LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on September 24, 2012, at 6:00 p.m. with Chairman Lynn presiding. Members present were Mr. Anderson (arrived at 6:01 p.m.), Mr. Hare, Mr. Rushe, and Mr. Shevock. Members of Council present were Mr. Bonar, Mr. Perza (departed at 6:08 p.m.) and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Shevock moved for approval of the agenda, seconded by Mr. Rushe and unanimously carried.

Financing Proposal - Garrision Oak Park Street and Storm Sewer Infrastructure

Members were reminded that on February 27, 2012, City Council approved up to $6M of in-kind contributions for the Garrison Farm infrastructure and the related Calpine project. These projects were built into the FY13 Capital Improvement Plan. Staff is working on these projects and will need to have the financing in place when the projects begin. The agenda for the City Council meeting scheduled for later in the evening includes consideration of the approval of related engineering services.

The City has approved two (2) major projects for the Garrison Tract that are meeting or will meet future power supply needs for mandated renewable energy requirements and new generation in the City of Dover (and on the Peninsula). In light of these two (2) projects, it was staff's recommendation to finance the street and storm sewer infrastructure with $2M from the Future Capacity Reserve.

Staff suggested that $4M for water/sewer projects be financed with revenue bonds to be paid by the revenues of the Water/Wastewater Fund. In order to minimize cost and required time, staff recommended using a negotiated bid rather than a competitive bid for the revenue bonds.

Mrs. Donna Mitchell, Controller/Treasurer, advised members that she was not yet ready to move forward with the financing; however, she was requesting approval for the proposed method of financing. She stated that, since the future power supply needs for mandated renewable energy requirements will be met with the use of solar energy and there is a likelihood of having a Purchase Power Agreement (PPA) with the Calpine facility for future power supply needs, the Future Capacity Reserve could be utilized rather than issuing $2M dollars of general obligation debt; however, she felt that the water/sewer portion of the project should be financed with revenue bonds. A competitive sale would still be an option; however, Mrs. Mitchell stated she would like authorization to complete a negotiated sale to save time and fees if this were the best approach and the market was favorable.

Responding to Mr. Shevock, Mrs. Mitchell stated that she was unsure of the revenue interest rate which would be paid; however, she estimated that rates would be in the 3% - 4% range. She stated that the bonds would be sold as tax exempt.

Mr. Anderson inquired if the $2M taken from the Future Capacity Reserve would have to be repaid within three (3) years. Mrs. Mitchell indicated that this would not be required if the funds were used for the growth and future of the utility since the Future Capacity Reserve was in the Electric Utility

budget. She further clarified that existing capital would be used to make the improvements in lieu of a bond, which would have to be repaid with interest.

Staff recommended that the Garrison Farm improvements be financed using $2M from the Future Capacity Reserve and $4M from negotiated revenue bond financing, with the assistance of the City's financial advisory firm, Public Financial Management, with the amount borrowed to include the cost of borrowing.

Mr. Hare moved to recommend approval of staff's recommendation, seconded by Mr. Rushe and carried with three (3) yes (Hare, Rushe, Shevock), one (1) no (Lynn), and one (1) abstention (Anderson).

Mr. Anderson stated that he was undecided on this issue, as he felt further study was needed.

Update on Changes to the Economic Development Office

Mayor Carey advised members that changes had been made since the reassignment of the Economic Development Office (EDO) to the Mayor's Office on July 1, 2012. He provided members with and reviewed a Company Visitation Schedule and Summary of EDO Staff Responsibilities ***(Attachment #1)***.

Responding to Mr. Hutchison regarding the need for the Downtown Dover Partnership (DDP) and the Mayor's Office to meet with Chief Executive Officers of large companies to conduct open dialogue regarding the City, Mayor Carey advised members that the DDP planned to have its own Executive Director in place by November 1, 2012, which would allow a greater focus on such activities. He noted that the DDP had advertised this position.

