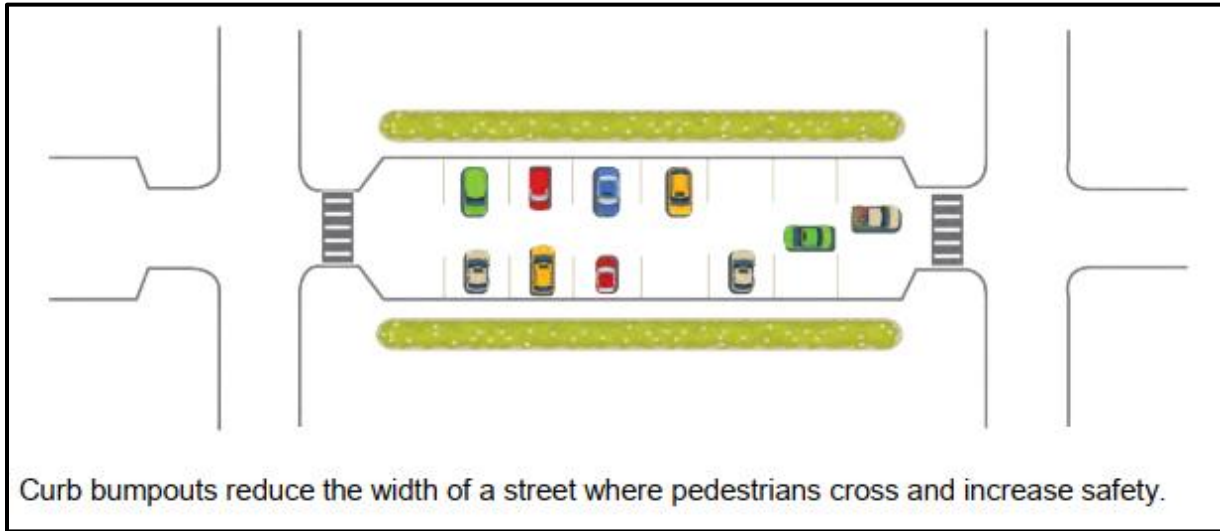
12.3.16 Buffering & Landscaping

- Additionally, in developed areas, a high impervious coverage can still be attractive with proper landscaping. In these areas, street trees and shade in parking lots should be encouraged (PG 12-12).

12.3.12 Curb Bump outs

- On residential streets and some streets in commercial areas, there may be a possibility for curbs to be extended outward at intersections so there is less width of street that needs to be crossed by pedestrians. The street can then be widened where on-street parking spaces are provided. By reducing the street width where there is not a need for parking, it also reduces the amount of pavement and runoff and reduces construction and maintenance costs.

12.3.13 Commercial Development Location



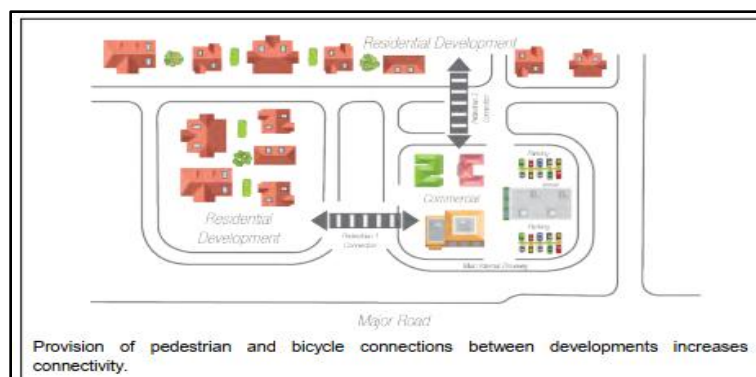
(Image: Sussex Comp plan 2018 PG 12-8)

Connectivity

- **Objective 12.1.4** Encourage development design that promotes increased access between developments and community facilities including parks, schools, and libraries.
Strategy 12.1.4.1 Encourage pedestrian connectivity between developments with sidewalks, paths, trails, and easements.
- **13.2.6 Overview of Other Significant Issues - Disconnected Land Uses -** lack of street interconnectivity and segregation of land uses also contribute to sprawl and its impacts on access and mobility.

