

City of New Castle Delaware
City Council Special Meeting / Ordinance Workshop
Community Room New Castle Police Station
1 Municipal Drive, New Castle DE
Wednesday, September 10, 2025
6:30 p.m.

Call to Order: 6:30 PM

Roll Call

Present: Council President, Suzanne M. Souder
Councilperson Brian M. Mattaway
Councilperson Andrew Zeltt
Councilperson Nermin Zubaca
Councilperson Joseph F. Day

Also present: Antonina Tantillo, MPA, City Administrator
Mayor Valarie Leary
Michael Hoffman, Esq., City Solicitor
Christopher Rogers, City Planner
Margo Reign, Planning Commission Chair

Council President Souder called the September 10, 2025, special City Council Special Meeting / Ordinance Workshop to order at 6:30 p.m.

Council President Souder explained the purpose of the Workshop is to get more details from the City Solicitor, the City Planner and the Planning Commission about the technical aspects of the Ordinances in order for Council members to have a deeper understanding of them, and that a vote would be taken on the Ordinances at a future City Council meeting.

Council discussion of Ordinance 555 – An ordinance to remove the definition of tourist home, add definitions for short term rental, bed and breakfast, and hotel, motel and inn, to make corresponding code revisions, and to add a new section 230-27 .1 regarding short term rentals; as referred to Council via the Planning Commission.

Council discussion of Ordinance 556 – An ordinance to amend the City of New Castle Municipal Code, Chapter 230 (Zoning Code), Regarding Home Occupations in the Historic Residence Zoning District; as referred to Council via the Planning Commission.

Public Comment

Leah Reynolds – 29 West 4th Street

Ms. Reynolds spoke in support of Ordinance 556. She explained that she obtained a Small Business License in 2019 and supports small businesses operating out of the home.

Ms. Reynolds read a statement from Tracey Keenan in support of Ordinance 556.

Nancy Adamnson – 39 West 3rd Street

Ms. Adamson read a statement from Phee Price in support of Ordinance 556.

Stephen Franklin – 315 Harmony Street

Mr. Franklin spoke in support of Ordinances 555 and 556.

Mr. Franklin opined that the City needs to be open and willing to grow. With regard to Ordinance 555 he stated that he did not see that short term rentals would affect either community involvement or values, or home values.

With regard to Ordinance 556 he stated that Harmony Yoga in no way provides a negative impact to the city, and that most residents welcome it.

Tanasi Baldet – 84 East 4th Street

Ms. Baldet spoke in support of Ordinance 556. She explained that she runs the Yoga Studio in question. She noted the size and location of the studio and informed Council on her background in Yoga instruction. Ms. Baldet read a prepared statement regarding her intention in opening the Yoga studio.

Maryanne Pacek – 29 East West 4th Street

Ms. Pacek spoke in support of Ordinance 556 and read a statement from Donna Zingaro, a Yoga instructor in Wilmington, Delaware.

Cheryl Faver – 15 East 2nd Street

Ms. Faver spoke in support of Ordinance 556. She opined that the matter is about property rights and the use of City regulations; opining that it should be determined based on evidence and not on speculation of what may happen.

Rosemary Madl-Young – 107 West 9th Street

Ms. Madl-Young spoke in support of Ordinance 556. She spoke of property rights and opined that the Code must be revised.

John Reaves – 15 East 2nd Street

Mr. Reaves spoke in favor of Ordinance 556. He opined that applying Euclidian or single use zoning to a Historic District almost automatically removes the traditional store-on-the-corner character. Mr. Reaves noted that many Historic Districts are rethinking the Euclidian zoning concept and are loosening regulations to allow small-scale commerce.

Michael Platt – Van Dyke Village

Mr. Platt concurred with many of the comments previously stated, opining that the city does have to move forward.

Mr. Platt commended the Planning Commission for their work in crafting Ordinance 555. He noted that Ordinance 555 does not address ADA requirements for handicap ingress/egress, bathrooms, etc.

Council President Souder read statements received via email:

Dennis Young

Mr. Young wrote in support of Ordinance 556; opining that Council should not make a determination on what may happen in the future.

Phil Gross – 1301 13th Street

- Ordinance 555. Mr. Gross opined that restrictions should be placed on any homes being used as short-term rentals, bed-and-breakfasts, or any other type of uses from which homeowners derive revenue, and stated specific requirements that should be in place in order to operate a short-term rental. He added that the Ordinance should be retroactive for any existing short-term rentals.
- Ordinance 556. Mr. Gross opined that only one client or family client should be allowed to be served at a time in home businesses; adding that if a home business has many clients parking should be outside the city and they should be bussed in.
- Dog Park. Mr. Gross stated he surveyed 72 people and none of them want a dog park, and not at the suggested location; requesting that the dog park not go forward at this time.

