ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee met on September 13, 2016 at 4:00 p.m. with Mayor Christiansen presiding. Members present were Mr. Koenig, City Manager; Mrs. Ann Marie Townshend, Director of Planning and Community Development; and Mr. Gregory Moore, President, Downtown Dover Partnership (DDP) Board of Directors. Councilmen Cole and Hare were absent.

AGENDA ADDITIONS/DELETIONS

Mayor Christiansen requested that "Review of Team Membership to Determine if Others are Needed to Accomplish the Goal/Vision and Develop Strategies" be considered first; followed by "Rural Economic Development Loan Program (REDL)" and "Review of Requests for Utility Connection Assistance", with the remaining agenda items to be considered as listed.

Mrs. Townshend moved for approval of the agenda as amended, seconded by Mr. Koenig and unanimously carried.

Economic Development Committee Transition Discussion

Review Team Membership to Determine if Others are Needed to Accomplish the Goal/Vision

During the Regular City Council Meeting of September 12, 2016, members considered Proposed Resolution No. 2016-09 Formally Establishing the Economic Development Committee. Members amended Line #13 of the Proposed Resolution to include the word "inclusive" following the word "targeted." A motion by Councilman Anderson to add two (2) members that represent minority business interests to the Economic Development Committee failed.

Mayor Christiansen stated that he would like the Economic Development Committee to recommend to Council that two (2) more members be allowed for residents of the community, with a leaning toward business owners. In response to Mr. Koenig, Mayor Christiansen confirmed that these would be two (2) additional voting members.

Mrs. Townshend questioned if the previous proposal was specific that those two (2) members be minorities and questioned if this was also Mayor Christiansen's intent. Responding, Mayor Christiansen confirmed that they would be minority members to reflect inclusion of the entire community in the City's economic development efforts.

Mr. Koenig questioned if it Council would select and appoint these members. Responding, Mayor Christiansen stated that since Council was the creator of this Committee, they would make the appointments. He indicated that notice of the vacancies would be posted on September 27, 2016, following the City Council meeting on September 26, 2016. Mayor Christiansen stated that he would like to close out selection by the first weekend in October.

Mrs. Townshend noted that the Committee was set up to include City staff, elected officials, and representation of the Downtown Dover Partnership (DDP). If two (2) more members were to be added, she questioned if they should specifically be business owners and if they both needed to be minorities. Mrs. Townshend stated that other business owners had not been included at this point and that it seemed less inclusive to add members in this fashion. She believed it was important, if

people were to be added, that they have a business interest. Responding, Mayor Christiansen indicated that it would be at the pleasure of the Committee, stating that his suggestion was made to meet the request that had been made by the community and a promise on his part to include the entire community in the City's economic development efforts.

Mr. Moore stated that he thought it was fine to add two (2) members; however, he felt it was important that they have an economic development/business acumen, regardless of their ethnicity or sexual orientation. He wanted people who could contribute and felt that adding people who cannot contribute would be a disservice to the committee's ability to actuate good decisions. Mayor Christiansen concurred.

Mr. Hudson, Assistant City Manager, stated that he believed that it would not be enough for someone just to have an interest and that they needed to be bringing value to the table. He felt that this would apply to any City committee.

Mrs. Townshend noted that Mayor Christiansen had mentioned residency and questioned if members must live in the City or own a business in the City. Responding, Mayor Christiansen indicated that he did not want members who were non-residents, noting that he would want members to have ties to the economic future of the City.

Mr. Koenig moved to recommend that two (2) minority voting members be added to the Economic Development Committee and that the qualifications and selection be subject to the policy of City Council. The motion was seconded by Mrs. Townshend.

Mr. Koenig indicated that Council would decide how they wanted to post the vacancies and select members. The Committee would not make recommendations on who would be sitting on the Committee, and Mrs. Townshend and Mayor Christiansen concurred. Mr. Koenig stated that Council members could solicit those who are interested, vet their qualifications, and recommend to the full Council who should sit on the Committee.

Mayor Christiansen noted that this would be considered by Council during their regular meeting on September 26, 2016. Vacancies could be posted on September 27, 2016 and candidates could be brought to the Economic Development Committee by the first meeting in October and approved by Council.