12.3.10 Pedestrian and Bicycle Connectivity

- The provision of pedestrian and bicycle connections between various developments can encourage walking and cycling and increase access to community facilities such as parks, schools, and libraries. Where a road does not provide a connection, a hard-surfaced pedestrian easement could be provided. Additionally, in larger commercial developments interconnectivity should be integrated into site design and most vehicle traffic should be directed to routes that do not conflict with the main pedestrian entrances from parking lots.



(Image - Comp Plan PG 12-7)

Sussex County would like to revisit County Code to determine if modifications are needed to encourage interconnectivity between residential developments as well as develop connectivity standards for new developments in order to create multiple, alternate routes for automobiles and more route options for people on foot and on bicycles.
(2018 Sussex County Comprehensive Plan, 12-7)

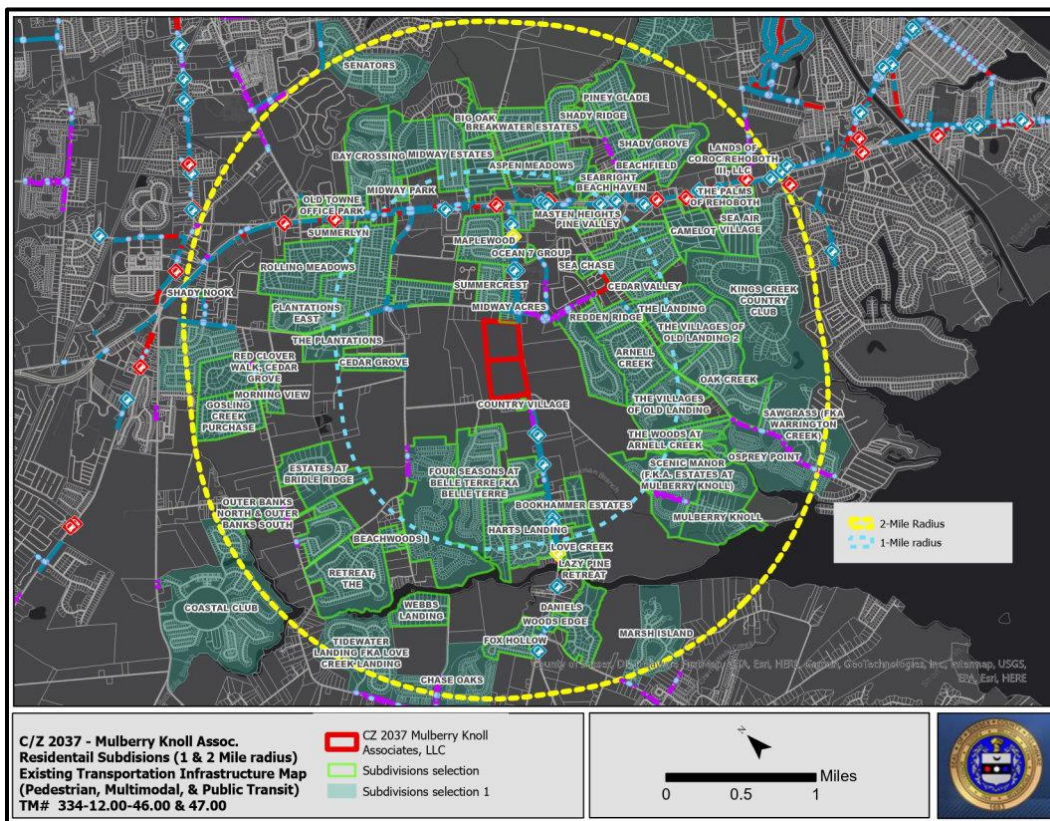
13.3.5 Key Corridor Visions

- **RE: Route 24** “...the strategy for these corridors should be to develop proactive plans to reduce the encroachment of development adjacent to the ROW. This would allow for future capacity expansion along these corridors”. (2018 Sussex County Comprehensive Plan, 13-32)