Comments from Mayor Leary

- Ordinance 555. Mayor Leary commended the Planning Commission for their work on Ordinance 555. She opined that New Castle does not have the amenities that attract wild parties, fraternities, sororities, bachelor/bachelorette parties, etc.; suggesting that visitors are more interested in city events, restaurants, or lodging for family gatherings. She further opined that existing short-term rentals already abide by most of the regulations in the Ordinance.

Mayor Leary suggested that instead of using a percentage to determine the number of allowed short-term rentals that a specific limitation be placed on the number that can be operated in each zone.

Mayor Leary opined that the apprehension of disruptions expressed by many residents will be allayed just as the concerns over the pier and the parking lot were allayed; noting that many residents who opposed those projects now take advantage of them.

Mayor Leary also noted that tourist homes existed in the Historic District before one was established on the Strand; and in the 60 years tourist homes have existed in New Castle there have been no issues; and opined that, as suggested during public comment, decisions should not be made based on future potential negative issues.

- Ordinance 556. Mayor Leary stated she supports Ordinance 556, noting that many residents conduct businesses out of their homes

Council Discussion

Ordinance 555

Mr. Hoffman gave a synopsis of the impetus of Ordinance 555 and Council's request that the Planning Commission examine different regulatory options and considerations affecting short-term rentals in the city; stating that after in-depth review and discussion during multiple meetings, the Planning Commission submitted its recommendation to City Council in the form of Ordinance 555. Mr. Hoffman then gave a high-level explanation of the Ordinance, noting that:

- It clarifies ambiguities relative to off-street parking requirements.
- It defines short-term rental, Bed & Breakfast, and Inn.
- It adds a definition for hotel and motel.
- It allows short-term rentals in any district where residences are, subject to complying with specific requirements and regulations in the Ordinance.
- Existing short-term rentals have 90 days to come into compliance, but they will be grandfathered from the parking regulations.
- It requires a local contact.
- It requires a placard be placed inside the unit with pertinent information.
- There is a cap on the number of short-term rentals in any zoning district.
- Short-term rentals are limited to a maximum of 270 days per year.
- Short-term rentals are required to be identified on the city website.

Mr. Hoffman noted that the parameters were in part based on what other jurisdictions require and discussing how those requirements fit with the City of New Castle, and the Planning Commission presented a well-vetted Ordinance to City Council..

Council President Souder explained that the City Code requires all Zoning Ordinances go through the Planning Commission and if the matter had originated with Council it would have been sent to the Planning Commission and then come back to Council. She stated that knowing it is a complicated issue Council felt it made sense to have the Planning Commission make its recommendation first to expedite the process.

In response to a question from Councilperson Day, Mr. Hoffman stated that “disorderly dwelling” is defined in §140-41 of the City Code. Councilperson Day added that he appreciates that “failure of the local contact to satisfactorily respond to or resolve the complaints” is included in the Violations Section.

In response to questions from Council, it was stated that:

- The parking space requirement for short-term rentals is:
 - 3 or less bedrooms – 1 parking space
 - 4 or more bedrooms – 2 parking spaces

- The parking space requirement for a Bed & Breakfast is:
 - 1 off-street parking space per unit
- Existing short-term rentals will be identified when their existing Business License is renewed in January.
- Existing short-term rentals will have 90 days from the date the Ordinance is effective to come into compliance; and the City can calculate that date and a notice can be put out stating the date when everyone must be in compliance, with the exception that existing short-term rentals are exempted from the parking requirement under Section 14 of the Ordinance.
- A separate class of Rental License will be created that will include the type of rental, i.e., short-term rental, Bed & Breakfast, Inn.
- Updating contact information for the Local Contact is the responsibility of the Lessor. If the contact number doesn't work the Lessor will be in violation of the Ordinance and would potentially lose their Rental License.
- The Rental License form will indicate that pertinent information will be shared with the Police Department.
- An Inn is exempt from all requirements under short-term rental.
- The 270 day limit of operation was determined based on how other municipalities' regulations.
- The 2.5% limit for short-term rentals is based on the number of parcels within each zoning district. Council President Souder stated the number of parcels in each zoning district:

Zone	# Parcels	# Allowed short-term rental
R-1	814	20
R2	423	10
R3	600	15
HR	535	13
HC	31	2*
RC	18	2*
DG	65	2*
SC	15	2*

* Maximum allowed

It was noted that apartment complexes and a condominium complexes are listed as one (1) parcel. Mr. Rogers added that The Battery and 610 West 7th Street are both listed as two (2) parcels. River Edge has 100+ townhouses, duplexes and single family homes.

Mr. Rogers opined that using a percentage as opposed to a specific number should be considered. A discussion of the number of short-term rentals per zone ensued.

