ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee met on October 9, 2018 at 4:49 p.m. with Mayor Christiansen presiding. Members present were Mr. Hare, Mr. Cole, Mrs. Mitchell, Mr. Hugg, Ms. Laird, Mrs. Adams (arrived at 4:52 p.m.), and Mr. Hammond.

AGENDA ADDITIONS/DELETIONS

Mr. Hare moved for approval of the agenda, seconded by Mr. Hugg and unanimously carried.

Update - Federal Opportunity Zone Program (Patricia Cannon, State Division of Small Business)

Ms. Patricia Cannon, Director of Special Projects at the Department of State Division of Small Business, provided members with information regarding the Federal Opportunity Zone Program. She explained that Opportunity Zones are an economic development tool designed as revitalization programs in economically-distressed communities in Delaware and in other communities by providing tax benefits to investors. Ms. Cannon informed members that the Governor nominated 25 census tracts as Opportunity Zones in Delaware and they were designated by the U.S. Department of Treasury. She stated that the Governor wanted staff to start and build around the Downtown Development Districts because that initiative is already underway and entices investors to invest in those specifically targeted areas. Ms. Cannon noted that since the Opportunity Zone Program is a federal program it offers stackable tax credits and incentives, explaining that investors could potentially qualify for a downtown development incentive, a historical tax credit, a low income tax credit, and an Opportunity Zone tax benefit. She stated that it's now a matter of trying to get investors to invest in Delaware, so the Department of State Division of Small Business has been tasked with developing presentations for the Governor to tell the Delaware story. Ms. Cannon advised members that she needs Dover to come up with specific projects that will entice investors to invest in the Downtown Dover District.

Mrs. Mitchell asked if the City is eligible for the funding since it is tax exempt. Responding, Ms. Cannon stated that she believed so. She stated that she was not a lawyer, however, it was her understanding that the City would create the fund and if the City owned a piece of property it could donate the property to the fund, and the current value of the property would be the value of the investment. Then you renovate the property and sell it for five times what you paid for it. Since the City is tax exempt, it will get the revenue and not pay any tax anyway but if the City had a partner in the fund who was not tax exempt, they would get the profits if they left them in the fund for 10 years and would not have to pay the capital gains tax.

Mr. Hugg noted that one of the keys to this program is setting up an Opportunity Zone fund prior to making an investment a project. He stated that City staff had reached out to some of the known potential investors in Dover to advise them to talk to their tax attorneys and accounts about this program. He informed members that virtually all of the downtown and west side of Dover are in the distressed census tract and eligible for these types of projects, and it is important for members to add this program to their repertoire of talking points, especially when talking with potential developers.

Responding to Mr. Hammond, Ms. Cannon stated that it this program does incorporate residential housing and commercial development. She explained that it is their ideal that it really touches all aspects.

Ms. Cannon advised that there is a real sense of urgency to identify shovel-ready projects because the law requires investments to be made by December 31, 2019. She stated that a member of Congress had already tried to pass a bill to renew the program and to be able to assign new census tracts in 10 years, however, it is currently a fixed law.

Mr. Cole asked if the City qualified for the program and moved forward on a project, would the City then be responsible for any outlays in the next fiscal year. In response, Mrs. Mitchell stated her understanding was that it sounded like the outlays would be coming from the fund. As she understood it, the fund would be setup with its own set of guidelines and the City would have to follow those guidelines.

Mr. Hugg noted that Ms. Cannon is also the City's contact for Foreign Trade Zone designation and there have been discussions regarding whether any part of the Garrison Tract might be eligible for and whether it might make sense or not to look into a Foreign Trade Zone designation.

Mayor Christiansen asked whether consideration had also been given to the eligibility for the Kent Aero Park on Horse Pond Road to be designated as a Foreign Trade Zone. Responding, Mr. Hugg noted that it was a good question and indicated that he thought it would be eligible.