Mr. Hudson questioned what applicants would be asked to submit. Responding, Mr. Koenig advised that this would be up to Council, noting that Council was in the middle of a debate regarding how they would solicit interest for committees and what qualifications were needed. Mayor Christiansen indicated that there was a form on the City's website and this would be for Council to handle. He stated that it was the Economic Development Committee's intention to be inclusive and to enjoin everyone in the community in economic development. He stated that the parameters were established.

In response to Mayor Christiansen, Mrs. Jody Stein, Administrative Assistant, City Clerk's Office, advised that the motion was to add two (2) minority voting members to the Economic Development Committee with qualifications and selection to be determined by Council.

Mr. Moore stated his understanding that economic development oriented qualifications were required.

Mayor Christiansen questioned if it was members' understanding that new members must be residents and economic development oriented or if they wanted to leave this open. It was Mr. Koenig's opinion that the criteria would be up to Council. He indicated that he would think that Council would put people that are economic development related on the Economic Development Committee.

Mr. Moore moved to amend the motion to add the criteria that the members be economic development or business oriented, seconded by Mrs. Townshend and unanimously carried.

The motion to recommend adding two (2) minority voting members who are economic development or business oriented to the Economic Development Committee, with qualifications and selection to be determined by Council unanimously carried. *(City Clerk's Office Note: This recommendation is reflected in Council Resolution No. 2016-11Amending Resolution No. 2016-09 Formally Establishing the Economic Development Committee* ***(Attachment #1)****, which will be considered by City Council during their Regular Meeting of September 26, 2016.)*

Rural Economic Development Loan Program (REDL)

During the Council Committee of the Whole/Legislative, Administration, and Finance Committee meeting of August 23, 2016, members considered an Application for Rural Economic Development Grant Through U.S. Department of Agriculture (USDA). Members recommended authorizing staff to proceed with the application for funds and the establishment of a loan fund, as recommended by staff. If Council would like further review of the funding recipients for the first round of funding, staff requests that this role be assigned to the Economic Development Committee.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that staff was in the process of completing an application for a $300,000 grant from USDA. In reviewing the guidelines and regulations governing the grant program, staff discovered that the City did not appear to be eligible for some of the things that they previously thought could be applied for. Mrs. Townshend indicated that she had contacted USDA for clarification and USDA agreed that these items were not eligible for the program. She explained that the first $360,000 in funding, including $300,000 from USDA and a 20% City match, could be loaned only for a fairly specific, narrow group of purposes. Mrs. Townshend advised that once the loan funds are repaid, they are termed "revolved funds." She noted that the purposes for revolved funds are then broadened, and they can be used for any economic development purpose in the City's program that is developed through the application. Mrs. Townshend stated that when the grant application is submitted it must include the City's specific project. She stated that staff had been aiming for September 30, 2016;

however, they were not prepared to meet that deadline. The next deadline would be December 31, 2016, and staff believed that this would allow enough time to prepare a solid application and loan program.

Mayor Christiansen asked if any projects in the pipeline would be affected. Responding, Mrs. Townshend stated that, based on staff's reading of the regulations and confirmation by USDA, the projects in the pipeline that had been discussed were not eligible for the first round of unrevolved funding. She stated that staff would continue working on the application and bring updates to the Committee.

In response to Mayor Christiansen, Mrs. Townshend confirmed that it was desired to develop a valid application for the loan, but the September 30, 2016 deadline could not be met.

Review of Requests for Utility Connection Assistance

Mr. Scott Koenig, City Manager, informed members that two (2) requests had been received for utility connection assistance. The first was from Mr. Michael Maupin, Managing Director, MauTiste Investment Group, for financial relief from the fees associated with electrical, water, and sewer utility connections for MauTiste Square, a six (6) townhome project at 420 Reed Street. Mr. Koenig advised that the property had been purchased and old buildings were torn down. He noted that there was existing water and sewer service to the property; however, it did not meet the needs of the new buildings. Mr. Koenig indicated that the request was to have utilities extended from Reed Street and to upgrade the electrical infrastructure for ground transformers and primary service to the new buildings. He explained that, under the current Electric and Water/Sewer Handbooks, the code requires developers to incur those costs, since the City does not incur them as part of the development application. Mr. Koenig advised that the City was redeveloping the infrastructure along this road, and staff knew ahead of time where the connections needed to be. He indicated that the City would potentially have installed these lines as there was an associated capital project.

