PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee Meeting was held on December 10, 2012, at 12:00 p.m. with Acting Chairman Bonar presiding. Members present were Mr. Anderson and Mrs. Horsey. Mr. Lewis was absent.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was accepted as presented.

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

Dr. Michael Casson, Delaware State University (DSU), acknowledged the recent passing of Councilwoman Sophia Russell, noting that Mrs. Russell was a close friend, a tireless activist for the City of Dover, and that she was missed by all.

Dr. Casson advised members that he grew up in the Dover area and the benefit of this community was close to his heart. He expressed his pleasure at the economic progress made in the City to date and his excitement to be part of its future. He explained that the DSU Center for Economic Development and International Trade (UCEDIT) has been funded for five (5) years through the U.S. Department of Commerce Economic Development with the goal of supporting economic development initiatives throughout the State, and specifically in Kent and Sussex Counties. He noted that he was happy to be working with Mr. Bill Neaton, City of Dover Economic Development Director, and stated that Mr. Neaton had put forth some very good ideas and helped the City to make great strides.

Dr. Casson reviewed a presentation entitled "Economic Development Strategies for the City of Dover."

Referring to Strategy 2: Business Development, Mr. Anderson stated that the Delaware Department of Labor (DOL) offers programs that pay the equivalent of unemployment to individuals who have been laid off or who want to start a business, such as contracting, which provides a basis for business start up. Noting that DSU has an excellent Small Business Development Center on campus, he inquired if DSU could coordinate with the DOL to make DOL program participants aware of the expertise available through the Small Business Development Center and other programs offered.

Responding, Dr. Casson stated the coordination of enterprises and support services is very important if UCEDIT and Delaware Economic Development Office (DEDO) programs are to achieve the greatest impact for the City of Dover. He stated the possibility of tying "Pop-Up" projects to tax incentive and business incubation opportunities.

Clarifying, Mr. Neaton explained that Project Pop-Up is a DEDO initiative whereby landlords agree to provide three (3) months of free leasing and DEDO supplies approximately $500 toward interior renovations if needed. The goal is to allow businesses to get started with virtually no cost so that empty and vacant buildings will be filled.

Responding to Mr. Bonar regarding participants in the City, Mr. Neaton advised members that three (3) potential Pop-Up projects for the City were approved through DEDO and staff is currently working with one (1) applicant (associated lease negotiations took place earlier that morning). The other two (2) opted not to participate. He noted that the program would end on December 31, 2012; however, it may continue if successful. Mr. Neaton explained that a monthly meeting called "Kent is Open for Business" is held at Kent County Levy Court, and agencies such as the SCORE Foundation, (previously known as the Service Core of Retired Executives; now recognized as "Counselors to America's Small Business") Small Business Administration, DSU, Delaware Technical and Community College (DT&CC), the Downtown Dover Partnership, the City's Economic Development Office, and the Central Delaware Chamber of Commerce all participate to assist fledgling businesses get started. He noted that during this group's meeting held the previous week, it was decided to enhance the focus to concentrate on businesses that wish to expand and to expand marketing of Kent is Open for Business. Mr. Neaton stated that the operation has been successful and the group had counseled 200 businesses.

Dr. Casson stated that if programs such as the Pop-Up Project or the Blue Collar Project (which provides customized training for businesses) are coordinated with small business assistance, this optimizes the chance for success and the City can bring about higher yields by taking advantage of support services from DEDO and DSU, as well as interregional cooperation with the County.

Responding to Mr. Bonar, Dr. Casson stated that he was unaware of funding opportunities that would allow representatives from the City to travel to other areas to solicit business; however, he indicated that he would research possible funding.

Mr. Neaton noted that travel would become more important when the infrastructure at the Garrison Tract was completed and it becomes a certified "shovel-ready" site.

Referring to Tax Increment Financing (TIF), Mr. Anderson inquired if this approach had been utilized in Delaware and if measures should be sought through the General Assembly to make this opportunity more viable in Delaware. Responding, Dr. Casson stated that a study must first be performed to determine which district would be identified as a TIF area and a structure could then be devised.

Mr. Bonar noted that TIF, Payment-in-Lieu of Taxes (PILOT), and projects that require inkind contributions all cost money and that a method of repaying funds would have to be established. He indicated that there may be other creative approaches and expressed his hope that the Committee would be supportive of them.

Mr. Anderson noted that TIF would be favorable in some respects because it sets aside financing. For example, he noted that if the runway at the Civil Air Terminal were upgraded to allow cargo, the additional revenue realized could be used to pay off financing.

Mr. Bonar advised members that he and Mr. Anderson attended a seminar at the National League of Cities Conference in November 2012 which addressed the importance of strategizing and sustaining economic development. He felt that it was important that the City not "pull its head in like a turtle"and stagnate, but make efforts to continue to sell the City.

Concurring, Dr. Casson stated that businesses can only cut costs so much and must continue to think "top line growth" and consider new initiatives.

