REGULAR COUNCIL MEETING

The Regular Council Meeting was held on August 26, 2013 at 7:30 p.m. with Council President Bonar presiding. Council members present were Mr. Dixon, Mr. Lynn, Mr. Perza, Mr. Slavin, Mrs. Williams, and Mr. Hutchison. Mr. Anderson and Mr. Hare were absent.

Council staff members present were Police Chief Hosfelt, Mrs. Mitchell, Mr. Koenig, Mrs. Townshend, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Carey was also present.

OPEN FORUM

The Open Forum was held at 7:15 p.m., prior to commencement of the Official Council Meeting. Council President Bonar declared the Open Forum in session and reminded those present that Council was not in official session and could not take formal action.

Ms. Desiree Berry, 1558 Cypress Branch Road, advised members of a recent incident involving her vehicle being vandalized and, since there was profanity, she felt that it should be considered a "hate crime."

After further explanation of the incident, Council President Bonar explained that the property was located outside of the City of Dover limits; therefore, City Council would have no jurisdiction and suggested that she contact the Kent County Levy Court and the Kent County Planning Department.

The invocation was given by Reverend Theodore Henderson, followed by the Pledge of Allegiance.

AGENDA ADDITIONS/DELETIONS

Mrs. Williams moved for approval of the agenda as presented, seconded by Mr. Slavin and unanimously carried.

Mr. Slavin moved for approval of the consent agenda, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF AUGUST 12, 2013

The Minutes of the Regular Council Meeting of August 12, 2013 were unanimously approved by motion of Mr. Slavin, seconded by Mr. Dixon and bore the written approval of Mayor Carey.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE REPORT - AUGUST 12, 2013

The Parks, Recreation, and Community Enhancement Committee met on August 12, 2013 with Chairman Dixon presiding.

Amendment to the 2013 Community Development Action Plan

Mrs. Tracey Harvey, Planner I, reminded members that the 2013 Community Development Block Grant (CDBG) Action Plan was approved with an estimated allocation due to having not received the actual grant allocation from the U.S. Department of Housing and Urban Development (HUD) until May 29, 2013. This was after the City's submission deadline of May 15th for the Action Plan. She stated that the estimated allocation anticipated a 5% reduction in funding from the prior year,

based on the guidance provided by HUD. The CDBG program was not cut as anticipated; therefore, the actual allocation exceeded the estimate used to develop the Action Plan. She advised members that the difference between the estimated HUD allocation and anticipated program income used to develop the Action Plan ($223,563) and the actual allocation ($244,815) was $21,252. She explained that the additional funding should be allocated among the funded projects, which would result in an amendment to the Action Plan.

Staff recommended increasing the funding for Program Administration to 20% of the allocation and dividing the remainder of the funding among the FY 2013 projects, excluding those projects that were fully funded, as follows:

CDBG FY2013 Funded Projects	**Current Funding Level**	**Recommended Increase**	**Recommended Funding Level**
Program Administration	$44,713	$ 4,250	$48,963
NCALL Research	$ 6,034	$ 2,900	$ 8,934
MHDC Homeowner Rehab	$32,658	$ 7,051	$39,709
Elizabeth W. Murphey School	$32,658	$ 7,051	$39,709
Total		**$21,252**	

The Committee recommended approval of staff's recommendation.

By consent agenda, Mr. Slavin moved for approval of the Committee's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

Semi-Annual Review - Statistics Regarding Jobs and Businesses Gained and Lost in the City of Dover Since July 2012

Mr. William Neaton, Economic Development Director, reviewed the semi-annual report of employment statistics for the 15 largest employers in the Dover area and reminded members that this information is updated and presented to members on a semi-annual basis. The report provided statistics regarding jobs and businesses gained and lost in the City of Dover since July 2012.