Mr. Koenig noted that Mr. Maupin was asking for consideration for the costs associated with the electrical service and the extension of water and sewer services from where they exist in the road to at least the right-of-way or the building. He was also asking for consideration of geotechnical services, which were required because a building had been demolished at the location. Mr. Koenig explained that the City wanted reasonable assurance that there would not be settlement after construction because the City did not want to be responsible for future homeowner claims that the City did not do its duty by requiring someone to build in accordance with acceptable practices.

Mrs. Townshend stated that the building code requires a certain pound per square inch (PSI) figure, and the geotechnical report would substantiate the PSI.

In response to Mayor Christiansen regarding the projected cost, Mr. Koenig noted that Mr. Maupin had also asked for asbestos abatement and the total request was for approximately $84,000. In Mr. Koenig's opinion, there would be no consideration for the geotechnical engineering or the asbestos abatement request, and the Committee could only weigh in on whether the City wanted to offset any of the costs regarding the extension of electric or water and sewer services to the facilities. He stated that these were not budgeted expenses and would be out-of-pocket costs that the City would have to incur or reimburse the property owner for. Mr. Koenig stated that the only source for

financing this request would be funding that was intended for capital improvements or reserve funds. He explained that staff could not create a capital improvement project or move money from the reserves without authorization from Council.

Mr. Koenig felt that the real issue was the precedent that would be set, noting that this request would probably total $65,000 and that there was another application that had requested $30,000. If this concept was approved, he felt that every development application in the Downtown Development District (DDD) would likely make a request, and their requests would be based on equity.

Mayor Christiansen questioned if requests would be judged on a case-by-case basis. Responding, Mrs. Townshend explained that there were non-profit housing partners, including NCALL, Habitat for Humanity, and Milford Housing Development Corporation (MHDC) that currently have five (5) homes under construction and have submitted plans for additional homes. These organizations were paying these same costs for water and sewer connection, and discussions had been held with Habitat for Humanity regarding cost concerns relating to electric infrastructure and water and sewer connection. Mrs. Townshend noted that they had also been required to provide geotechnical reports because they were building on demolished sites.

Responding to Mayor Christiansen, Mrs. Townshend stated that she did not believe that the cost for these entities would amount to the costs for the MauTiste project; however, she noted that Mr. Maupin's project included six (6) units; therefore, his cost was not a per unit amount. She stated that she believed, if funds were provided, that there would be requests that had merit from other entities. Mrs. Townshend also stated that everything being built by non-profit groups was required to be owner occupied and not rented. She acknowledged that Mr. Maupin was hoping for owner occupation; however, she indicated that there were no assurances.

Mr. Kirby Hudson, Assistant City Manager, advised that Mr. Maupin had stated that he was not interested in renting the units and that he wanted to develop affordable housing that he could turn around and sell. According to Mr. Maupin, based on the current costs, the housing price would be unaffordable.

In regard to the second request for utility connection assistance, Mr. Todd Stonesifer, owner of The Moving Experience Real Estate, advised members that he was working extremely hard to bring economic development to the downtown area. He had been working closely with a current business and property owner in the downtown area regarding the property at 131 West Lockerman Street, most recently known as Computers Fixed Today. Mr. Stonesifer explained that a restaurant was proposed for that gateway location; however, the owner discovered that the water mains large enough for the building's required sprinkler system were located across either Governors Avenue or Loockerman Street. Mr. Stonesifer explained that the cost of connection would be approximately $30,000. He indicated that he and the owner were $30,000 apart on the real estate deal and could not make it happen without bringing a sprinkler across the street, which would involve the Delaware Department of Transportation (DelDOT), street repairs, etc. Mr. Stonesifer suggested that perhaps the first project mentioned could take advantage if the sprinkler line was across the street, and future projects would not have to absorb this extra cost and could also tap into it as the building stock is updated.

In response to Mr. Stonesifer, Mr. Koenig stated that there was a water line on Loockerman Street but it was on the south side of the street and on the west side of Governors Avenue. Mr. Koenig believed that the cut would be made on Loockerman Street; however, this would depend on where the connection would be in the building.

Mrs. Townshend asked if this connection could be done in a way that would serve other buildings for fire suppression. Responding, Mr. Koenig explained that it would depend on the actual fire need for the building being serviced.

