PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE
A G E N D A

DECEMBER 10, 2012 - 12:00 NOON

CITY HALL CONFERENCE ROOM
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Presentation - Economic Development Programs and Opportunities Available for the City of Dover by Dr. Michael Casson, Director, University Center for Economic Development and International Trade; Associate Professor of Economics; Dean, School of Graduate Studies and Research, Delaware State University

2. Community Development Block Grant (CDBG) Action Plan Amendment

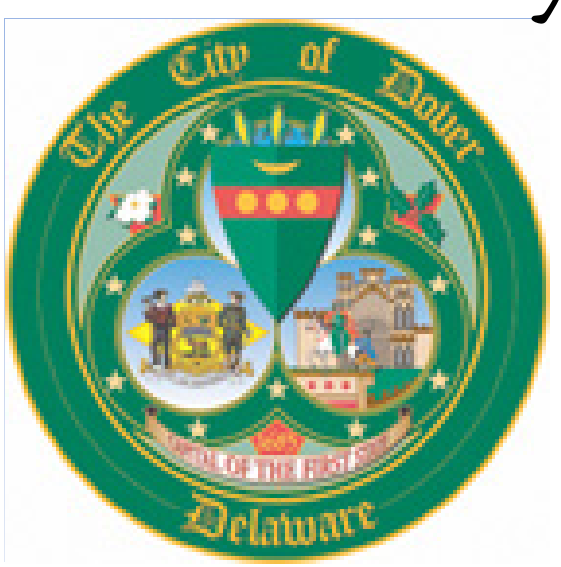
3. Updates
   A. CDBG Program
   B. Schutte Park Space - Boys and Girls Club/CDSA

4. Adjournment

/tm
S:\AGENDAS-MINUTES-PACKETS\Committee-Packets\2012\PR&CE\12-10-2012\12-10-2012 PR&CE.wpd

THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

Economic Development Strategies for the City of Dover



Presented by

Michael H. Casson Jr., Ph.D.

Director, University Center for Economic Development and International Trade (UCEDIT)

Associate Professor of Economics

Dean, School of Graduate Studies and Research

Potential Economic Development Strategies

- Coordinate economic development programs and support services
- Business development
- Development incentives and financing
- Business attraction and retention
- Workforce education and training
- Land supply analysis for business growth
- Infrastructure investment
- Investment in quality of life factors conducive to business innovation

Strategy 1: Coordination of Economic Development Programs and Support Services

- **Intraregional Coordination** is the effort to avoid competition among communities within a region.
  - Establishment of a formal organization to perform an economic development planning, financing, recruitment, and retention function.
  - Informal coordination that entails the jurisdictions within the region talking to each other on a regular basis or on an ad-hoc, as needed basis for specific issues.
- **Pooling Resources** to attract companies to the region.
  - Job creation and retention have economic effects that spill over city boundaries.

Strategy 1: Continued

- **Regional Tax-Base Sharing** can be used to:
  - Mitigate the potential intraregional competition in the quest for more property tax revenue;
  - Reduce disparities in fiscal capacity — per capita property valuation — among local units of government (which often results by chance or geographic location; and
  - Provide needed revenues at different points in a community's life cycle.

Strategy 2: Business Development

Business Skills and Management Training for Small Businesses

- Small business assistance centers
- Entrepreneurship training - high schools and community colleges
- Annual or semi-annual business start-up fair
  - Connecting fledgling businesses with low-cost or no-cost mentors

Strategy 2: Continued

Business Incubator

- City can acquire or construct a building and provide, or arrange provision of, low-cost space and support services for start-up businesses in targeted industries
- Economic development agency could provide the inspiration and initial guidance for an incubator; land and buildings at favorable lease rates.
  - separate organization to take the lead on developing, operating, and managing an incubator.

Strategy 3: Business Attraction and Retention

Marketing to Attract Businesses

- Clear Objective for attracting a business.
  - Targeting Technique
    - Identifying a group of firms the development organization wants to reach
    - Focuses on sectors with growth potential, linkages to existing businesses in the area, and reasons to be attracted to the particular region or local government
- Examine NAICS for business attraction strategy starting point.

Strategy 3: Continued

Direct marketing techniques:

- Brochures or pamphlets, either general in nature or targeted to a specific industrial classification, about the region's or local government's attractions to business and industry
- Advertising in trade publications or generalized advertising supplements
- Direct mail to specific industries or locational consultants
- Participation in industry trade shows
- Telemarketing of potential businesses
- Prospecting trips to certain areas of the country (or other countries) where potential new businesses are located
- Seminars for prospective businesses
- Websites
- Maintenance of a publicly accessible database of available commercial and industrial land and buildings

Strategy 3: Continued

Business Retention

- Reduce development or operation costs with financial incentives, waivers or fees or taxes, or in-kind services.
- Common techniques:
  - Surveys of local businesses to determine plans for changes or expansions and attitudes toward local governments
  - Periodic business roundtables or breakfasts
  - Regular personal visits by local government officials to businesses