Mr. Neaton noted that Bayhealth Medical Center (Kent General and Milford) was the premier healthcare provider in central Delaware and the second largest healthcare system in Delaware. He stated that as a result of its continued growth, Bayhealth now had over 3,200 employees. In addition to hiring additional employees, he advised members that Kent General Hospital created a "fit out" plan for the shell space on the fourth floor of their new building to increase the number of available beds. Mr. Neaton indicated that gross patient revenue was expected to be close to $1B and net patient revenue was expected to be approximately $500M.

As mentioned previously, Mr. Neaton explained that the decrease in the number of permanent employees of the Hotel and Casino at Dover Downs was the result of competition from surrounding states that had recently approved legalized gambling.

Mr. Neaton advised members that the increase in employees at Kraft Foods was the result of their securing Kool-Aid operations in Dover.

Mr. Neaton stated that a few large, future employers would be coming to Dover, noting that Dick's Sporting Goods was expected to open in October/November 2013 at the Dover Mall, and the Green Turtle was currently renovating a building and would add approximately 60-70 new part-time and full-time jobs, once opened. He also informed members that the final authorization for the sale of Lot #12 at the Garrison Oak Technical Park (GOTP), for a manufacturing facility, was scheduled for consideration by City Council at their meeting being held later in the evening.

Mr. Caldwell noted that concerns were relayed during the last report regarding several large commercial buildings being vacant in the City of Dover. Responding, Mr. Neaton indicated that there had been no changes in regard to this issue. However, he stated that City Council had authorized an incentive for vacant buildings which would allow tax abatement over a ten (10) year period when a certain amount of money is put into a building for improvements. In addition, he stated that the City had the ability to abate 50% of permitting and impact fees. He stated that he meets with commercial realtors on a regular basis and assured members that they are working hard to fill these buildings.

In response to Mr. Caldwell, Mr. Neaton noted that there was an 80% fill rate in the buildings located in the downtown area. In regard to the approximately 300 jobs starting up within the City limits that was reported at the last review, Mr. Neaton stated that these were construction jobs for the Calpine Project and that the minutes of the meeting reflected a $3M to $4M project; however, he stated that the Calpine Project is actually a $300M project. He indicated that this project was currently undergoing active construction and that he recently took executives from the DuPont Company on a tour of the Dover SunPark and to the construction site.

Mr. Caldwell noted that it was previously reported that the ILC Company moved its facilities to Sussex County and questioned why. Responding, Mr. Neaton indicated that the primary reason was that relocation reduced the cost of the facility by one-half. He assured members that the move was not due to tax or utility rates, which he stated were very good in the City of Dover.

Responding to Mr. Dixon, Mr. Neaton explained that the City of Dover had active code enforcement for vacant properties. Elaborating, Mrs. Ann Marie Townshend, Director of Planning and Community Development, confirmed that a City employee was dedicated to vacant building issues. She stated that his primary focus was monitoring the buildings, assuring payment of fees, and registration and management of properties (for example, monitoring grass cutting and building security).

With regard to concerns about the effect that an additional grocery store would have on Food Lion in the Gateway West Shopping Center, Mr. Neaton felt confident that there was enough business on the west side of Dover to accommodate two (2) grocery stores. He noted that Redner's is a new grocery store, located at the Greentree Shopping Center.

No further action was required.

By consent agenda, Mr. Slavin moved for acceptance of the Parks, Recreation, and Community Enhancement Committee Report, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

UTILITY COMMITTEE REPORT - AUGUST 12, 2013

The Utility Committee met on August 12, 2013 with Chairwoman Williams presiding.

Request for Abandonment of Right-of-Way (Unimproved) - Overlook Place/Adoption of Resolution No. 2013-21 Setting a Public Hearing for September 9, 2013 at 7:30 p.m.