In response to Mayor Christiansen, Mr. Brandon Pelton, owner of 33 West Ale House and Grill, stated that the downstairs area of the building at 131 West Loockerman Street was approximately 2,000 square feet. He indicated that he had spoken with the Fire Marshal and the downstairs area was the only part that needed to be sprinklered. Mr. Pelton stated that he needed to put in a two (2) hour firewall and a sprinkler system downstairs due to the apartments upstairs. He explained that the cost of installing the sprinkler system would be $30,000 and bringing the stub across the street would be an additional $30,000. Mr. Pelton recalled that this would be a six (6) inch sprinkler, and he stated that he could cover the cost of the system. He indicated that he would have to put in a dry sprinkler system over the overhang and that the $30,000 cost of going across the street would consume all of his emergency funds.

Responding to Mr. Moore, Mr. Pelton stated that he was interested in purchasing the building as a capital investment and would probably renovate the apartments in approximately a year as they become vacant. In response to Mayor Christiansen, Mr. Pelton stated that there was one (1) apartment on the third floor and two (2), two-bedroom apartments on the second floor. He noted that they share a doorway with the Raubacher building next door, where a game store and Uncorked Canvas are located.

Mayor Christiansen noted that the downtown area would have to be brought up to code as it develops and questioned if reconstruction or remodeling projects would require sprinkler systems. Responding, Mrs. Townshend stated that it would depend on the use. In this case, a sprinkler system was required because the facility would be a restaurant serving alcohol and was due to the occupant load rather than the building size. She stated that it would have to meet National Fire Protection Association (NFPA) standards for retrofits and the drivers would be alcohol being served and an occupant load past 100. Mrs. Townshend explained that an art studio would not necessarily require a sprinkler system.

Mr. Koenig noted that, ideally, all of the structures would be sprinklered for their preservation over time, especially due to the close proximity of the structures. He noted that a property owner would not want to invest a lot of money in a structure that has unsprinklered structures around it.

Mrs. Townshend stated that she felt it was a better scenario to sprinkler the building than to try to find loopholes. She expressed concern that the business district had a lot substandard building stock, stating that money must be put into it to bring it to current code standards instead of finding ways around the code standards. Mrs. Townshend believed that sprinklering was important and that both of the projects being discussed were consistent with the objectives set forth in the City's DDD plan and could be beneficial. Her concern was the precedent and dealing with other requests that would come in. Mrs. Townshend questioned if a lien that is forgivable over a period of time should be put

in place to ensure that people do not walk away from these properties and that they are developed as planned.

Mayor Christiansen believed that if the City was truly dedicated to economic development downtown and revitalizing the neighborhood that surrounds it, it would behoove the City to look for sources of revenue. He asked Mrs. Donna Mitchell, Controller/Treasurer, if a mechanism could be put in place to make these projects happen, noting that there were developers wanting to invest substantial money on both projects that would be beneficial to the downtown area. Responding, Mrs. Mitchell stated that the City already had a DDD incentive program and if the program was to be expanded, it must be approved by City Council.

Responding to Mr. Hudson, Mrs. Townshend stated that the USDA grant program could not be utilized because this was a loan program and funds would need to be paid back. In addition, she explained that the uses proposed were not eligible for the first round of funding from the USDA program.

Responding to Mayor Christiansen, Mrs. Mitchell stated that if the requests for assistance were taken to Council, there was not currently a source of revenue to cover the cost of both projects. Mr. Koenig advised that there was no line item in the budget for such extensions of service. If the committee recommended supporting the requests, funds would have to be identified and there would have to be a budget amendment listing it as a miscellaneous expense. Mr. Koenig noted that these were substantial expenses; however, he indicated that the $30,000 investment would significantly increase the value and safety of a downtown building, regardless of who makes the investment. He stated that there would be a long payback period for the utility since it would take a long time to regenerate $30,000 profit under the water utility with current rates. Mr. Koenig reminded members that there had been complaints about the quality of the buildings downtown and noted that they would not get better by themselves. He stated that his initial reaction was that he was not in favor of the requests; however, he noted that there was a substantial benefit to the City and the DDD and he expressed the need to talk through it. Mr. Koenig stated that he felt it should not be viewed as if the service could be expanded to other properties because it would be driven by engineering calculations, and it would be difficult to know where the extensions could be used.