Comprehensive Plan - Design & Development - Comments

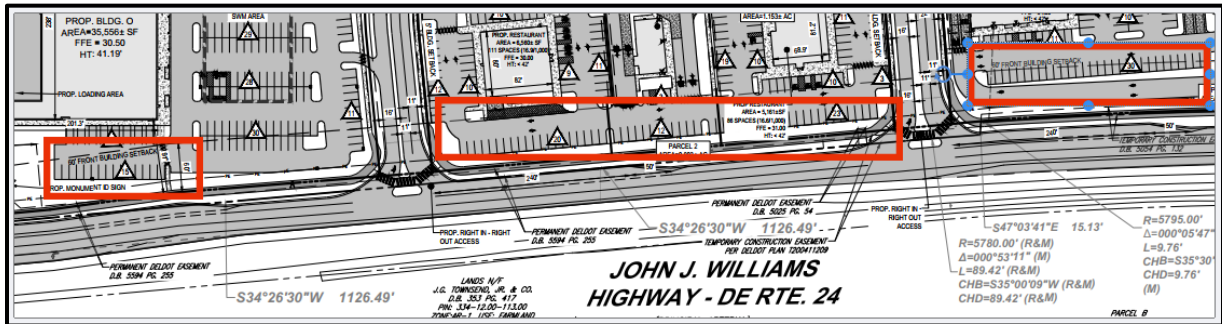
Given this location on the Route 24 corridor from the proposed plan less (.75) miles south of Coastal Highway (Route 1) midway between Lewes & Rehoboth Beach, this location will likely function as a transportation hub as the shopping center will be a regional destination.

The proposed commercial improvements in this Plan would create significant new vehicular capacity demand and this proposal represents an opportunity to improve pedestrian and multimodal connectivity in a key area bordering both Lewes and Rehoboth Beach. GIS Analysis indicates 2,570 lots within a 1 mile radius of the site and 8,252 lots within a 2-mile radius with a majority of these lots being residential improvements.



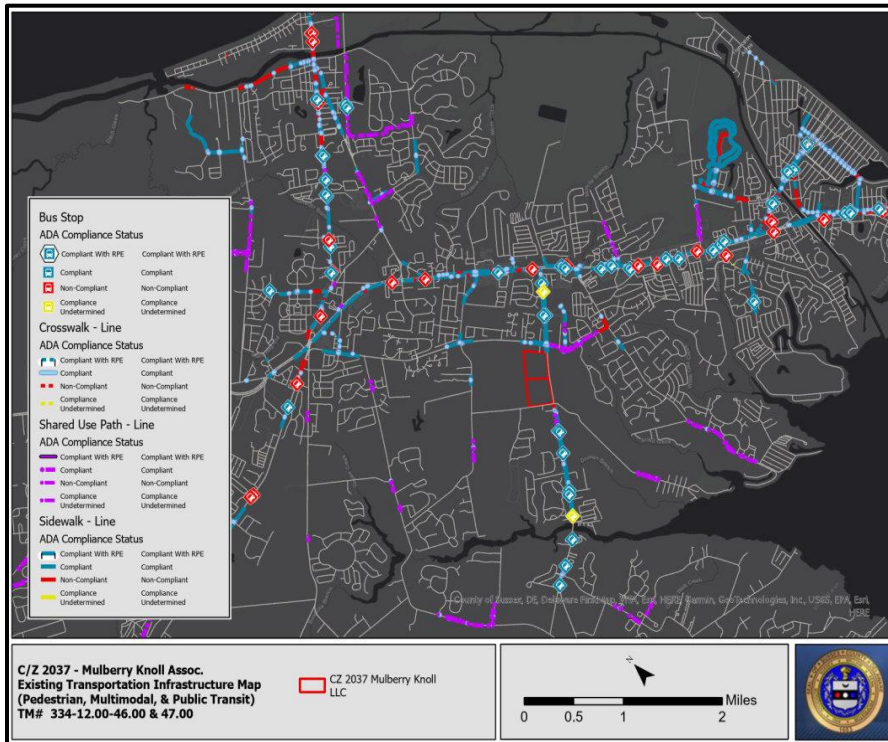
(Map/Image: Residential Subdivisions within 1-Mile & 2-Mile radius of the site)

Increasing demand for capacity for this portion of the Route 24 corridor is likely. The Plan includes extensive parking in the front yard setback. Staff note this is discouraged by the County Code and could serve to restrict future capacity increase along this portion of Route 24 Corridor. Staff recommend the reduction of parking in the front yard setback where possible in the design to serve both aesthetics as well as any future increase in capacity demand as may occur on this portion of the Route 24 corridor.



