ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee met on August 16, 2016 at 4:32 p.m. with Mayor Christiansen presiding. Members present were Councilman Hare; 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.

Staff members present were Mr. Hudson, Mrs. Mitchell, and Mrs. McDowell.

AGENDA ADDITIONS/DELETIONS

Mayor Christiansen reserved the right to terminate this meeting at 5:00 p.m. and consider any remaining items on the next meeting agenda.

By unanimous consent, the agenda was approved as presented.

Discussion of Proposed Resolution Formally Establishing the Economic Development Committee

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, a designee of the Downtown Dover Partnership (DDP), and the City Planner. Members reviewed a Proposed Resolution that would formally establish the Economic Development Committee

Mr. Scott Koenig, City Manager, expressed concern regarding Item #2, which stated that the Committee shall "Authorize the City Manager to enter into contracts with respect to economic development on behalf of the City with a majority vote of its members." He stated that it was not his understanding when the Committee was originally created that it would enter into contracts. Mr. Koenig thought the Committee was to make recommendations regarding contracts that would go to Council through the Council Committee of the Whole (CCW). He indicated that there was no budget associated with the Economic Development Committee. Mr. Koenig explained that the recommendation approved by Council regarding the dissolution of the City's Economic Development Office increased the City's payment to the DDP from $75,000 to $150,000, and this differential came from the Economic Development Office's FY 17 budget of approximately $240,000. He noted that there were expenses related to the closing of the Economic Development Office for staff and other things, and the balance of the money for FY 17 was to go into the Mayor's budget for unspecified economic development activities. Mr. Koenig could not recall any discussion at the Council level indicating that the Economic Development Committee would enter into contracts or direct the City Manager to do so without further Council oversight.

Mr. Hare agreed with Mr. Koenig and noted that the Committee's purpose, as stated in Item #1 of the Proposed Resolution, was to "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." Mr. Hare indicated that he would not want to authorize the City Manager to enter into any contracts that had not been approved by Council.

Mr. Koenig noted that, in accordance with the City of Dover Purchasing Policy, the City Manager has the ability to enter into small contracts; however, contracts over $25,000 must to go to Council for approval. Within the range of $7,500 to $25,000, staff must obtain competitive quotes or send requests to two (2) providers and ask them to reply, although they can decline. Mr. Koenig stated that the economic development team would not have the ability to issue a contract, for example, for $50,000, without going through the Council approval process.

Mr. Hare noted that, with the proposed language, the City's agreement with Calpine would not have had to come before Council. Mr. Hare did not feel that the Economic Development Committee should make these types of decisions but should make recommendations to Council, as the standing Council committees do, and Council would grant authorization to the City Manager to enter into contracts.

Mr. Koenig stated that he did not want to give the impression that the Committee had the ability to enter into contracts or the authority to commit to a particular piece of property before purchase; although they may want the ability to enter directly into a marketing plan.

Mrs. Townshend advised that she shared the concerns that were stated and felt that the language in the Proposed Resolution regarding contracts was extremely vague and broad. She thought that the nine (9) members of Council would probably interpret "contracts with respect to economic development" in nine (9) different ways, and she did not want the Economic Development Committee to go beyond Council's expectations. Mrs. Townshend suggested that the Committee could be granted the ability to initiate Requests for Proposals (RFP) without requiring permission; for example, the RFP to list the Garrison Oak property. She explained that the Committee could then bring the results directly to the Committee, which would allow the City to be a little more nimble and reduce processing time. Mrs. Townshend stated that any contract with respect to economic development would involve public dollars. Mayor Christiansen believed that it was the fiduciary responsibility for Council, as the legislative body, to make ultimate decisions regarding dollars and cents.

Mr. Koenig advised that Councilman Slavin had specifically talked about this language and suggested that if a recommendation was to be made to Council, members should get clarification from Mr. Slavin.

Mr. Moore stated his belief that the Proposed Resolution indicated that the Economic Development Committee could make recommendations and that Mr. Koenig, as City Manager, would be responsible for taking them to Council. He felt that members were becoming caught up in the details.

Mr. Hare suggested that perhaps Item #2 of the Proposed Resolution should read, "Authorize the City Manager to enter into contracts with respect to economic development on behalf of the City with a majority vote of Council" rather than a "majority vote of its members." He did not believe the Committee should authorize entering into contracts.