In response to Mayor Christiansen, Mr. Koenig advised that either a six-inch or eight-inch tap in would be required off the water line from Governors Avenue. If an eight-inch tap was used, a two-inch domestic service could be taken off that and a brand new fire and domestic service would be available, eliminating the concern about water infrastructure for the foreseeable future. Mr. Koenig stated that he believed that a new building like this in a shopping mall would have an eight-inch tap with a six-inch fire service, and a one-and-a-half or two-inch domestic service. Mr. Koenig stated that funding would have to be taken from funds used to expand and improve the overall water system or from other reserves to make it available for this project and it was not in the budget.

Mrs. Townshend asked, since the improvements would be in the right-of-way, if the City would bid the work and award the contracts. Responding, Mr. Koenig stated that if the Committee recommended in favor of the requests, the project should be bid out as a separate project by the City using City guidelines. A third-party contractor would be hired to make the tap and run the line. In

response to Mr. Moore, Mr. Koenig stated that this would also be true of the six (6) townhouses because the City did not have the staff to do this project.

Mrs. Townshend stated that she would prefer that the City use a contractor so that procurement policies are followed.

Mr. Moore felt that the six (6) townhouses would enhance the residential mix of the downtown area, as would adding a new restaurant to this corner downtown. He noted that, if this request was not supported, he believed this property would remain vacant.

Mr. Pelton stated that he had done due diligence and put numbers together with other available grant funds. If the funds were there, he had no problems with whatever wording members wanted to include. Mr. Pelton stated that if he were to receive twice as much as he thought through grant funding, he would pay for bringing the stub across the street; however, he stated that he could not move forward without having money for emergencies. Mr. Pelton noted that, otherwise, he would be putting in more than $60,000 before taking out a piece of flooring or knocking down drywall. He stated that he would be happy to establish some sort of contingency.

Mr. Stonesifer questioned whether any future building would be able to connect to that line without going across the street if a large enough supply line was brought across Loockerman Street. Mr. Moore explained that this would not be easy because the line must be taken vertically in front of the building and the sidewalk or street must be torn up. He felt it would likely be cheaper to tap into another location if the building is three doors down. Mr. Moore stated that this might be possible for a building next door, but there would be a limit to how far horizontally one could go.

Mr. Stonesifer stated that he felt it would be less expensive for the next couple of buildings to go under the sidewalk to that tap than to go across the street. He noted that he understood that there was no guarantee; however, he believed that it would benefit more than just one building.

Mrs. Townshend stated that the DDD district grants do not include expenses for the extension of services, noting that expenses eligible for grant reimbursement are only those on the site. She advised that the 20% rebate would not apply to bringing utilities to the site. Responding to Mr. Hudson, Mrs. Townshend stated that the demolition and asbestos removal expenses related to the duplex project would be eligible for the 20% rebate available through the DDD grant program.

In response to Mayor Christiansen, Ms. Tamika Graham, National Council on Life and Labor Research (NCALL), Neighborhood Revitalization Coordinator, stated that NCALL's mini-grant program had limited funding and was set up primarily to go through work groups, so it would not be available directly for this use.

Mrs. Townshend explained that Mr. Maupin was already working with the NCALL loan fund on his project, noting that this was a loan rather than a grant.

Mr. Moore moved to recommend funding the utility extensions to provide for the restaurant at 131 West Loockerman Street and the six (6) townhouses.

Mr. Koenig questioned if the motion was to fund the water service. Responding, Mr. Moore stated that he had mentioned the utilities. Mrs. Townshend stated her belief that the motion was for the water and sewer connections. Mr. Koenig stated that utilities would include electric service. In response, Mr. Moore stated that he did not know that electric service was being considered. Mrs. Townshend explained that Mr. Maupin's request included $7,100 for electric expenses.

Mrs. Townshend seconded the motion to recommend funding the utility extensions to provide for the restaurant at 131 West Loockerman Street and the six (6) townhouses, with the amendment that the City ensure that the costs are managed using the bidding process through the City's procurement policy.

Mrs. Townshend stated her concern that the cost might be inflated.