Strategy 3: Continued

- Creation of teams of top local government managers to expedite responses to problems identified by local businesses
- Publication of newsletters to local businesses
- Active involvement by local government officials in chambers of commerce and other business groups
- Appointment of local business owners or managers on local boards and commissions, even if they are not residents

Strategy 4: Development Incentives and Financing

- Incentives attract and/or retain businesses
- **Tax-increment financing (TIF)**
  - TIF is a method of financing redevelopment activities directly tied to the success of those activities.
  - Borrowed funds are used in various ways to improve the development prospects of the area:
    - Construction or improvement of any publicly owned building, facility, structure, landscaping, or other improvement within the project area from which the tax increment funds were collected

Strategy 4: Continued

- Paying for the installation of publicly owned utilities in the project area
- Meeting the cost of administrative, overhead, legal, and other operating expenses of the redevelopment agency created to oversee the TIF program

Strategy 4: Continued

- **Private Activity/Industrial Development Bond** (tax exempt)
  - finance land, buildings, or equipment to develop or expand businesses and have a lower interest rate than conventional financing because they are issued by the local government
- **Reduce of development costs**
  - Giving money directly as a grant or loan to the development;
  - Providing in-kind services or resources (e.g., environmental impact statements, infrastructure, land); and
  - Reducing or waiving fees or taxes (e.g., reduction of impact fees; property tax abatement).

Strategy 5: Workforce Education and Training

- Customized instructional approaches based on firms' requirements.
- A program can be part of a financial assistance package, where benefiting firms are obliged to give preference to qualified local personnel when seeking employees.
- Provide training and personal skills development programs to help especially disadvantaged social groups gain employment or acquire necessary skills.

Strategy 5: Continued

- Provide online systems to provide job seekers with information about potential employers and public programs for skill development.
- Workforce Training Entities
  - Community College system, local businesses, nonprofit workforce training groups, and economic development agencies can all use their resources to address workforce-training issues.

Strategy 6: Land Supply

Monitoring Land Markets and Providing Adequate Buildable Land

- Government land-use policies affect the supply of buildable land for commerce, industry and residential development
- City needs accurate land inventory
  - Public policies affecting the amount of land available for development may regulate growth too rigidly. Consequently, they can have disastrous effects on the price of raw land.
  - When infrastructure is not properly sized, due to uncertain knowledge about the actual supply of buildable land, the government pays more for public facilities

Strategy 6: Continued

- Imperfect information about land supply and availability multiplies the risk of private development decisions

- **GIS** - land market monitoring systems — focusing on the availability of buildable land and the rate such land is being consumed for urban development

Strategy 6: Continued

Industrial, Technology, and Business Parks

- City of Dover can combine its ability to acquire property and assemble land with its ability to build infrastructure (roads, utilities, etc.) and create an **industrial park or business park** to meet the specific needs of sought-after industries

Strategy 6: Continued

- **Land Assembly**
  - City of Dover can acquire land and buildings, either on the open market or through eminent domain, or it makes use of land already under public ownership to promote economic development.
  - Purchase of adjacent land parcels can be used to assemble a larger parcel under single owner

Strategy 7: Infrastructure Provision

Development capacity and long-term competitiveness

- Communications infrastructure
- water supply, sewers
- roads, sidewalks, parks, public transit and airports
- well-maintained city looks good

Capital Improvement Programming and Funding

- 5-6 year schedule of capital improvement projects
- CIP process can ensure that a local government:
  - repairs and replaces existing infrastructure;
  - meets needs in mature, growing, and redeveloping areas;
  - coordinates activities or various government department;
  - influences the pace and quality of development

Strategy 7: Continued

- CIP consists of project descriptions along with schedules and tables showing revenue sources and expenditures by year.
- Costs associated with capital improvement projects include architectural and engineering fees, feasibility studies, land appraisal and acquisition, and construction.

Strategy 8: Creation of a Quality of Life Conducive to Business Innovation

- Quality-of-Life Strategy
  - businesses will be attracted to communities with the most appropriate combination of factors, and existing businesses will expand for the same reason.

Alphabetical List of Quality-Of-Life Attraction Factors

Affordable car insurance
Affordable medical care
Clean air
Clean water
Close to big airport
Close to colleges/universities
Close to relatives
Close to skiing area
Diversity of local firms
Far from nuclear reactors
Good public transportation
Good schools
High civic involvement
High marks from ecologists
Housing appreciation
Inexpensive living
Lack of hazardous wastes
Local symphony orchestra
Low crime rate
Low housing prices
Low income taxes
Low property taxes
Low risk of natural disasters
Low risk of tax increase
Low sales tax
Low unemployment
Many hospitals
Museums nearby
Near a big city
Near amusement parks
Near lakes of ocean
Near natural forests and parks
Near places of worship
New business potential
Plentiful doctors
Proximity to major league sports
Proximity to minor league sports
Recent job growth
Short commutes
Strong state government
Sunny weather
Zoos or aquariums

What Can Local Governments Do to Affect the Amount and Type of Economic Development?