Mrs. McDowell advised that during the Council Committee of the Whole/Legislative, Finance, and Administration Committee Meeting of July 26, 2016, members considered a Request to Solicit Real Estate Services - Garrison Oak Technical Park. Mr. Slavin had questioned why the Economic Development Committee was not authorized to enter into these contracts and indicated that language should be developed to give them that authority. Mr. Hare concurred, noting that entering into a contract with a commercial realtor would not cost the City anything. He stated, however, that this could become a blanket approval, enabling the Committee to enter into a multi-million dollar contract without Council's approval. Mayor Christiansen reiterated his belief that approving contracts was the ultimate responsibility of Council as the legislative body that has ultimate financial responsibility to the citizens.

Mrs. Townshend stated that there was uncertainty when discussions began about the scope of the Committee and reiterated that if the Economic Development Committee had the authority to do legwork and take matters to Council for final decision and approval, this would provide a little more versatility to be able to react. For example, Mrs. Townshend explained that they had requested permission from Council to issue an RFP for real estate services for Garrison Oak and would now have to do the RFP and then return to Council. She felt that members could meet with Council President Slavin to request this authority, and she believed they would not need the authority to enter into contracts.

Mr. Hare stated that commercial realtors could come to the Committee and give presentations with respect to the RFP and, as a Committee, members could make a recommendation to Council regarding the selection of a commercial realtor.

Mr. Moore stated that he could see both sides of this issue, stating it was better to be more nimble and be able to write a contract, a newspaper advertisement, or attend an important convention they believe they need to attend.

Mr. Koenig stated that the Economic Development Office was closed in the FY 17 budget process, and the Economic Development Committee had stated that they would like to do a radio spot for the City of Dover at a cost of $5,000. He indicated that funds were available for the radio spot in the Mayor's budget and, as long as the Committee followed the guidance in the City's purchasing policy, there was no question in his mind that he could sign the purchase order and move forward with the radio spot because these funds were budgeted.

Mr. Hare stated the need to use common sense. He felt that if $5,000 was to be spent for two (2) or three (3) members to go to an economic development convention in Philadelphia and there were funds available in the Mayor's budget, it could be done. However, Mr. Hare stated that if there was a contract to sell property at Garrison Oak for $43M it would need to go to Council. He felt that members know what they can and cannot do. Mr. Hare felt members should be able to move forward with items in the Committee's or Mayor's budget; however, they should not be able to enter into a contract of purchase or sale.

Mrs. Townshend noted, for example, that staff receives requests from parties who state that the costs for downtown development projects are too high and they want the City to help defray the costs. She felt this would be fine if there was a process; however, she believed that Council, as elected representatives, should approve this type of request.

Mr. Koenig suggested that Item #2, Authorize the City Manager to enter into contracts with respect to economic development on behalf of the City with a majority vote of its members, be stricken from the Proposed Resolution.

Mr. Hare moved to recommend that Item #2, Authorize the City Manager to enter into contracts with respect to economic development on behalf of the City with a majority vote of its members, be stricken from the Proposed Resolution. The motion was seconded by Mrs. Townshend and unanimously carried.

Mrs. Townshend moved to recommend adoption of the Proposed Resolution, as amended *(Attachment #1)*. The motion was seconded by Mr. Koenig and unanimously carried.

Economic Development Committee Transition Discussion

Provide an Orientation to the Initiative

Mr. Kirby Hudson, Assistant City Manager, stated that members were trying to determine what the responsibilities and direction of the Economic Development Committee would be. Since the Economic Development Office was no longer in existence, he felt that clarity was needed in regard to the direction and responsibilities of the Committee. Mrs. Townshend stated that one of the concerns was who will answer the phone when it rings, and Mr. Hudson questioned who the leader would be.

Mr. Hudson assumed that Item #1 of the Proposed Resolution, 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, would tell the Committee what their charge was and answer the question regarding an Orientation to the Initiative.

Mr. Hare stated that if Mayor Christiansen or a member of the Committee received a call from IBM stating that they want to build a multi-million dollar complex in the City, the information should be conveyed to the Committee and discussed during a meeting. He believed that these issues should be brought not just to a person but to the Committee.

In response to Mayor Christiansen, Mrs. McDowell explained that the time frame required to post a special, non-emergency, meeting agenda would be 24 hours. Mr. Koenig noted that if there were only 24 hours to react to this type of situation, there would be a special meeting of Council to obtain full authorization.

Mr. Moore asked what would happen if such a call was received and the company indicated that they wanted the information to remain confidential. Responding, Mrs. Townshend indicated that an executive session would be scheduled for a discussion of proprietary information.