- The Planning Commission previously discussed longer stays for professionals/family members who either work or visit for extended periods of time.
- Mr. Hoffman stated that if the Planning Commission was tasked with establishing a regulatory frame-work to address short term rentals, Ordinance 555 does that. If Council wants to regulate Inns and/or Bed & Breakfasts beyond what the framework is, then that's a different matter. Councilperson Day stated that the City Code already covers this, and a new Inn would have to meet the Code standards and requirements. Mr. Hoffman will gather information in terms of Inns and Bed & Breakfasts under the Code and report back to Council. Mayor Leary noted her understanding that the Code addresses breaking large homes into apartments.
- If a Bed & Breakfast meets the definition as defined in the Ordinance, occupancy by guests can exceed seven (7) days.
- Ms. Tantillo stated that she is not aware of any complaints being received by the city about short-term rentals since at least May 2024.
- Details surrounding classification as it relates to the variable tax rate still have to be determined.
- Mr. Hoffman explained the purpose of providing proof of insurance is to protect the renter in the event something happens. The city is not an added insurer and has no liability. The City would be notified if liability insurance is cancelled. \$1M is standard industry practice.
- Section F.3.(c) states that remedies should not be read to limit any other lawful remedy.
- Changing the code on the Lockbox is the responsibility of the Lessor.

General Comments:

- Under the current Code allows unlimited "tourist homes" with up to five (5) rooms each in the Historic Residential Area and large homes are not being turned into B&Bs.

Council Recommendations:

- Review the 270 days of operation requirement.
- Occupancy rates are provided to the State and they should be reported to the City.
- Use a specific number to determine the maximum number of short-term rentals allowed in each zoning district instead of a percentage of parcels.
- Consider addressing longer stays for professionals/family members who either work or visit for extended periods of time.
- Consider addressing if another Inn is established that has no off-street parking.
- Reconsider the requirement to have Bed & Breakfasts "owner-occupied".
- Change "person" to "adults" in §230.27.1 A. as it relates to the number of occupants.
- Consider deleting items D.(1)-(3) under Building Requirements if they are mentioned in the Code.

- In §230.27.1.D.(2) delete “with fuel appliances”.
- In §230.27.1.F.3.a change “written waring” to “written warning”.
- Change “Inn” to “Inn, Motel or Hotel” in Section 14. Exemptions.

Ordinance 556

Council President Souder read the definition of “home occupation” as written in §230-1, noting that the definition is referenced in the Ordinance.

Ms. Tantillo stated that the Planning Commission passed a motion to recommend Ordinance 556 as written, and also passed an additional motion to recommend the expansion to all Residential Districts. Council President noted that currently home occupations are permitted in R-2 and R3, but are not permitted HR and R-1.

Mr. Hoffman explained that the Planning Commission was asked to review the Ordinance that was introduced which only extends it to the HR District. The Planning Commission supported that but recommended that it be extended to the R-1 District as well.

Councilperson Day had no additional comments.

Councilperson Zubaca stated he supports extending to R-1. He added that mental health is important and he applauds residents who are willing to open their homes and expertise to the community.

Councilperson Mattaway opined that it is important to maintain the integration of residences and business. He noted that the current Code speaks to the time of visits under (1)(f) and questioned if a length of time for parking should be added, opining that parking is often at a premium in the city.

A discussion of (1)(f) and Councilperson Mattaway’s suggestion ensued during which Ms. Reign explained that the consensus of the Planning Commission was that the number of customers visiting any business at one time will be small, and most business transactions/meetings would be during the day and would probably not last more than 1 to 1-1/2 hours. Council President Souder opined that if it was a problem in the future, the Code could be revised. In response to a question from Councilperson Zubaca, Ms. Tantillo stated that to her knowledge the City has not received any complaints; adding that she would check with the Police Department. Mr. Hoffman clarified that subsection (3) of the current Code excludes what on the surface appears to be more heavy-traffic business.

Mr. Hoffman will add a new section to add R-1 to the Ordinance and present a revised Ordinance at the next Council meeting. Mr. Rogers stated some minor revisions may be required because the R-1 zone permits physicians and dentists by-right and there is no reason to take that right away. Mr. Hoffman stated an amendment would be presented to Council at the next meeting.

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There being no further business to discuss, Council President Souder called for a motion to move to executive session.

A motion was made by Councilperson Zubaca to move to executive session. The motion was seconded by Councilperson Day and the meeting moved to executive session at 8:35 p.m. Council returned from executive session at 9:00 p.m.

A motion to adjourn was made by Councilperson Zeltt and seconded by Councilperson Zubaca. The motion passed unanimously and the meeting adjourned at 9:01 p.m.

Respectfully submitted,

Kathleen R. Weirich
City Stenographer

Next Regular Meeting Date: October 14, 2025