Mr. Moore stated that the motion would include electrical and plumbing services. He felt that geotechnical engineering and asbestos would get into a broader area and, from a precedent setting standpoint, could include every building in the City. Mr. Moore believed that the infrastructure issue in the downtown, in the sense of water and sewer access, as well as sprinkler access to townhomes and duplexes, was limiting the ability for growth. He felt that if geotechnical engineering or asbestos removal were provided for, developers would request assistance with geotechnical engineering for their foundations and asbestos removal for their renovations, and he believed that these were normal costs. Mrs. Townshend concurred, noting that geotechnical engineering and asbestos removal costs were eligible for the 20% rebate from the City, whereas the utilities were not.

Ms. Chantell Scott, 214 Thornton Street, stated that she had heard someone mention that there were water system funds and asked Mrs. Mitchell if this was correct. Responding, Mrs. Mitchell stated that the City Manager had been referring to the water utility budget itself. She indicated that there was capital improvement project money that would have to be reallocated. Mrs. Mitchell believed that Mr. Koenig had indicated that funds would have to be taken from what they were originally budgeted for to be used for these projects.

Ms. Scott questioned if there were any funds in the budget that had not been allocated for a project. Responding, Mr. Koenig indicated that there were funds allocated to water quality improvements and the bids for those funds had not been fully authorized by Council, so there was money allocated for water quality improvements.

Ms. Scott questioned if some of those funds could be used for these two (2) projects. Responding, Mr. Koenig stated that if Council were to authorize funding the projects, the water components could be charged to the water budget.

Ms. Scott questioned if a motion could be made to recommend funding the requests so that this part of the projects could be taken care of since it was her understanding that was money available. In response, Mr. Koenig indicated that money had been budgeted. Mrs. Townshend explained that it was budgeted for water quality improvements; however, this was not a water quality improvement. Mr. Koenig advised that the money had been budgeted for a purpose and had not been converted to a contract. Mrs. Townshend stated that Ms. Scott's proposal would be taking funds away from another project.

Ms. Scott stated her understanding that these funds had not been allocated for a project and were extra funds. In response, Mrs. Townshend indicated that water quality improvement funds were allocated in the capital budget for improvements in water infrastructure to eliminate the brown water problem. While it may not be allocated to a certain pipe, she explained that it was allocated for that purpose.

Ms. Scott stated her belief that Mr. Koenig had indicated that there was money allocated for infrastructure improvement and had not mentioned brown water. She stated that she has brown water in her home, which was newly constructed, and she just runs her water until it stops being brown. Ms. Scott stated that these young men wanted to take a section on the corner of Loockerman Street and Governors Avenue that had been empty for many years and make a restaurant. She felt that they needed help and that this water main fell under water infrastructure. In response, Mr. Koenig advised that it could fall under water structure.

Ms. Scott requested members to make a motion to take this money from this specific budget. Mrs. Townshend stated that this was not within the Committee's purview but was in City Council's purview. Mr. Moore explained that the Economic Development Committee did not have a budget and did not have access to the City's budget. He stated that he wanted the Committee to vote on the requests for utility connection assistance to direct Council regarding the Economic Development Committee's recommendation. Mrs. Townshend noted that Mr. Moore had made a motion to fund the projects and that she had seconded this motion.

Mr. Moore clarified that his motion was to fund the utilities for both projects; however, he did not agree on funding the geotechnical and asbestos aspects. Ms. Scott questioned if the money was technically available. Responding, Mrs. Townshend stated that it was the responsibility of the City Manager, Finance Director, and City Council to determine how it would be paid for and this was beyond the scope of the Committee. Mr. Koenig explained that these costs, according to the handbooks, are developer related and the property owner and/or developer is responsible under the Code for these types of cost.

Ms. Scott stated that in the Economic Development Committee meeting it was decided that it was in the best interest of the City to help with this development because, technically, this water main was in the middle of the road, which belonged to the City and that these young men would be helped. Responding, Mr. Koenig stated that members had not made that determination.

In response to Mayor Christiansen, Mrs. Stein stated that there was amendment to the motion to require using the City's bidding process. Mrs. Townshend withdrew the amendment of the motion.

Mr. Moore stated that the motion was to recommend funding for further enhancing six (6) residential units and one (1) new business by approving the infrastructure for water, plumbing, and electric to these two (2) areas as an economic development initiative from this Committee. The motion was seconded by Mrs. Townshend.

Mr. Koenig explained that there was a distance from the main to the right-of-way line and a distance from the right-of-way line into the building for the six (6) townhouses. He did not believe that the City should, in any circumstances, be discussing the private side of the line.