(Map/Image: Extracted from plan – Parking in front yard setback)

Staff recommend robust pedestrian infrastructure and amenities on the site as this segment of the Route 24 corridor as well as the intersecting portion of Coastal Highway are prone to traffic issues including routine stacking at peak hours. For reference, Staff have included a map of the existing multimodal infrastructure surrounding the site.

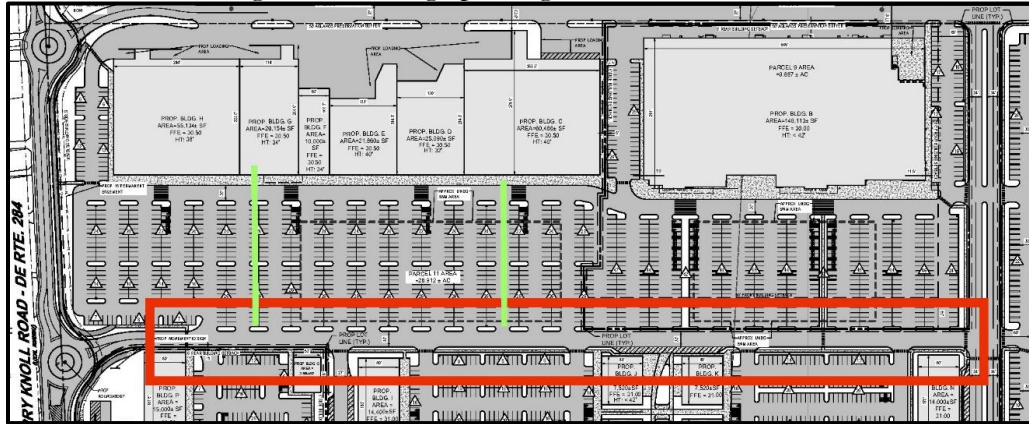


Staff note that the site represents a gap in the existing pedestrian and multimodal network.

Staff also recommend the plan include multimodal access and amenities to lessen the traffic impact on the surrounding area by providing as many transit options as possible at this unique location.

Design Recommendations:

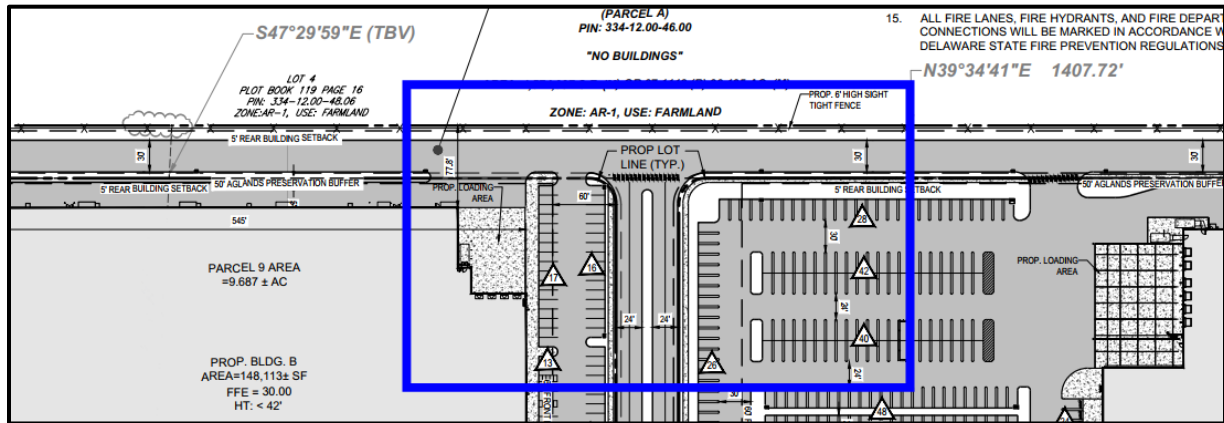
- A designated area for bus/shuttle pickup and parking could be integrated into the design as a transit hub in the parking lot's interior where pedestrian and multimodal access could intersect.
- Sidewalks along both sides of all primary internal circulation routes within the site and as well as connecting across all large parking areas.