Noting that he serves as a member of the DDP Board of Directors, Mr. Bonar stated that it has been made abundantly clear to the DDP that the $180,000 provided for FY 2012/2013 would not be forthcoming in the future; therefore, the DDP must ensure that they have the financial wherewithal to handle the increased administrative costs that would occur over the next year. He cautioned members that it was important that the City not lose sight of the importance of economic development to the City's future.

Mr. Rushe moved to recommend acceptance of the report, seconded by Mr. Anderson and unanimously carried.

By unanimous consent, the meeting adjourned at 6:17 P.M.

Sean M. Lynn
Chairman

SML/TM/mk/js/dd

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Attachment

Attachment #1 - Company Visitation Schedule and Summary of Economic Development Office (EDO) Staff Responsibilities

Economic Development Office

Company Visitation Schedule

Major Employers	Minimum twice a year
Kent Economic Partnership	Minimum once a month contact with Executive Director
DEDO	Minimum once a month
DELDOT	Minimum once a month
DNREC	Minimum once a month
Commercial Realtors	Minimum once a month
Small & Medium-sized businesses	Scheduled for one afternoon per week

This schedule represents the minimum number of contacts however actual number of contacts will be determined by the needs of prospects and projects undertaken by Economic Development Office.

Bill Neaton's Current Economic Development Office Responsibilities

- Resource for Business Development throughout the City of Dover
  - Partners with DEDO, Kent Economic Partnership on business development projects/prospect visits
  - Point of contact for information regarding City of Dover incentives and services
  - Regular interactions/communication with DEDO, DNREC, DelDot, Kent County
- Oversees Garrison Tract Leases and Construction Projects

- Maintains contacts with Major City Employers
  - Gather information about changes in their Dover operations
  - Provides overview of city economic development projects
  - Serves as interface with Planning and Inspections and other City of Dover Departments as needed

- Maintains working relationships with local higher education institutions
  - Wesley College
  - Delaware State University
  - Wilmington University
  - Delaware Technical & Community College

- Memberships
  - Central Delaware Business & Entrepreneurship Consortium
  - Economic Development Committee of Greater Dover Committee
  - Serves on State of Delaware Sports Commission

- Manages Economic Development Office Staff

Ed Perez's Current Economic Development Office Responsibilities

- Intake Service for prospective business owners
  - Evaluates Business Plans and provides assistance with development of business plan
  - Provides assistance with applications for financing
  - Provides assistance in identifying location for business

- Member of Central Delaware Business and Entrepreneurship Consortium
  - Kent County Economic Summit Planning Committee

- Economic Development staff resource for Kent County is Open for Business

- Maintains close working relationship with USDA, US SBA Loan Program, Banks & Credit Unions
  - Monitors availability of US SBA loan funds and loan requirements
  - Monitors status of loans

- Provides technical assistance through workshops with community partners

- Developed tool for monitoring vacancies in Downtown District
  - Working with Inspections Department to expand information to all vacant commercial properties - citywide

- Maintains a data system to track local statistics
  - Economic investment (reinvestment figures); building inventories; photographic documentation & archives
  - Job creation and business retention; sales tax data

Beverly Jackson's Current Administrative Responsibilities

- Provides administrative support to
  - Maintains Calendar of DDP Board and Committee Meetings
  - Transcribes Monthly Minutes (Board and 5 Committees)
  - Prepares and distributes Meeting Materials
  - Writes Monthly E-News promoting downtown events and activities
  - Prepares Departmental Reports for City Council
  - Prepares Quarterly DEDO Reports
  - Prepares Annual Main Street Assessment
  - Drafts correspondence for Economic Development Office Staff
  - Assists with requests for information from City Council, Department Heads, and Business Community
  - Prepares Power Point presentations
  - Provides administrative support for DDP Committees
  - Provides administrative support for DDP Special Events and Volunteers
  - Maintains department database(s)
  - Processes all department invoices for payment and monitors budget
  - Assists callers and/or visitors with questions or concerns that can be handled without involvement of Economic Development Manager
  - Provides administrative support to the Mayor as requested