Ms. Cannon advised members that a couple of years ago Delaware was the first state in the country to be approved as an alternative site framework. She explained that prior to that a Foreign Trade Zone had to be the point of entry, which in Delaware meant the Port of Wilmington or a contiguous site to that port. Ms. Cannon stated that with the alternative site framework the entire state of Delaware is considered contiguous to the port, so any parcel is eligible.

Ms. Cannon noted that the State uses an attorney located in Kansas City, Missouri, explaining that there are two (2) law firms in the United States who specialize in Foreign Trade Zones and they use the same one that John Pastor has used since 1986. She advised that he was planning to come to Delaware on October 30 for a meeting with Sussex County regarding their airport, and if the City would like, she would be happy to schedule some time to stop in Dover for staff to explore some ideas with him. Ms. Cannon noted that the funds collected for that are restricted federal funds that she can only use to market the Foreign Trade Zone, so she can pay him to come and answer questions if that would be helpful.

Update - Draft 2019 Comprehensive Plan, Chapter 10 - Economic Development

Mr. Dave Hugg, Director of Planning and Community Development, reviewed Chapter 10: Economic Development Plan, Goals, Recommendations and Actions - Preliminary Review Draft, dated October 5, 2018 **(Attachment #1)**, explaining that the Draft 2019 Comprehensive Plan would be issued in its entirety for public comment and ultimately submitted to Council and the Planning Commission for consideration and approval. He stated that he was looking for input or feedback, so that everyone is on the same page and the City has a sound and cohesive economic development planning strategy for the next 10 years.

Mayor Christiansen asked members to review the Goals and Recommendations for discussion during the Economic Development Committee meeting scheduled for November 14, 2018.

Ms. Adams noted that Goal 8 - Promote inclusive workforce development programs, strategies and partnerships, especially for disadvantaged groups, was one of the most important to her. She explained that you have to have the workforce to support businesses before you can bring businesses here. Ms. Adams advised that she struggles with having the workforce to support her business. She noted that she is a hub zone company for Downtown Dover and she wouldn't dare move her business right now because the hub zone areas are shrinking.

Mr. Hammond stated that he thought the Goals and Recommendations were very comprehensive, especially in regard to healthy living, noting that there are some major issues regarding healthy living and quality of life in the Dover community.

Report - Site Tour for Kent Economic Partnership (KEP) and Delaware Prosperity Partnership (DPP)

Mr. Dave Hugg, Director of Planning and Community Development, advised members that Ms. Linda Parkowski, Executive Director of the Kent Economic Partnership (KEP), and Mr. Kurt Foreman, CEO of Delaware Prosperity Partnership (DPP), requested a tour of available properties in Dover. He stated that as they toured Dover, they tried to identify a number of possible industrial or manufacturing sites that might be attractive to market. Mr. Hugg provided an overview of the 11 areas identified, as depicted on the Dover Industrial Tour: Area Overview map.

Ms. Parkowski advised members that she had toured the County and Mr. Hugg had provided one of the best tours. She stated that she received a nice booklet, all of the properties were really well defined, and she learned a lot. Ms. Parkowski noted that since starting her job with KEP, she had discovered that all of the really developable properties are in the municipalities of Dover, Smyrna, Milford, and Harrington; the County really doesn't have that much land of their own that is available for commercial or industrial development. She stated that most of the economic development that KEP is going to do will be in conjunction with the municipalities and they have been working toward that.

Ms. Parkowski provided members with an update regarding the Air Cargo Ramp/Civil Air Terminal, noting that the 50-year use agreement was close to being signed. She advised that it was pending an environmental assessment because they increased the numbers of take offs and landings. Ms. Parkowski expressed KEP's appreciation for the City doing its part by designating a new zoning classification. She stated that KEP would like to see that entire area master planned. Ms. Parkowski noted that one of the targeted industries for the County from the economic analysis study was warehouse and distribution and KEP thinks that warehousing distribution goes really well with air cargo. She stated that while they are waiting on the completion of the environmental assessment, the Delaware Department of Transportation (DelDOT) and KEP have been bringing in site selectors, aviation consultants, and people who deal with air cargo logistics to have them assess the site. In addition, they are trying to find consultants who can find an investor or developer that would take on this project.

