

## **PRESIDENT'S COUNSEL ON PUBLIC/PRIVATE PARTNERSHIPS AND THE FUTURE OF CITY HALL, WEYANDT HALL, FORMER DOVER LIBRARY, AND OTHER CITY PROPERTIES**

The President's Counsel on Public/Private Partnerships and the Future of City Hall, Weyandt Hall, Former Dover Library, and Other City Properties Meeting was held on April 29, 2015 at 9:00 a.m. with Mr. Hutchison presiding in the absence of Chairwoman Williams. Members present were Mr. Perza, Mr. Clendaniel, Mr. McDaniel, and Mr. Mitten.

Staff members present were Mr. Koenig, Mrs. Mitchell, Mr. Neaton, and Ms. Devine.

### **AGENDA ADDITIONS/DELETIONS**

**By unanimous consent, the agenda was approved.**

#### **Review of City Properties**

Mr. Scott Koenig, City Manager, advised that members had participated in building tours during the meetings held on March 25, 2015 and April 8, 2015, including an extensive tour of the Kent County building. He stated that the Kent County site was roughly 11 acres in size, and the County bought additional property following their original purchase. Mr. Koenig indicated that the Kent County complex was a campus-type setting as it incorporated the Veterans Memorial Park as well as a walking trail and stormwater management area. It was Mr. Koenig's recollection that the Kent County building was approximately 75,000 - 80,000 s.f. and the project total cost was roughly \$20M. When planning for the building, the County looked at it as a 50-year building with extra space to address the growth needs of the County government, and he felt they did a very nice job. Mr. Koenig expressed his opinion that the building was aesthetically pleasing and the biggest complaint he had heard about it was the round circular area that presents to the highway because its architecture is more modern, but this is not really seen from the inside of the building because of the way it is built. He indicated that the functionality of the building is very high and a lot of good decisions were made when they did the design work. To Mr. Koenig's recollection, there was not a lot of public debate about the building. He advised members that Mr. Mike Petit de Mange, County Administrator, had stated that some things came up after construction, noting that they had problems with sunlight coming in on one (1) side of the building because there are a lot of windows. Approximately \$80,000 of interior shade improvements were needed to reduce the problem. Mr. Koenig stated that the building is used in almost a 24-7 fashion, noting that they have weekend wedding operations and the recorder of deeds has a set-up where certain people have access to the building 24-7 through a key card. He explained that the building is monitored by a security person, as well as by key card monitoring inside the building. Anyone who enters the building and goes into various offices would be recorded through camera or entry codes.

Mr. Koenig stated his opinion that the Kent County project was a good example of a reasonable planning effort. He indicated that there had been some discussion at the time it was built about how much was spent on it, noting that they bought a lot of property and had a lot of surface parking. He felt that they had generally done a good job and it was a facility that would keep the County government seat inside City limits for the next 40 years, as there would be no reason for them to abandon the property and go somewhere else. Mr. Koenig advised members that the County had gone with a more conventional HVAC system and did not use a lot of green technology, but they

seemed very happy with the building systems. He reminded members that they had been given a very brief presentation of the building monitoring system and how they can change the controls from one portion of the building, which was the way that the building monitoring systems were gravitating. He indicated that the system was less complicated than the system at the Dover Public Library because of the groundwater heat pumps used at the library.

In regard to the City buildings, Mr. Koenig noted that both City Hall and Weyandt Hall, at 5 East Reed Street, are older buildings with major HVAC and space problems. There is a serious roof issue at Weyandt Hall and City Hall has a leak here and there, but nothing that had been detrimental to operations. Mr. Koenig stated that members toured the former Dover Public Library which had been cleaned out and was decent space. He stated that the question was what this building should be used for. Mr. Koenig questioned if it should be turned back to the private market and, if so, what the impact of that use would be on the Weyandt Hall parking and parking in that area. He noted that if the former library were sold and transferred and had high traffic during the day, this would create problems at Weyandt Hall. Mr. Koenig explained that the former library was in good shape structurally. There was a failure in the HVAC system that was not fixed right away and a substantial amount of cleaning was needed, which was done and the HVAC was kept running. The building was being monitored and walked through several times a week. Mr. Koenig indicated that the building was relatively clean, with some shelving and furniture that needed to be disposed of through the correct processes.