Mr. Scott Koenig, City Manager, advised members that a letter was received from Mr. Michael P. Bouchard, 126 Overlook Place, dated November 13, 2012, requesting the abandonment of an unimproved portion of the Overlook Place right-of-way within the Overlook on Silver Lake Subdivision. He stated that the area extends approximately 30' from the eastern edge of public improvements within the right-of-way and that Mr. Bouchard requested that this area be disposed of in its entirety to his parcel at 126 Overlook Place. Mr. Bouchard indicated that this area is poorly maintained and that it would be a benefit to the community if this area was disposed of to the property owners for proper maintenance. As a result, a letter was sent to the other adjacent property owner, Ms. Chu Pao Robinson of 125 Overlook Place, to determine her interest in participating in the abandonment and having a portion of the right-of-way conveyed to her.

Mr. Koenig stated that both adjacent property owners were interested in participating in the abandonment. Public Works' staff confirmed that this area was unimproved; however, if abandoned, public utility easements would be required for the existing water and wastewater infrastructure located therein. He noted that the right-of-way for Overlook Place is 51' wide and, in accordance with City policy, half of the right-of-way, or 25.5', would be conveyed to the requesting parties. Mr. Koenig assured members that staff had no objections to the abandonment of the subject right-of-way and recommended conveyance of 25.5' of said right-of-way to 125 and 126 Overlook Place with the stipulation that a public utility easement be retained for each parcel. Members were provided a map depicting the right-of-way proposed for abandonment (noted in red).

Staff recommended the following action: 1) abandonment of the subject right-of-way with conveyance of 25.5' of said right-of-way to 125 and 126 Overlook Place, currently owned by Chu Pao Robinson and Michael P. Bouchard, respectively, in conjunction with the provision of a public utility easement for each parcel; and 2) adoption of a resolution by Council setting a public hearing regarding the proposed abandonment for September 9, 2013.

The committee recommended approval of staff's recommendation and adoption of a resolution by Council setting a public hearing regarding the proposed abandonment for September 9, 2013, as recommended by staff.

By consent agenda, Mr. Slavin moved for approval of the Committee's recommendation for the abandonment of the subject right-of-way with conveyance of 25.5' of said right-of-way to 125 and 126 Overlook Place, currently owned by Chu Pao Robinson and Michael P. Bouchard, respectively, in conjunction with the provision of a Public Utility Easement for each parcel and adoption of Resolution No. 2013-21, setting a public hearing before City Council regarding the

proposed abandonment for September 9, 2013. The motion was seconded by Mr. Dixon and by a unanimous roll call vote (Anderson and Hare absent), Council adopted Resolution No. 2013-21, as follows:

A RESOLUTION PROPOSING THE VACATING AND ABANDONMENT OF A CERTAIN RIGHT-OF-WAY SITUATED IN THE CITY OF DOVER.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

Section 1. The Council of the City of Dover favors the vacating and abandonment of the following right-of-way:

Adjacent to 125 Overlook Place (ED-05-068.09-01-16.00)
Beginning at a point identified as the southeast corner of parcel #ED-05-068.09-01-16.00; thence running South 00 degrees 47 minutes 50 seconds West 25.50 feet along the easterly line of a 51' wide public right-of-way to a point in the same; thence running North 89 degrees 12 minutes 10 seconds West 30.00 feet to a point in the same; thence running North 00 degrees 47 minutes 50 seconds East 25.50 feet to a point in the southerly property line of parcel #ED-05-068.09-01-16.00; thence running South 89 degrees 12 minutes 10 seconds East 30.00 feet to the point and place of beginning and containing 0.0176 acres (765.00 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Adjacent to 126 Overlook Place (ED-05-068.09-01-48.00)
Beginning at a point identified as the northeast corner of parcel #ED-05-068.09-01-48.00; thence running North 00 degrees 47 minutes 50 seconds East 25.50 feet along the easterly line of a 51' wide public right-of-way to a point in the same; thence running North 89 degrees 12 minutes 10 seconds West 30.00 feet to a point in the same; thence running South 00 degrees 47 minutes 50 seconds East 25.50 feet to a point in the northerly property line of parcel #ED-05-068.09-01-48.00; thence running South 89 degrees 12 minutes 10 seconds East 30.00 feet to the point and place of beginning and containing 0.0176 acres (765.00 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Section 2. The Council of the City of Dover will sit on Monday, September 9, 2013, at 7:30 p.m., in the Council Chambers at City Hall, Dover, Delaware, to hear the objections of such residents of the City or owners of the property affected as shall attend, in accordance with the provisions of Section 27 of the Charter of the City of Dover (Chapter 158, Volume 36, Laws of Delaware).