Ms. Parkowski advised members that, in its Comprehensive Plan, the County had designated Employment Zones for future land use strategy. She stated that it had designated one as the Aero Park on Horse Pond Road and another in the area of the Little Heaven Interchange. Ms. Parkowski informed members that the County Planning Office was working on developing ordinances for those Employment Zones and planned to have an ordinance available for public workshops on October 29 and 30, 2018 for the South Fred Interchange. She stated that they had not designated the area around DE Turf as an Employment Zone, however, it is targeted for rezoning in the future land use strategy. Ms. Parkowski advised that the KEP was waiting to review the ordinance to see what the allowable uses will be, however, she noted that it was very good that the County identified jobs and economic development as key factors in its Comprehensive Plan. She stated that the Employment Zone designation is looking to the future and will be helpful to the KEP as it moves forward.

Mr. Hare moved for adjournment, seconded by Mr. Cole and unanimously carried.

Meeting adjourned at 5:40 p.m.

Robin R. Christiansen
Chairman

RRC/DD/jt
S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\Committee-Minutes\2018\10-09-2018 EDC Minutes.wpd

Attachments
Attachment #1 - Chapter 10: Economic Development Plan, Goals, Recommendations and Actions - Preliminary Review Draft, dated October 5, 2018

CHAPTER 10: ECONOMIC DEVELOPMENT PLAN
GOALS, RECOMMENDATIONS AND ACTIONS – PRELIMINARY REVIEW DRAFT
OCTOBER 5, 2018

Part III– Plan Goals: Economic Development

Goal 1: Attract and Retain High-Paying Quality Jobs by Targeting Business Sectors that are best suited for Dover and Kent County and focusing on those sectors that are under-represented in our region

Recommendation 1: Adopt Economic Development Strategies

- Define an Economic Development Vision and Strategies for the City including a long-term economic portfolio, land/facility requirements and workforce development
- Work closely with economic development agencies including Kent County, Kent Economic Partnership, the Delaware Prosperity Partnership, and the State Division of Small Business to identify and pursue opportunities and locations for economic growth
- Create a diversity of businesses focused on Dover's strengths
- Maintain and foster workforce development
- Build private-public partnerships (P3) to encourage coordination and foster investments among private, state, county and City stakeholders, and to fund infrastructure development and improvements
- Build on the resources available through the City's institutions of higher education for analytics, training and research
- Recognize the value of Dover's tourism industry, including being the State Capital, our proximity to regional attractions, and local history
- Recognize and promote the local and regional economic value of Dover's commercial corridors

Recommendation 2: Develop Effective Protocols for Business Attraction and Retention

Establish an organizational protocol for business recruitment and retention activities to include:

- Clarify the point of contact and the processes for City interaction with prospects, including designating a "point-of-contract for the City
- Provide timely and effective information and promotional materials to respond to inquiries
- Develop a protocol and marketing program for outreach
- Create ongoing relationships with existing companies, brokers and site selectors
- Develop capacity to assist in small business development
- Coordinate external marketing and prospect management with other stakeholders
- Maintain an active leadership position in the Kent Economic Partnership, the Downtown Dover Partnership, the Kent County Tourism Office, the Greater Kent Committee, the Central Delaware Chamber of Commerce, the State Office of Small Business, and other organizations focused on job growth in Kent County.
- Streamline regulatory processes, improve incentives and proactively identify economic development opportunities

- Secure bonds/grants and other funding sources to support infrastructure and promotional investment
- Develop protocols for management of city facilities (industrial park development)
- Incorporate the county plan recommendation for establishing an employment center/zone near Horsepond Road (consistent with county plan).

Goal 2: Revitalize the "Historic" Downtown Dover core as a Vibrant Town Center

Recommendation 3: Continue to Develop and Promote Incentives for Downtown Redevelopment

Understanding the interest of the public for preserving and enhancing the look and feel of Downtown Dover, evaluate the slate of incentives for redevelopment within the downtown target area, and continue to add incentives that will encourage a balanced mix of uses within the City's core, with the intention of improving opportunities, correcting negative conditions and eliminating vacancies.