In response to Mayor Christiansen, Mr. Koenig stated that he was unsure how Mr. Maupin had developed his $59,000 estimate or what it included. He stated that the developer cost that the City was proposing to discuss was from the main to the right-of-way line. Mr. Moore concurred.

Mr. Brandon Pelton, owner of 33 West Ale House and Grill stated that he already had budgeted to take it from the sidewalk to the building. Mr. Koenig stated that, for 131West Loockerman Street, the right-of-way was the building or approximately one (1) foot from the building, which was different from the residential project. He wanted it to be clear, because of the way the handbook is written, that there is a distinction between where the private responsibility starts and where the public infrastructure ends. Mr. Koenig did not want to pay for private infrastructure, i.e., the cost of going from the curb stop at the road into the house. He was unsure if that number was part of the plumbing estimate provided.

Mr. Moore indicated that he was not saying that he agreed with the numbers provided. He noted that the request was to take a line from the main, which is a public facility, to the right-of-way, which is the end of the public responsibility, and that it would be the developer's responsibility to get it in the building. Mr. Moore stated that the City should not be doing this work inside buildings or houses, which was the developer's responsibility. Mrs. Townshend stated that once the extension is on the property, they are eligible for a 20% rebate. Mr. Moore stated his belief that Mr. Koenig's clarification was part of his motion.

Mrs. Townshend clarified that the motion was to recommend that the City pay for the cost of extending the electrical and water/sewer infrastructure for the projects at 420 Reed Street and 131 West Loockerman Street as it relates to the water and sewer from the main to the right-of-way line and the remainder would be the private property owners' responsibility. The motion carried, with Mr. Koenig voting no.

Mr. Koenig explained that he opposed the motion because he would like to see a cap of $25,000.

Economic Development Committee Transition Discussion

Provide an Orientation to the Initiative
This item was deferred due to time constraints.

Review Purpose of Team
This item was deferred due to time constraints.

Adopt a Goal/Vision
Mr. Hudson introduced Dr. Michael Casson, Delaware State University (DSU), Director of the University Center for Economic Development and International Trade (UCEDIT). He informed members that an opportunity had been extended through Mayor Christiansen to Dr. Casson relating to a seat at the table regarding the Economic Development Committee, and Mr. Hudson advised that this would be recommended to City Council. He informed Dr. Casson that, prior to his arrival at the meeting, the Committee had agreed to recommend the appointment of two (2) minority members to the Committee that had a business or economic development orientation.

Mayor Christiansen stated that the Economic Development Committee had previously discussed developing a Memorandum of Understanding (MOU) with Dr. Casson. He asked if Dr. Casson had made progress on the MOU so that it could be included in the vision of the Committee. Responding, Dr. Casson explained that, after discussing this matter with Mr. Hudson, he consulted with colleagues on campus. He indicated that there would be several points of entry for a university such as DSU to support the initiatives of the City of Dover, and from the feedback he received from leadership on campus, they would look forward to having additional leadership at this table. In regard to an MOU with the University, Dr. Casson noted that UCEDIT was identified as the platform from which DSU would engage the City, but there was a need to look at the different entities on campus and how they could best be engaged. For example, he explained that the Business and Finance Office had conducted minority vendor workshops to engage the population in the area. Dr. Casson noted that the question was how this office could engage the citizens of the Dover for those same opportunities and how the MOU would be written. He advised that they had done research across the country to see some other MOU's and located an MOU from Chicago that engaged five (5) universities in that area, each of which had different plug-in areas for the City. Dr. Casson indicated that they had gleaned some information from the research, but he stated that they were trying to identify the best focus areas for each entity, with UCEDIT serving as the platform for deliveries and the liaison between university resources and the leads and opportunities for the City.

Mayor Christiansen asked if there would be any discussion or potential for workforce development in the MOU. He indicated that they did not want DSU to reinvent the wheel, noting that this was in the realm of the State of Delaware; however, he stated that the City needed to know what resources were available for future employers in the City and to provide young people with jobs as they look for economic development. Responding, Dr. Casson stated that workforce development would be included, noting that DSU had just finished a press release regarding a strategic workforce development plan for the City of Wilmington and they received funding to put those recommendations into action with workforce implementation training.