Mr. Hare noted that the Committee may decide if this is a matter that needs to go to Council right away or if there needs to be a Council executive session, and he reiterated that more than one (1) person would need to know. Mr. Moore stated that most of the time these entities will not walk these proposals through Council. Mr. Hare indicated that there would be an executive session.

Mr. Hudson commented that the Economic Development Committee would be working hand in hand with the Downtown Dover Partnership (DDP) and questioned if they would be acting separately. Responding, Mrs. Townshend noted that a representative of the DDP was on the Committee. She stated that this representative may be the DDP's executive director rather than Mr. Moore, or it may be that they would both attend.

Mrs. Townshend stated, for example, that both the City Manager and Assistant City Manager were currently present. As long as Mr. Koenig was present, Mr. Hudson would not vote, but he was still present to participate. She indicated that the Executive Director and the President of the DDP could both be present, but there would be a need to determine who has the ability to vote.

Mr. Hare indicated that a designee of the DDP was a member of the Committee, so it would be up to the DDP to decide who would vote. Referring to the Proposed Resolution, Mr. Hare stated that the members consist of the Mayor, who is the Chair; the City Manager or the City Manager's designee; the Chair of the Legislative, Finance, and Administration Committee; a designee of the Downtown Dover Partnership (DDP); and the City Planner. He pointed out that, technically, if Mr. Koenig was on the Committee, Mr. Hudson was not, and he felt that Mr. Hudson should not have been present for an executive session of the Committee. Responding, Mrs. Townshend advised that key staff can be in an executive session.

Mayor Christiansen noted that Mr. Hudson is a member of senior staff and a confidential employee, as the Controller/Treasurer and City Clerk are, and stated that he would want them at the table with members.

Mr. Hare questioned if they would want two (2) people from the DDP for the Committee. Responding, Mrs. Townshend felt that they would not both attend an executive session. Mr. Koenig felt that this would depend upon the subject matter. For example, he felt that if the development of the Garrison Farm was being discussed, the DDP Board President would be included as a member of the Committee, but the Executive Director of the DDP would not need to be there.

Mayor Christiansen felt it very important for the DDP to have a presence at the Economic Development Committee's table and vice versa, since their mutual goal was economic development in the City, and that this presence should be someone that has clout. He stated that jobs, economic development, taxes, and the use of enterprise funds would be beneficial to both groups.

Review Purpose of Team

Mr. Hudson questioned how members would let it be known that the Economic Development Committee was in existence. Responding, Mrs. Townshend offered to raise awareness of the Committee. Mayor Christiansen stated that every bit of electronic media should be utilized to get the word out, including the websites of the City, the DDP, the County, and the Chamber of

Commerce. He suggested using cheap advertising and electronic opportunities and establishing a Facebook page.

Mr. Hudson felt it would be beneficial to get a spot on local television and in local newspapers. He questioned how people would know what the opportunities were and what the Committee is about if no one was aware of their existence.

Mayor Christiansen suggested taking advantage of Comcast public service announcements, the Comcast Spotlight, and announcements during Council meetings.

In regard to the RFP for Garrison Oak Technology Park, Mr. Hare stated there was a need to let commercial realtors know what is available, noting that their business is to talk to people every day. Mr. Hare felt the realtors should be advised that they can contact the Economic Development Committee to be aware of what is happening, what support is available to them, and to know that their calls will be returned.

Mr. Moore indicated that members had previously agreed that commercial realtors would be brought in for a brainstorming session to let them tell members what they should be doing to aid them, since they would be one of the connectors. Mr. Hare stated that this should be on the next meeting agenda.

Mrs. Townshend suggested dividing tasks between members so that work is done between meetings. She concurred with bringing realtors in for a brainstorming session, but suggested doing some follow-up afterwards and having people tasked to do certain things. Mrs. Townshend explained that a series of focus groups had been held at the staff level with the business community before they hiring the LEAN consultant, and from that came a list of improvements that were needed to processes in the City code, many of which were made. Mrs. Townshend suggested assigning people to take the lead on different projects and having them report back to the Committee.

Mr. Moore asked if this was permissible under the Freedom of Information Act (FOIA). In response, Mrs. Townshend stated that it was permissible as long as there was not a quorum of Council or of the Committee members working together. Mayor Christiansen stated the importance of complying with Robert's Rules and the Freedom of Information Act at Committee meetings; however, he indicated that individual meetings could be held. For example, he stated that Mr. Hudson and Mr. Moore could meet with commercial realtors; however, there could not be a meeting of any two (2) members of the Committee, nor a serial meeting, as this would be a violation of FOIA.