Recommendation 4: Support the Downtown Dover Partnership and Restoring Central Dover

- Support and regularly coordinate with the Downtown Dover Partnership and Restoring Central Dover program.
- Work with businesses in the Downtown Core District to keep market driven hours, continue to offer specialized products and services, properly maintain building space (inside and out), and enhance window displays.
- Heavily market all incentives to Downtown business and property owners, with emphasis in the Historic Downtown Core District.
- Create and operate a one-stop- business development assistance function in City Hall.
- Create and publish "how to" brochures and other information for investors, prospective entrepreneurs, property owners and other business. interests
- Encourage one-on-one consulting with the business and property owners. on a regular basis to discuss the concerns and needs of owners and to identify service providers/incentives that can help address those needs.
- Encourage businesses in the Downtown core to expand or contract current lines and services, expand existing business space, and open new shops.
- Undertake a comprehensive process to develop a plan and strategies to address crime, vagrancy, loitering and vandalism through community policing, code and criminal enforcement and public awareness.
- Review and modify vacant building codes and procedures to incentivize reuse, reduce exemptions, and enforce penalties on chronic vacancy.
- Undertake and support new business creation initiatives such as "Unlock the Block" and "Launcher"
- Support as appropriate the NCALL Real Estate Development Plan for Central Dover

Recommendation 5: Support the Creation of a Visual Master Plan and Form-Based Code for Historic Downtown Core

Work with the DDP and its Committees to develop a master plan for the Loockerman Street Downtown Core area that is visually, and design based. Adopt form-based code provisions that require that any plan consistent with the overall master plan would be subject to only administrative review to the maximum extent possible.

Recommendation 6: Support Mixed-Use Development

Promote zoning districts and regulations that support the traditional mixed-use nature of the Downtown Core area.

- Ensure that regulation in the Downtown Core promotes personal, professional and service-oriented businesses and alternative work-live and co-work opportunities.
- Encourage the Downtown Dover Partnership to provide technical assistance with the permitting process and other processes necessary for opening a Downtown business.
- Create an Arts Co-op/ Arts & Entertainment designation for the Downtown area and recruit artists to live and work in the area.

Goal 3: Ensure that Zoning Requirements City-wide Encourage the Uses Desired and Do Not Create Impediments to Desired Business Growth

Recommendations 7: Review and Modify Zoning Regulations to Ensure that Desired Uses Are Encouraged and Incompatible Uses are Tightly Controlled

- Review and realign existing industrial, office and commercial zones to ensure that industrial uses are separated from incompatible uses and that zoning districts support the economic development strategy.
- Separate light and heavy manufacturing to prohibit non-manufacturing entities within the heavy manufacturing zone.
- Evaluate and update home occupation requirements in the Zoning Ordinance to encourage infill and better align uses.
- Better define permitted and conditional uses in commercial and industrial zones.
- Develop appropriate zoning and other provisions that support development and expansion of targeted businesses, such as at the Civil Air Terminal/Kent County Aeropark for aviation and aeronautics uses.
- Explore creating new zoning provisions or districts that are responsive to emerging strengths, such as in the health care, arts and entertainment, or tourism sectors.

Recommendation 8: Protect existing establishments from encroachment:

- Protect existing industrial, office park, and manufacturing establishments from encroachment by incompatible land uses, which could result in nuisance complaints, hazardous situations, and human conflict via regulations reducing/eliminating development surrounding these areas.
- Protect Dover Air Force Base (DAFB) from encroachment by preventing incompatible commercial and/or residential development east of SR 1 and within the Airport Environs Overlay Zone (AEOZ).