Mrs. Townshend asked if the City of Dover could see the plan, noting that the Restoring Central Dover Initiative had an important workforce development component regarding the development of job opportunities in the community that do not require travel for those who do not have cars. She indicated that it would be exciting to review what had been done in Wilmington, since there may be an opportunity to do something similar in Dover.

Responding to Mayor Christiansen regarding when this package could be brought back to the community, Dr. Casson stated that the University would include their roles and responsibilities in the MOU, and there would be a blank section for the City to outline its roles. Both parties would then come together to make sure that everyone is amenable to those roles and objectives. Dr. Casson stated that he felt the MOU would be available by the end of the month and the City would then have an opportunity to add its responsibilities.

Mrs. Townshend questioned what types of responsibilities Dr. Casson had seen for municipal governments and if DSU had an MOU with the City of Wilmington. Responding, Dr. Casson advised that they did not have an MOU with Wilmington but were interested in engaging in one.

Mrs. Townshend explained that, in Delaware, municipal governments do not provide some of the services that are provided by some of the larger cities in other states. For instance, the City of Dover does not run the state service centers, which are places where people are often reached. Mrs. Townshend indicated that she would be interested in getting a sense of the types of roles that would be expected.

Dr. Casson believed that the service would be more from a perspective of engagement, such as being a part of the strategic planning process. From what he had seen regarding the City of Chicago, the City's role was that of facilitator in bringing the individuals to the table and brokerage types of things. Mrs. Townshend indicated that this could relate to how certain things are addressed in the context of the City's Comprehensive Plan and its implementation. Mayor Christiansen suggested that Dr. Casson present this matter to the Committee during their first meeting in October. Further discussion on this item was deferred due to time constraints.

Identify Challenges to the Goal/Vision and Develop Strategies
This item was deferred due to time constraints.

Setting the Next Agenda and Scheduling the Meeting
Mayor Christiansen advised that next meeting was scheduled for September 27, 2016. Mrs. Townshend noted that Economic Development Committee meetings would be held on the same day the Council Committee of the Whole meetings are held, on the second and fourth Tuesdays of the month.

Mr. Moore moved for adjournment, seconded by Mr. Koenig and unanimously carried.

Meeting adjourned at 5:04 p.m.

Robin R. Christiansen
Chairman

RRC/JS/dd/tm

Attachment
Attachment #1 - Resolution No. 2016-11 Amending Council Resolution No. 2016-09 Formally Establishing the Economic Development Committee

City of Dover

MAYOR AND COUNCIL

COUNCIL RESOLUTION NO. 2016-11
AMENDING COUNCIL RESOLUTION NO. 2016-09

A RESOLUTION FORMALLY ESTABLISHING THE ECONOMIC DEVELOPMENT COMMITTEE

WHEREAS, during the Special Council Meeting - Budget Review of May 26, 2016, City Council dissolved the City's Economic Development Office and created an Economic Development Committee within the City, with the Mayor to serve as the Committee Chair and the other members to consist of the City Manager, or the City Manager's designee, the Chair of the Legislative, Finance, and Administration Committee, the Chair of the Utility Committee, a designee of the Downtown Dover Partnership (DDP), ~~and~~ the City Planner**~~;~~, and two (2) minority voting members who are economic development or business oriented with qualifications and selection to be determined by City Council; and**

WHEREAS, a strong and robust local economy is essential to the quality of life of all residents of the City of Dover and its surrounding community. It is vital that the City pursue sound and innovative strategies to promote growth, attract investment, create and protect jobs, and support existing businesses and enterprises; and

WHEREAS, the Mayor and Council wish to develop a collaborative, targeted, inclusive, and effective approach to economic development in the City of Dover.

NOW, THEREFORE, THE MAYOR AND COUNCIL OF THE CITY OF DOVER HEREBY FORMALLY ESTABLISH THE CITY OF DOVER ECONOMIC DEVELOPMENT COMMITTEE, WHICH SHALL:

1. Promote the economic interests of the City of Dover, formulate recommendations to Council and staff, and coordinate with staff, other government bodies and institutions, the business community, and the public on economic development matters.

2. Provide monthly reports to City Council.

ADOPTED: *

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ROBIN R. CHRISTIANSEN
MAYOR

TIMOTHY A. SLAVIN
COUNCIL PRESIDENT

Actions History
09/26/2016 - Introduction - City Council
09/13/2016 - Discussion - Economic Development Committee

Draft