Section 3. The Clerk of Council is hereby directed to post copies of this Resolution in five (5) or more public places in the City of Dover.

ADOPTED: AUGUST 26, 2013

TEA/NAES Report (May)

The TEA/NAES Monthly Report for May 2013 was provided to members to enable them to monitor electric sales and revenues received, which will provide a better understanding of any fluctuations that occur and allow the opportunity to make improvements if deemed necessary.

Mr. Scott Koenig, City Manager, noted that last year overall power supply costs were $668,296 under budget due to the lower than budgeted cost of energy purchases. He stated that moving into Fiscal Year 2014, the margins and differential were tightening as a result of power supply budgets, hedge purchases, etc.; therefore, the expectation was that there would be a much smaller spread between the budgeted versus actual amounts.

In response to Mrs. Williams regarding the projected hedge variance, Mr. Koenig stated that the numbers being used for financial forecasting were the budgeted amounts for power purchased. He explained that the actual numbers were currently tracking just slightly lower than these figures. Mrs. Donna Mitchell, Controller/Treasurer, indicated that the unhedged amount is included in the PJM charges and, as more hedges are filled in, that number would decrease and the hedge number would increase. She stated that until the hedges are all filled in, the City would not know the final amounts and stated her hope that the hedge ratios would change in the City's favor over time.

Responding to Mr. Blakeman, Mr. Koenig stated that the hedge ratios were locked in at the figures listed in the report through 2015-16 and the portfolio target was to have approximately 80% hedged for the current year. In the past, this percentage had been in the high 80s and possibly up to 90% but had been decreased to take advantage of favorable purchases in the spot market since the City's transition to TEA. He indicated that this matter was being analyzed on a monthly basis.

The Committee recommended acceptance of the TEA/NAES Monthly Report for May 2013.

By consent agenda, Mr. Slavin moved for approval of the Committee's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

UPDATES

Members were provided the following updates:

Green Energy Funding and Programming

Mr. Scott Koenig, City Manager, reviewed a summary of Green Energy Funding and Programming. He reminded members that this is a continuous, revolving fund since there is a green energy component to each City utility bill; therefore, money is collected and put into this fund for these types of projects. He advised members that the funding reimbursement was lagging behind implementation of some of the projects since the "flow" into the fund is slower than the "flow" out of the fund at times.

No further action was taken by the Committee.

Update - National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit

Mr. Scott Koenig, City Manager, stated that staff would be meeting with representatives of the Delaware Department of Natural Resources and Environmental Control (DNREC) within the next few weeks to discuss the procedure for renewing the City's permit relative to the National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4). He advised members that the current permit expired and DNREC had not issued new permits.

Mr. Koenig stated that future staffing issues for the permit were being reviewed, which would probably include efforts from the Public Works and Planning Departments. He noted that this permit would serve as the foundation document for how the City designs the Street Department and addresses storm sewer cleaning, street construction, and reconstruction, etc., since the permit requires constant review and maintenance relative to the quality of stormwater that falls on road infrastructure and the way it falls through the City's storm sewer infrastructure. He stated that, as a result, staff would need to determine ways to embed the requirements of this permit into the City's daily operations.

Mr. Koenig advised members that a large component of how the City complies at this time involves street sweeping, maintenance of roads to avoid potholes and deterioration, etc. Although Dover does not have large geographic differences in heights that would cause damage from stormwater, some projects, such as the replacement of the Tar Ditch stormwater interceptor, etc., would be worked into the permit in order to comply - not only for maintenance but improvement of the systems. In some instances, it would include pond maintenance and retrofits, how park systems are run, and private property maintenance involving construction controls, etc. Mr. Koenig explained that this is a comprehensive permit that has the ability to dictate how the City conducts business as it relates to construction matters of this nature.