Mr. Anderson indicated that he was pleased to see local use of tax incentive programs such as the Rehabilitation Tax Credit (RTC) program, which was recently used for a project undertaken by Mr. Henry Mast. He advised members that there are entire markets, such as the Washington, DC area, where businesses in redeveloping areas sell tax credits to obtain more favorable financing. He expressed his hope that over the next year a competitive strategy could be developed to utilize this 4% incentive and suggested that the City partner with DSU to build data to begin seeking competitive grants.

Concurring, Dr. Casson stated that he was working with Mr. Neaton on a report to target techniques to market the Garrison Tract utilizing North American Industry Classification System (NAICS) data.

Mr. Anderson expressed his concern about economic inclusion being part of the economic development strategy. He felt that there were insufficient government funds to rebuild neighborhoods; therefore, individuals would have to rebuild and improve their living situation themselves. He noted that this could only be accomplished if income earned was greater than minimum wage. He questioned how this could be incorporated in an economic development strategy so that, as the City starts to turn around, "all the boats would be lifted."

Dr. Casson stated that education must be attacked concurrently because turning the City around would be dependent on the education and skill of its citizens, since this affects the attraction of potential businesses. For this reason, DSU was communicating with DT&CC, the University of Delaware, and Wesley College regarding workforce development classes.

Mr. Anderson noted that Chesapeake College in Maryland has a program that allows individuals to get an accredited high school diploma. As a private school, this college can set its own qualifications and participants are not required to meet the two (2) year foreign language requirement which the State of Delaware was now "pushing." Mr. Anderson felt that this requirement was a barrier for individuals who wish to obtain Graduation Equivalency Degrees (GEDs). He suggested, since DSU was planning to support high schools with the opening of a new magnet school, that a private adult evening high school program (that would not have to comply with the two (2) year foreign language requirement) could be considered.

Dr. Casson indicated that this matter could be discussed by all parties as plans and strategies are developed.

Responding to Mrs. Horsey regarding "grandfathering" provisions related to the foreign language requirement, Mr. Anderson stated that individuals who are currently in the GED program are exempt from the requirement and that those who are interested in obtaining GED certificates are being encouraged to sign on to the program this year to avoid this intimidating barrier.

Referring to Strategy 6: Land Supply, Dr. Casson stated that he and Mr. Neaton had discussed the size of the parcels in the Garrison Tract and were examining which industries were yielding high-paying jobs and larger parcels. He noted this was important because it would correlate directly

with the types of jobs that would be developed. He noted that the City had done a good job in moving the Garrison Tract forward and assembling land parcels and that an accurate land inventory was also needed.

Responding to Mr. Anderson regarding the potential economic impact of DSU's new neuroscience program, Dr. Casson explained that UCEDIT hoped to determine how DSU's research agenda could be tied to the development efforts in the City of Dover and Kent and Sussex Counties.

Mr. Anderson requested that Dr. Casson coordinate and keep the City informed of what it could do as part of this effort. He noted that the City of Newark lost opportunities to coordinate in a similar fashion with the University of Delaware and expressed his wish to avoid this.

Mr. Bonar indicated his appreciation for the presentation and stated his view that the City should engage more with DSU and in economic development in general. He stated the importance of determining how research and development businesses could be brought to the Garrison Tract and enhance the projects that are already planned there, as well as locating land to attract this type of businesses for future endeavors. Mr. Bonar felt that a Civic Center and minor sports league teams should have been brought to Dover many years ago as they would attract businesses in Dover and Kent County. He stated that these enterprises would be expensive and require partnership and that DSU and the University of Delaware could collaborate with the City in these efforts. Mr. Neaton stated that a meeting was scheduled in the boardroom at DSU at 10:00 a.m. on the following day to discuss these issues.

Mr. Anderson expressed his hope that a 15-minute version of Dr. Casson's presentation could be placed on the City Council agenda within the next month or two (2). Concurring, Mr. Bonar stated that he would present this matter at the next Council President's agenda meeting.

Mr. Neaton advised members that Dr. Casson had provided the start of an economic and market feasibility analysis for the Garrison Tract and, at Councilman Bonar's request, agreed to send this analysis to all Committee members. *(City Clerk's Office Note: This analysis was emailed to all members of Council and the Committee by Mr. Neaton on December 12, 2012.)*

Community Development Block Grant (CDBG) Action Plan Amendment

Mrs. Tracey Harvey, Planner I, advised members that expenditure of FY 2011 CDBG funding previously allocated for a chair lift in City Council Chambers had been postponed to allow the City to evaluate other alternatives for providing American Disabilities Act (ADA) compliant access to City Council Chambers. She explained that delay of this project could cause problems in meeting the timeliness standard for expending CDBG funds (April 30, 2013).