(Image: Extracted page from Plan with primary internal circulation road highlighted (red) and recommended sidewalk corridors (green))

- A minimum (8-10) foot sidewalk width for sidewalks parallelling the two primary lateral internal circulation routes.
- Provide pedestrian amenities like bump outs to minimize crossing distances, increase safety, and provide a superior pedestrian design on the site which can induce the maximum amount of multimodal and pedestrian access serving to decrease vehicle access demand on both Route 24 and Route 1.
- Landscape plantings to include street trees along both sides of all internal roads and parking islands with canopy trees in all parking lots to improve aesthetics, improve pedestrian corridors, and decrease the overall heat island effect across large parking areas.
- The Applicant could integrate a shared use path within the shopping center along the primary internal vehicle circulation routes mirroring the DelDOT Design standards for the shared use path as required on both Route 24 and Mulberry Knoll Road as this would maximize multimodal access to the site.

Staff recommend provisions for future connectivity to the north of the site. Both the Comprehensive Plan and the design guidelines for improvements in the Planned Commercial (C-4) Zoning District require “Interconnectivity with adjacent parcels” (§115-83.25(F)(4)(b)). Staff note that the terminus of the primary internal lateral circulation route between proposed “Building A” and proposed “Building B” would be an intuitive location to provide a stub or easement for future connection to the north.



(Image: Extracted page from Plan – Highlighted: Possible area for future interconnectivity)

The provision of interconnectivity in all directions possible would increase connectivity and serve to decrease vehicular traffic along this emerging segment of the Route 24 corridor with varied commercial, residential, and institutional uses (Business, multifamily, hotel, restaurant, schools, healthcare, etc.).



As can be seen in the map of the existing multimodal infrastructure around the (CZ 2037) site, this section of the Route 24 Corridor contains several varied uses including health care, schools, retail, hotels, as well as multifamily residential communities.

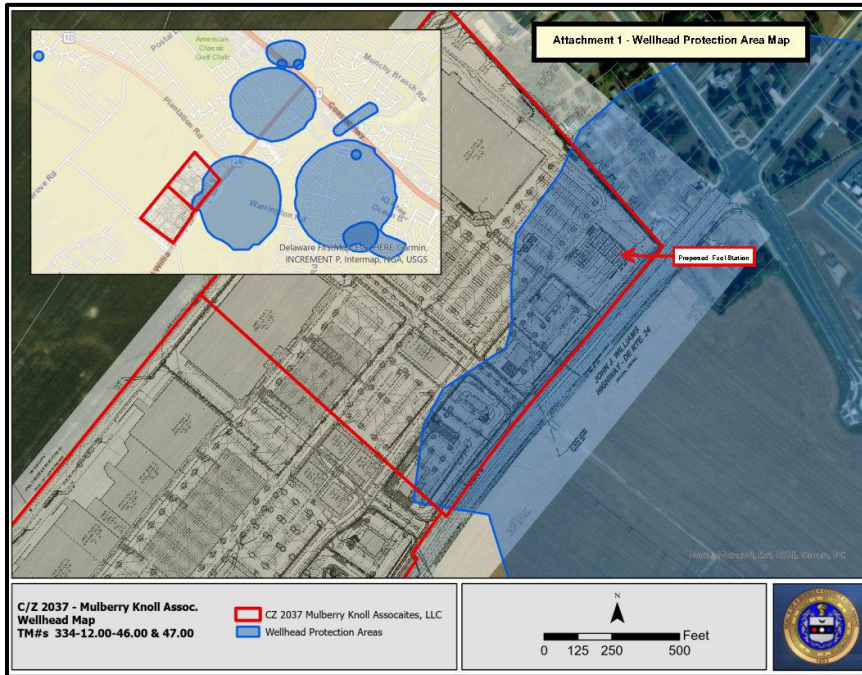
The multimodal & pedestrian design of the site is an opportunity to provide interconnectivity between all the uses along this corridor as well as serving as a transit hub. Incentivizing patrons to walk or bike to the site can serve to mitigate the increased vehicle trips associated with the shopping center.