Noting that there were four (4) votes on the Committee, Mrs. Townshend questioned if there would be a FOIA violation if she and Mr. Moore talked about economic development. Responding, Mrs. McDowell stated that this would be a violation.

In response to Mr. Hare, Mrs. McDowell explained that the Mayor was a non-voting member of the Committee, noting that the City's charter states that the Mayor shall have no vote on matters involving the City. She advised that the Mayor could chair the Committee but would have no vote.

Mr. Moore commented that he and the Mayor could have a meeting with realtors. Mr. Hare stated that he did not believe that they should because Mr. Moore has a business that deals with commercial

realtors and should avoid the perception that he was promoting his own business. Mr. Moore responded that he felt it would be an advantage to have people who actually understand it and know the questions to ask and understand their response.

Mr. Hare stated that he felt that the Mayor should vote or that another member should be added to the Committee so that there would be five (5) voting members. Mrs. Townshend suggested amending the resolution so that there would be five (5) voting members because, from a practical standpoint, there was no way that she could comply with not talking to Mr. Moore or Mr. Koenig about economic development. Mr. Hare suggested that another member of Council be included. Mayor Christiansen suggested considering what direction members should go in adding another member and consult with the Council President about adding this to an agenda. Mrs. Townshend stated that Mr. Hare had suggested adding the chair of the Utility Committee, noting that the Garrison tract had been an asset to City utilities.

Mr. Hare moved to recommend that the Chair of the Utility Committee be added to the Economic Development Committee. The motion was seconded by Mr. Koenig.

Responding to Mr. Moore, Mr. Hare stated that Councilman Cole was currently serving as Chair of the Utility Committee and that this member of the Economic Development Committee would always be a Councilperson.

The motion to recommend that the Chair of the Utility Committee be added to the Economic Development Committee was unanimously carried.

Adopt a Goal/Vision

Responding to Mr. Moore, Mayor Christiansen advised that Mr. Hudson, Assistant City Manager, was working on the Committee's goals and would be reporting back to the Committee.

Mayor Christiansen suggested deferring the following items to allow Mr. Hudson to provide information seven (7) days prior to the next meeting: Items #2C - Adopt a Goal/Vision; #2D - Identify Challenges to the Goal/Vision and Develop Strategies; #2E - Review Team Membership to Determine if Others are Needed to Accomplish the Goal/Vision; #3A - Identify Meeting Roles; and #3B - Discuss and Adopt Ground Rules for Future Meetings.

By unanimous consent, Items #2C - Adopt a Goal/Vision; #2D - Identify Challenges to the Goal/Vision and Develop Strategies; #2E - Review Team Membership to Determine if Others are Needed to Accomplish the Goal/Vision; #3A - Identify Meeting Roles; and #3B - Discuss and Adopt Ground Rules for Future Meetings were deferred.

Setting the Next Agenda and Scheduling the Meeting

Mrs. Townshend questioned if it made would make sense to meet at 4:00 p.m. on a day that the Council Committee of the Whole meets. Responding, Mayor Christiansen felt that this would make a long day and suggested holding the meetings during the weeks that there are not Council or Committee meetings.

Mr. Hare indicated that he did not have a problem with meeting on the same day as the Council Committee of the Whole. He suggested 4:00 p.m. on the days that the Council Committee of the Whole meets, with meetings to conclude by 5:00 p.m., which would allow time for an executive session if needed. Mr. Hare suggested that a meeting be scheduled for Tuesday September 13, 2016 at 4:00 p.m.

In response to Mrs. McDowell, Mayor Christiansen indicated that members should plan on meeting twice per month for the time being.

Mrs. Townshend suggested that the standard agenda be reviewed during the Council President's agenda meeting.

Mayor Christiansen requested that the Clerk's Office place these meetings on the Outlook calendar.

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

Meeting adjourned at 5:07 p.m.

Robin R. Christiansen
Chairman

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Attachments
Attachment #1 - Proposed Resolution #2016-09 Formally Establishing the Economic Development Committee

City of Dover

MAYOR AND COUNCIL

PROPOSED 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

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, 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	TIMOTHY A. SLAVIN
MAYOR	COUNCIL PRESIDENT

Actions History
08/22/2016 - Scheduled for Introduction - City Council
08/16/2016 - Discussion - Economic Development Committee

Draft