Mrs. Harvey indicated that 65% of the City's FY 2012 Homeownership Assistance Program funding had been expended; however, three (3) families were currently mortgage ready, shopping for homes, and would need settlement assistance in order to purchase homes in the City of Dover. If funding were reallocated to this program, it was expected that funds would be expended within the next 60 days.

Staff recommended that $20,000 in FY 2011 Community Development Block Grant (CDBG) funding be reallocated from American Disabilities Act (ADA) improvements in Council Chambers to the FY 2012 Homeownership Assistance Program.

In response to Mr. Bonar regarding the impact of removing the $20,000 that was originally allocated for improvements to Council Chambers, Mr. Scott Koenig, City Manager, stated that staff had obtained a quote of approximately $16,000 - $17,000 to install a chairlift in the Chambers; however, this could potentially change the floor configuration. He explained that a general discussion regarding City facilities, including City Hall, the former library, and the building at 5 East Reed Street, was planned for the Council Financial Workshop scheduled for January 7, 2013. Mr. Koenig stated that if consideration amounts to only a broad discussion at that time, staff would return to the Committee to request money to modify Council Chambers. However, he noted that staff recommended moving the funds to the Homeownership Assistance Program at this time due to the need to comply with CDBG timeliness requirements.

Mr. Anderson moved to recommend acceptance of staff's recommendation, seconded by Mrs. Horsey.

Mr. Anderson noted that when CDBG grants were allocated, members were in favor of allocating more funds to home repairs and questioned why the full $20,000 was being allocated to homeownership.

Mrs. Harvey explained that the Housing Rehabilitation Program formerly managed by the City was transferred to the Milford Housing Development Corporation (MHDC) and $60,000 was allocated to this program. However, MHCD was experiencing difficulty qualifying applicants on their waiting list and it was not expected that the organization's CDBG funding would be expended until later in the year. Staff believed that this funding could be spent more expeditiously through the Homeownership Assistance Program, which has a waiting list of people who are mortgage ready.

On a call for the question, the motion to recommend acceptance of staff's recommendation to reallocate $20,000 in FY 2011 Community Development Block Grant (CDBG) funds from American Disabilities Act (ADA) improvements in Council Chambers to the FY 2012 Homeownership Assistance Program was unanimously carried (Lewis absent).

UPDATES

CDBG Program

Mrs. Tracey Harvey, Planner I, advised members that Community Development Block Grant (CDBG) contracts were signed in October, projects were currently underway, and grantees had begun to expend funds. In regard to the Neighborhood Stabilization Program (NSP), she stated that nine (9) homes (one (1) of which was a rental) had been sold and the remaining home was occupied through a lease/purchase agreement. Mrs. Harvey explained that since additional program income

remained in the NSP program, funding would be reallocated for an NSP program to provide additional down payment assistance for qualified applicants to receive up to $20,000 toward the purchase of an abandoned or vacant property located in the City of Dover.

Responding to Mr. Bonar, Mrs. Harvey explained the applicant income is restricted to 120% of the area median income and this figure is based on family size and income.

Schutte Park Space - Boys and Girls Club/CDSA

Mr. Scott Koenig, City Manager, stated that the Boys and Girls Club plans to enter into an agreement with Kent County for a location off New Burton Road. He stated his belief that a legal agreement had been developed but was unsure if it had been signed.

In the interest of public disclosure, Mr. Bonar stated that he serves on the fundraising organization for that group and acknowledged that a signed agreement was imminent.

Mr. Koenig stated that once the agreement was signed, this item would be removed from future Parks, Recreation, and Community Enhancement Committee agendas. In recent weeks, the County held a groundbreaking ceremony for the Kent Sports Center and he believed that the Central Delaware Soccer Association (CDSA) may move programming to that location; however, no official word had been received. He speculated that if this occurs, additional space may become available at Schutte Park at some point.

Mrs. Ann Marie Townshend, Director of Planning and Community Enhancement, stated her understanding that CDSA planned to move their travel league to the new Sports Center, which would allow them to move the recreational program from Schutte Park to the Lewis Road site. She indicated that a girls' lacrosse league had expressed interest in using one of the three (3) field areas at Schutte Park on Saturdays in the spring; the other two (2) areas were available and two (2) will be available for CDSA; however, they have not made contact to reserve them.

In response to Mr. Bonar regarding the financial implications of CDSA's move, Mr. Koenig stated that a great deal of revenue was not involved and the change may actually prove beneficial. Concurring, Mrs. Townshend stated that it has been difficult to accommodate other interested parties since CDSA utilized the fields all day long every Saturday and staff felt that the loss in soccer revenue could result in a gain in lacrosse revenue. She indicated that the recreational staff was also considering starting a City recreational soccer league to service City residents without transportation if CDSA moves out of the City.

By unanimous consent, the meeting adjourned at 1:04 p.m.

David L. Bonar
Acting Chairman

DLB/TM/js/mk/dd
S:\AGENDAS-MINUTES-PACKETS\Committee-Minutes\2012\12-10-2012 PR&CE.wpd