Further Site Considerations:

- **Density:** N/A
- **Open Space Provisions:** N/A
- **Agricultural Areas:** The site is within the vicinity of active agricultural lands. Any plans will require the Agricultural Use Protection notice located in (§99-6(G)(1)) of the County Code. This includes a requirement that language be included within any subsequent deed restrictions, leases, or agreements of sale for the property. Staff note that any proposed setbacks/BRLs will be required to meet the (50) foot setback requirements for major subdivisions adjacent to land used primarily for agricultural purposes (§99-6(G)(2)) where applicable.
- **Interconnectivity:** The Plan does not provide for direct vehicular connection to the north of the site. Staff recommend connection to possible future development via the inclusion of a stub or easement to this adjacent parcel.
- **Transportation Improvement District (TID):** The parcel is located within the Henlopen Transportation Improvement District. Any Plan will require the Applicant to coordinate with DelDOT regarding the administration and payment of all required TID fees. The proposed development is not consistent with the LUTP, therefore, the developer was required to perform a TIS. Staff are in receipt of the TIS Review Letter as issued by DelDOT on May 17, 2024.
- **Forested Areas:** N/A
- **Wetlands Buffers/Waterways:** N/A
- **Other Site Considerations (ie: Flood Zones, Tax Ditches, Groundwater Recharge Potential, etc.):** The property is located within Flood Zone X and in an area of “Good” Groundwater Recharge Potential.

Staff note the Plan includes a fuel station at the southeast corner of the site along the frontage of Parcel #46.00 on Route 24 entirely within a Wellhead Protection Area. Please note, any plan submitted for review will need to meet requirements of §89-6(F) relating to impervious quotients and source water protection.

Fueling stations appear to be proposed within the extent of the wellhead zone. Staff note that any underground storage tanks will be required to meet all the applicable regulations of the State of Delaware (§89-6(F)(6)).



Based on the analysis of the land use, surrounding zoning and uses, a Change of Zone from an Agricultural Residential (AR-1) District to a Planned Commercial (C-4) District to allow for commercial use could be considered as being consistent with the land use, subject to size and scale, with area zoning and surrounding uses.

Changes of Zone within the Vicinity of the Subject Site (Since 2011): A Data Table and Supplemental Maps have been supplied which provide further background regarding the location of previous Change of Zone Applications less than 1 mile distance from the subject site.

Change of Zone Applications						
(Within a 1-mile radius of the subject site)						
Application CZ Number	Application Name	Zoning District	Proposed Zoning	CC Decision	CC Decision Date	Ordinance Number
1533	Hailey & Ribera Development LLC	AR- 1/MR	AR-1/RPC	Approved	6/8/2004	1696
1639	Todd Bariglio (NW 275 & 283)	AR-1	B-1	Withdrawn	6/30/2009	N/A

1717	William N. Hein	AR-1	CR-1	Approved	6/26/2012	2267
1732	Herola Family, LLC & Artisans' Bank	AR-1	CR-1	Approved	9/24/2013	2318
1742	Seaside Communities, RDC, LLC	AR-1	MR-RPC	Approved	9/30/2014	2366
1780	Lockwood Design	AR-1	HR-1-RPC	Withdrawn	11/17/2015	N/A
1796	Lockwood Design	AR-1	MR	Approved	9/20/2016	2462
1800	Sussex Real Estate Partners, LLC	AR-1	MR-RPC	Withdrawn	9/1/2016	N/A
1835	HKLS, LLC	AR-1	B-1	Approved	1/9/2018	2546
1845	LMHT, LLC	AR-1	B-1	Approved	3/13/2018	2556
1853	Bebbee Healthcare	AR-1	I-1	Approved	9/11/2018	2597
1907	Matthew C. Hete	AR-1	MR	Denied	7/28/2020	N/A
1949	J.G. Townsend, Jr. & Co.	AR-1	MR	Denied	5/16/2023	N/A