Calpine Energy Center and Garrison Oak Technical Park Project

Mr. Scott Koenig, City Manager, advised members that the City had been participating in weekly meetings and telephone conference calls with the Calpine Energy Center. Most of the review related to the Site Plan approval had been completed. Since this was a component of the Garrison Oak Technical Park, he stated that a meeting was held last week with the Delaware Department of Transportation (DelDOT) to discuss delivery schedules of the large turbine items and other items associated with the Energy Center. He advised members that beginning in late fall, there would be a constant stream of equipment deliveries, some by barge into the Leipsic area as well as by oversized trailer hauling, into the Garrison Tract to begin assembly of the fixed components of the combustion turbine.

Mr. Koenig noted that the City was attempting to finalize the design aspects of the Garrison Oak Technical Park so that the bid package for the street, water main, gravity sewer main, and storm sewer system could be let out to bid. He stated that a meeting was held last week with DelDOT to finalize the tie-ins for the water system on White Oak Road that would occur in the DelDOT right-of-way. While this design was being completed, Penonni Associates was finalizing the design of the sanitary sewer pump station, to be located in the center of the Garrison Tract land, and the force main, to be located south of White Oak Road over to White Oak Station #5.

Mr. Koenig noted that during the City Council Meeting scheduled for later in the evening, Council would consider the final package of sale for Lot #12 at the Garrison Oak Technical Park. If this project were to come to fruition, construction would begin on the west side of Garrison Oak. He stated that discussions had been held with another potential tenant at the Park and that activity at the Park had generated additional interest from buyers and companies wishing to locate their facilities there.

In response to Mrs. Williams, Mr. Koenig stated that when the City begins construction on the road, these efforts will be concentrated on the east side, which is the shortest distance back to the Calpine project. Once the storm sewer, gravity sewer, water main, and road bed are completed on the east side, construction traffic would be switched over to the east side so that construction could begin on the west side without interfering with daily construction traffic. Coordinated efforts would be required between the City, the City's contractor, DelDOT, Calpine, and all delivery contractors to ensure that they do not interfere with each other. It was hoped that there would be evening and weekend work while all the components were being pieced together.

As a result of the delivery route, Mr. Koenig stated that roadway improvements may be made to Route 9 and/or along roadways outside of City limits in order to accommodate the anticipated oversized and supersized loads delivering to Calpine; however, this had not been finalized.

Responding to Mr. Blakeman, Mr. Koenig stated that 85%-90% of the rights-of-way had been acquired to accommodate the transmission line from the energy block at the Garrison Tract to the Cartanza Substation.

In response to Mr. Hutchison, Mr. Koenig indicated that Calpine had acquired almost all permits necessary to complete the project; however, a final Site Plan approval letter from the City would be required, which was almost complete. Although filing with the Federal Energy Regulatory Commission (FERC) would be required, this would be the responsibility of Eastern Shore Natural Gas. He stated that the only remaining issues were the right-of-way alignments for the line going to the 230kV and an Administrative Site Plan from the City to Kent County to amend the 230kV tie to accommodate the expansion of the fence and the new equipment for Delmarva Power. As a result, he felt confident that there were no impediments to obtaining all approvals necessary to finalize the Energy Center. Mr. Koenig anticipated that all pending issues would be finalized prior to the end of the year.

By consent agenda, Mr. Slavin moved for acceptance of the Utility Committee Report, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

MONTHLY BUDGET REPORT - JUNE 2013

By consent agenda, Mr. Slavin moved for acceptance of the Monthly Budget Report for June 2013, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

QUARTERLY REVIEW OF CAPITAL INVESTMENT PLAN (CIP) (APRIL, MAY, AND JUNE)

Members were provided a Project Tracking Report, as of June 30, 2013, for the Capital Investment Plan (CIP).