- Traditional Role: Public Service Provider and Regulator,
- Entrepreneurial Role: Deal-Maker and Business Recruiter
  - Examples:
    - clearing and assembling adequate land for business (zoning, urban renewal, and similar devices);
    - underwriting risk (industrial development bonds, tax abatement, low-interest loan programs);
    - providing amenities and infrastructure (construction of utilities, tax increment financing, urban renewal);

Examples Cont.:

- promoting economic development (participation in chambers of commerce, economic development organizations, trade missions, other non-profit groups);
- providing job training, or establishing or supporting institutions that provide job training (e.g., community colleges and technical schools);
- changing the tax structure to promote economic development; and
- modifying regulations that are seen as burdensome to business.

THANK YOU

?

ACTION FORM

PROCEEDING: Parks, Recreation & Community Enhancement Committee
DEPARTMENT OF ORIGIN: Planning Department **DATE SUBMITTED**: December 1, 2012
PREPARED BY: Tracey Harvey
SUBJECT: Amendment to the 2011 Action Plan to reallocate CDBG funding from ADA improvements to the FY-12 Homeownership Assistance Program.
REFERENCE: N/A
RELATED PROJECT: N/A
REVIEWED BY: Ann Marie Townshend, Director of Planning & Community Development
EXHIBITS: N/A
EXPENDITURE REQUIRED: $20,000 **AMOUNT BUDGETED**: $20,000 **FUNDING SOURCE (Dept./Page in CIP & Budget)**:
TIME TIMETABLE: Pending Council approval, the Planning Office will publish a public notice allowing a 30 day comment period for citizens to comment on the proposed amendment.
RECOMMENDED ACTION: Reallocate $20,000 in FY-11 CDBG funding from ADA improvements to provide funding to the FY-12 Homeownership Assistance Program.

BACKGROUND AND ANALYSIS

The FY-11 CDBG funding that was previously allocated for a chair lift in City Council Chambers has been postponed while the City evaluates faculty needs and other alternatives to ADA access to City Council Chambers. Delay of the project may cause problems meeting the timeliness standard for expending funds. Staff recommends that the funds be reallocated to support Homeownership Assistance, and that the City apply for funds when the evaluation has been completed.

The FY-12 funding for the Homeownership Assistance Program has been expended 65%, with three families that are mortgage ready that will need settlement assistance in order to purchase a home in the City of Dover. It is expected that funding would be expended within the next 60 days if funding is approved for this program.

Status of FY-12 CDBG Projects

Monthly statistics for the month of December 2012

Sub-recipient agreements have been executed and the following projects are underway.

CDBG FY12 Projects

Homeownership Assistance Program
Three (3) families were provided settlement assistance to purchase properties in the City of Dover.

MHDC Homeowner Rehabilitation Program
CDBG funds will be used to rehabilitate owner occupied homes in the City of Dover found in violation of the City's housing code.

Dover Interfaith Mission to the Homeless
CDBG funds will be used for operations cost for the shelter.

MHDC Emergency Home Repair Project
CDBG funds will be used to assist very low income homeowners with emergency home repairs to eliminate severe housing conditions that constitute health and safety hazards.

NCALL Research
CDBG funds will be used for foreclosure prevention and pre-purchase homeownership counseling services to Dover residents.

Serenity Place
CDBG funds will be used for the reconstruction of a treatment facility for persons who suffer from substance abuse that was destroyed in a fire.

Elizabeth W. Murphey School
CDBG funds will be used to install a geothermal heating system in one of the facilities that services children that are at risk for homelessness.

Neighborhood Stabilization Program (NSP)

The city was awarded $1,426,740 for the acquisition and rehab of foreclosed properties to be sold to qualifying families. A total of $1,311,895 has been expended on the acquisition and renovations for 10 properties. The remaining balance of $114,844 will be utilized for renovations and acquisition. Eight properties have been sold, one is a lease purchase and one is a rental that serves persons with disabilities.

218 Ann Avenue (sold)

337 N. Governors Avenue (sold)

343 Mimosa Avenue (sold)

254 Green Blade Drive (sold)

907 Woodcrest Avenue (sold)

302 Stone Brook Place (lease purchase)

1430 S. Hancock (group home rental)

1415 S. Hancock (sold)

11 Westover Drive (sold)

110 Thames Drive (sold)

Status of FY-12 Program Funds Spent - Fiscal Year 7/1/12- 6/30/13

2012 Grant Projects	Project Details	Total Grant	Funds Expended	Unencumbered Balance
Homeownership Assistance Program	Three families have purchased homes	$40,000	$19,606	$20,394
NCALL Reaearch	housing counseling and foreclosure prevention	$7,803	$0	$7,803
Dover Interfaith Mission to Homeless	Funding for utility and lease cost	$27,500	$0	$27,500
Serenity Place	Reconstruction of a treatment facility	$30,000	$0	$30,000
MHDC Emergency Home Repairs	Emergency home repairs	$35,000	$0	$35,000
Elizabeth W. Murphey School	Installation of geothermal heating system	$32,782	$0	$32,782
MHDC Housing Rehabilitation Program	rehabilitation of owner occupied homes	$52,782	$0	$52,782
Total		$225,867	$19,606	$206,261