Goal 4: Create an Environment for Long Term Economic Investment in Dover Focusing on Balanced Growth, Green Technology and Entrepreneurial Businesses

Recommendations 9: review zoning and land development ordinances to ensure the appropriateness of uses within respective zone, to promote sustainability, encourage balanced sector growth, promotion of small businesses and startups, and to ensure responsiveness to emerging economic and societal trends

Goal 5: Actively Market Garrison Oak Technology Park (Garrison Oak Business and Technology Center)

Recommendation 10: Develop a Strategic Marketing Plan for Garrison Oak

- Consider remaining the park to "Garrison Oak Business and Technology Center" to broaden its appeal to a larger universe of potential business activities, consistent with the original intent of the facility
- Work with the Kent Economic Partnership and the state to effectively market the Center
- Urge DelDOT and the Dover/Kent MPO to undertake planning and design for a dedicated connector from Route 1 to the Garrison Oak Business and Technology Center to improve access and marketability.

Recommendation 11: Encourage the use of Garrison Oak as a potential site for green, alternative and low-carbon energy plant(s), and for large technological and manufacturing firms that support these industries.

Recommendation 12: Explore the potential of the Garrison Oak Business and Technology Center for designation as a foreign trade zone.

Goal 6. Peruse economic development linked to active recreation

Recommendation #13: Promote business entrepreneurship linked with Dover's trails, parks, natural areas and other active recreation resources. Entrepreneurship may take many forms, including retail, tour operators, concessions, and maintenance services.

- Consider contracting ontract with local businesses to provide services, such as maintenance and concessions services, to city-owned park and recreation facilities
- Identify opportunities to use parks and trails as catalysts for economic development, such as mixed-use development and other zoning changes near key parks
- Evaluate and promote economic development strategies (e.g. monetary or incentives), linked to natural resources

Goal 7: Pursue economic development linked to improved healthy food access.

Recommendation #14: Encourage new ventures that expand healthy food options across Dover, including corner markets, produce carts, food hubs, community gardens, farm stands and farmers markets. Support existing grocery stores and other food retailers in expanding healthy food availability through distribution chain development, technical assistance, marketing and incentives.

- Support farmers market programs, and seek to expand them in priority areas
- Support the development of a City or County sponsored cart program
- Advocate for development of a local food hub

- Advocate for the founding of a healthy corner store program

Goal 8: Promote inclusive workforce development programs, strategies and partnerships, especially for disadvantaged groups

Recommendation #15: Support the development of workforce development programs, strategies and partnerships that increase training and employment opportunities for all residents, especially for youth and young adults, and for low income, communities of color, people with disabilities, ex-offenders, and others that face economic injustices and barriers to employment.

- Collaborate with government and civil society partners on workforce development initiatives
- Work closely with Dover's institutions of higher education to link economic development opportunities and targets with skills and professional training curricula.
- Prioritize contracting with women and minority-owned business
- Support entrepreneur-based development programs and technical assistance to grow future business leaders.

Goal 9: Promote the revitalization and redevelopment of the Center City

Recommendation #16: Support initiatives to foster economic activity throughout the greater center city areas adjacent to the Historic Downtown Core to develop linkages, enhance community resources, promote neighborhoods, and create opportunities that are complementary to the goals of the Restoring Central Dover and Downtown Development Programs.

- Support the development of a neighborhood development strategy for the areas surrounding Governors, New, Queen, Kirkwood and West Streets and along W. Division Street, to include creating an identity, fostering a variety of housing opportunities, promoting neighborhood-scale businesses and building on the increasingly successful blight removal efforts taking place in those areas.

- Implement recommendations of prior studies and plans for the Westside, the Transit Center Neighborhood and the Forest/Loockerman gateway/corridors, including linking redevelopment activities along S. Governors Avenue, Water Street, Bank Lane and West Street with the Bayhealth Medical Center complex, the State Courts and other governmental and educational facilities in the area.

- Develop a Government/Civic Complex plan that addresses the future needs of the City including City Hall and other City offices, the old Dover Library, government complex parking, recreation and open space, and the Mirror Lake/Loockerman Street gateway to the City.
- Leverage positive investment from DSHA, Strong Neighborhood Housing Fund, Neighborhood Building Block Fund, Opportunity Zone Program, and others to assist with neighborhood redevelopment efforts.