By consent agenda, Mr. Slavin moved for acceptance of the Quarterly Review of the Capital Investment Plan (April, May, and June), seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Hare absent).

PROPOSED AMENDMENT TO CONTRACT FOR SALE OF LOT #12 - GARRISON OAK TECHNICAL PARK (GOTP)

During their Regular Meeting of August 12, 2013, City Council approved the final authorization for the sale of Lot #12 in the Garrison Oak Technical Park, as outlined and including the conditions set forth in the memorandum dated August 12, 2013, with the stipulation that the sunset on the "clawback" provision would require the company to make the City financially whole at a rate of 100% up to 15 years and at a decreased percentage for each year thereafter (year 16 - 90%, year 17 - 80%, etc.) up to 25 years, and that office space be provided from the City's inventory of available office space, excluding the Dover Public Library.

Mr. Scott Koenig, City Manager, explained that following Council's authorization, he redrafted an Offer Memorandum to the Uzin Utz Manufacturing Corporation of North America and a telephone conference was held with Mr. Utz and his attorney on August 13th to discuss the parameters of the authorization provided by City Council. He stated that Mr. Utz relayed concerns regarding the "clawback" provision as revised by City Council and requested reconsideration of Council's revision. For reference purposes, he provided members a spreadsheet that included a comparison of the "clawback" provision as recommended by the City Manager and City Council, as well as information regarding the tax abatement and estimated utility revenue ***(Exhibit #1)***.

Mr. Koenig advised members that initially, the "clawback" clause discussion began at a 10-year span and was negotiated to 15 years based on mutual discussion. The attorney for Mr. Utz indicated that although a 25-year clause was not unheard of, it was outside the range of a typical "clawback" clause and, as such, had caused Mr. Utz concern with respect to the business transaction. As indicated on the spreadsheet provided, he noted that the value of the "clawback" had been calculated to be approximately $315,044 for the first 15 years. During the first 15 years, he stated that the City would receive property taxes, inclusive of the abatement schedule, in the amount of $200,944. In addition, the City would collect an estimated $1,019,236 in revenue for water, sewer, and electric, based on the projected utility profile. He stated that the City had been requested to consider the value of the original "clawback" provision and reverse the 25-year "clawback" clause to the original proposal of 15 years and execute the transaction as previously negotiated with Mr. Utz. He noted that the declining years, from year 16 through 25, represented a 10% de-escalation over the additional 10-year timeframe.

Mr. Koenig indicated that staff had been diligently working on the development of business relationships with economic development prospects and felt that the negotiation process required a great deal of trust on both sides in order to present a final proposal before City Council. He was not sure what effect the "clawback" provision would have on the final outcome; however, he stated that

it was a matter of much concern for Mr. Utz when discussed with staff during the review of the revised offer. As such, he stated that Mr. Utz had requested that staff request City Council to reconsider that specific issue. Mr. Koenig emphasized that this transaction was much different than that of a private transaction, explaining that in a private sale, the income gained would be based on the land transaction. Although there would be revenue for the City of Dover associated with the land transaction, there were other revenues to be considered, such as property taxes and utilities. He explained that the City's revenue stream would be generated after the land transaction, so while the sale of the land was important to the City, consideration should also be given to the revenues provided by property taxes and utilities. As an example, Mr. Koenig stated that a smart phone service provider will sell the phone itself substantially discounted, with the understanding that the fees for providing the service were the means of generating revenues. He stated his understanding that the attorneys were in the process of preparing the agreement for execution and the "clawback" provision must be resolved before it can be finalized.

Staff recommended that City Council approve the initial 15-year "clawback" provision.

Mr. Hutchison felt that if City Council was working toward economic development and the creation of jobs in the City, members must make some concessions and urged members to support the original 15-year "clawback" provision.

Mr. Slavin moved for approval of staff's recommendation for the 15-year "clawback" provision. The motion was seconded by Mr. Hutchison and carried by a roll call vote of six (6) yes (Dixon, Lynn, Slavin, Williams, Hutchison, and Bonar), one (1) no (Perza), and two (2) absent (Anderson and Hare).

REZONING REQUEST/FIRST READING OF PROPOSED ORDINANCE #2013-14 - 109 EAST DIVISION STREET, OWNED BY LEG HALL, LLC (RHETT RUGGERIO)

A request was received to rezone property located at 109 East Division Street, owned by Leg Hall, LLC (Rhett Ruggerio). The property is located on the north side of East Division Street between Pennsylvania Avenue and Maple Lane. The property is currently zoned RG-1 (General Residence) and H (Historic District) and the requested zoning is RG-O (General Residence and Office) and H (Historic District). In accordance with Article 10 §5.7, of the Dover Code, the RG-O zoning classification is a closed zone except in the Downtown Redevelopment Target Area. It was noted that the property is within the Downtown Redevelopment Target Area as defined in Appendix C of the Dover Code.

Prior to amending the zoning ordinance and zoning map of the City of Dover, a public hearing is required.

By motion of Mr. Slavin, seconded by Mr. Hutchison, Council unanimously referred the rezoning request to the Planning Commission on September 16, 2013 and set a public hearing before City Council for October 14, 2013 at 7:30 p.m.

In accordance with Section 1-9 of the Dover Code, Council acknowledged the First Reading of the Zoning Ordinance Amendment (Proposed Ordinance #2013-14) as read by the City Clerk, by title only, as follows:

AN ORDINANCE AMENDING THE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF DOVER BY CHANGING THE ZONING DESIGNATION OF PROPERTY LOCATED AT 109 EAST DIVISION STREET.

RECONSIDERATION OF AGENDA ITEM #6 - PROPOSED AMENDMENT TO CONTRACT FOR SALE OF LOT #12 - GARRISON OAK TECHNICAL PARK (GOTP)

Mr. Perza requested the opportunity to reconsider Agenda Item #6 regarding the proposed amendment to the contract for the sale of Lot #12 at the Garrison Oak Technical Park (GOTP).

Mr. Lynn moved to reconsider Agenda Item #6, seconded by Mrs. Williams.

Responding to Mr. Perza, Mr. Koenig stated that the only issue being presented to Council relative to the contract for the sale of Lot #12 at the GOTP was the "clawback" provision. All other provisions would remain the same as approved by City Council during their last meeting. Mr. Perza relayed his desire for the City Manager to move forward without having City Council micro-manage the negotiation process. He requested that members provide the City Manager unanimous consent to negotiate on the 15-year "clawback" provision that was originally presented to City Council during their last meeting on August 12, 2013.

On a call for the question by Mr. Lynn, the motion to reconsider Agenda Item #6 was carried by a roll call vote of five (5) yes (Dixon, Lynn, Perza, Williams, and Bonar), two (2) no (Slavin and Hutchison), and two (2) absent (Anderson and Hare).

In response to Mr. Perza, Mr. Koenig stated that Mr. Bill Neaton, Economic Development Director, had held conversations with additional employers interested in having facilities located at the GOTP; however, none of these discussions had reached the City Manager's Office because the negotiations for land transactions had not begun. Although he felt that the other potential purchasers would have an interest in the action that was taken on previous sales, he reiterated that each transaction would be independent, in his opinion. Considering that the sale of Lot #12 was the first land transaction, he felt that the latitude was significant; however, as the GOTP begins to build and there is additional interest, he did not feel that there would be any preconceived expectation that such latitude would extend unless it were the desire of City Council. Mr. Koenig stated that the only flexibility he was provided in the negotiations was related to the cost of the land and any type of "clawback" clause, explaining that the tax abatement and hiring of employees were set by Dover Code and that the utility revenues are based on the City's current rates.

Concurring with the concerns of Mr. Perza, Mrs. Williams felt it was City Council's responsibility to ensure that each land transaction is negotiated in the best interest of the City of Dover with the most benefit to be provided to its citizens.

Mr. Perza moved to approve the City Manager's proposal for the 15-year "clawback" provision, seconded by Mrs. Williams and carried by a roll call vote of seven (7) yes (Dixon, Lynn, Perza, Slavin, Williams, and Hutchison) and two (2) absent (Anderson and Hare).

COUNCIL MEMBERS' ANNOUNCEMENTS

Mr. Hutchison announced that a public hearing had been scheduled for the Safety Advisory and Transportation Committee meeting scheduled for August 28, 2013 at 5:00 p.m. regarding left-turn restrictions from Loockerman Street onto Governors Avenue.

Mrs. Williams advised members that Aid in Dover, Inc. was planning to partner with the Dover Housing Authority on September 20th and 21st for a sneak peak of a program called "Hot Shots." She explained that the Hot Shots Program was an activity-based program for girls and guys, ages 12-17. The first day would consist of sign-ups from 4:00 p.m. to 7:00 p.m. (September 20th) and instruction in game play with high school basketball rules. Coaches would be instructing the youth on the various positions of play. The tournament was scheduled to begin on September 21st, at 12:00 noon at the Boys and Girls Club gym at Simon Circle. She stated that flyers were available and that anyone interested should contact her.

Mr. Lynn mentioned that it was "Women's Equality Day," which commemorated the ratification of the 19th Amendment to the U.S. Constitution granting women the right to vote. On August 26, 1920, more than 26 million women had their citizenship affirmed and gained a mechanism to empower themselves, their families, and community.

By unanimous consent, the meeting adjourned at 8:00 p.m.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of August 26, 2013, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM/jg
S:\AGENDAS-MINUTES-PACKETS\Council-Minutes\2013\08-26-2013 COUNCIL.wpd

Exhibit
Exhibit #1 - Spreadsheet of Revenue for Sale of Lot #12 - GOTP

Lot # 12 - GOTP

	City Manager Clawback	City Council Clawback	Property Tax Value	Abatement	Property Taxes Paid	Estimated Annual Utility Revenue
Year 1	**$315,044**	**$315,044**	**$21,152**	**100**	**$0**	**$67,949**
Year 2	**$315,044**	**$315,044**	**$21,152**	**90**	**$2,115**	**$67,949**
Year 3	**$315,044**	**$315,044**	**$21,152**	**80**	**$4,230**	**$67,949**
Year 4	**$315,044**	**$315,044**	**$21,152**	**70**	**$6,346**	**$67,949**
Year 5	**$315,044**	**$315,044**	**$21,152**	**60**	**$8,461**	**$67,949**
Year 6	**$315,044**	**$315,044**	**$21,152**	**50**	**$10,576**	**$67,949**
Year 7	**$315,044**	**$315,044**	**$21,152**	**40**	**$12,691**	**$67,949**
Year 8	**$315,044**	**$315,044**	**$21,152**	**30**	**$14,806**	**$67,949**
Year 9	**$315,044**	**$315,044**	**$21,152**	**20**	**$16,922**	**$67,949**
Year 10	**$315,044**	**$315,044**	**$21,152**	**10**	**$19,037**	**$67,949**
Year 11	**$315,044**	**$315,044**	**$21,152**	**0**	**$21,152**	**$67,949**
Year 12	**$315,044**	**$315,044**	**$21,152**	**0**	**$21,152**	**$67,949**
Year 13	**$315,044**	**$315,044**	**$21,152**	**0**	**$21,152**	**$67,949**
Year 14	**$315,044**	**$315,044**	**$21,152**	**0**	**$21,152**	**$67,949**
Year 15	**$315,044**	**$315,044**	**$21,152**	**0**	**$21,152**	**$67,949**
Year 16		$283,540				
Year 17		$252,035				
Year 18		$220,531				
Year 19		$189,026				
Year 20		$157,522				
Year 21		$126,018				
Year 22		$94,513				
Year 23		$63,009				
Year 24		$31,504				
Year 25		$0				
					$200,944	**$1,019,236**

EXHIBIT #1
Regular Council Meeting of 08/26/2013