Mr. Koenig noted that members had also toured the new Dover Public Library, which had moved from State Street to Loockerman Plaza. He stated that this was a 40,000+ square feet facility and estimated that 2,500 to 3,000 sq. ft. in the loft area was not finished and was being used for storage, noting that it could be finished at some point.

Mr. Koenig indicated that several discussions had been held about the best path forward, noting that some favored re-constructing City Hall at Loockerman Plaza and some favored looking at a different site.

Noting that the State of Delaware had expressed some interest in the former Dover library, Mr. Hutchison asked if this included Weyandt Hall. Responding, Mr. Koenig stated his opinion that the State would be interested in them, but the State appraised the library in approximately 2011 or 2012 at \$1.8M, including the building, the parking lot north of the building that is behind the law office, and a sliver of parking in front of the old library, which at that time was part of the old Budd Street right-of-way. However, he noted that, as Mrs. Donna Mitchell, Controller/Treasurer, had pointed out, transferring the entire row of parking on the south side of the library would create a parking deficit for Weyandt Hall. Mr. Koenig indicated that if the library was sold and Weyandt Hall was then sold in the future, Weyandt Hall would be a property with a parking deficit, which may or may not be a problem, depending on who the purchaser is. He felt that this would be a problem since the land would be devalued if someone else had the parking. Mr. Koenig indicated that the value of the property had probably increased since the 2011 appraisal because property values in the

City had trended upward since that point in time. He stated his recollection that new commercial assessments were up by approximately 4% or 5% across the board.

Mr. Koenig stated that all of his discussions about the purchase of the old library and associated land had been with Mr. Dennis Groom, Director, Division of Facilities Management, State of Delaware Office of Management and Budget. Mr. Groom had advised him that the administration under the former Secretary of the Department of National Resources and Environmental Control (DNREC) had wanted to move their executive offices to the building and turn it into the highest Leadership in Energy and Environmental Design (LEED) status. This took the project cost from the \$1.8M purchase price to approximately \$6M or \$6.2M to purchase and refurbish the building, and the State did not have the money for that. Mr. Koenig advised members that the State was still interested in the property, noting that the State had discussed this on and off over the last three (3) or four (4) years. He stated his understanding that the City would have to give the State a quote to lease the space and the State could not approach the City and request a specific dollar amount for a lease; the City must give them a number first.

Mr. Koenig indicated that he was very reluctant to undertake any renovations to the building to turn around and lease it, noting that he did not have authorization for that transaction. He stated that he did not want to be in the business of improving a City property to move a tenant into it. Mr. Koenig stated that making this recommendation would put him in an uncomfortable position as the City Manager.

Mrs. Mitchell stated that the City would then have to use its credit to try and borrow the money for wherever staff would go. The City would be tied up, and the charter limits the City as to how much it can issue, which may put the City over that threshold on debt issuance, causing complications.

Mr. Koenig stated that, conceptually, he liked the idea of trying to connect the old library and 5 East Reed Street and turning that into a complex. He acknowledged that parking would be a problem. Mr. Koenig also indicated that he did not think this would take care of the City's 50-year needs, and although it may take care of the 15 to 20-year needs, this time would go by quickly and the City would be right back to the same issues.

Mr. McDaniel stated that he wanted to hear about what had been seen but also wanted to talk about the Downtown Dover Partnership (DDP) properties.

Mr. Koenig informed members that there were some conceptual drawings of the City Hall complex property, including the post office property, that were done back when the new library was constructed. He indicated that five (5) and six (6) story buildings can be built downtown, noting that a building could be constructed vertically and, from a building standpoint, there would be plenty of room. Mr. Koenig stated that, from a parking standpoint, there were questions about whether elevated parking, the creation of additional shared parking arrangements, or leased parking would be needed. He indicated that he did not have these answers at present but felt that these things could be done on the City's property adjacent to DNREC and the banks. From a boundary standpoint, he felt that this property would work much better than 5 East Reed Street.

Mrs. Mitchell questioned if this could be done with the existing footprint for 50 years. She stated that the County made this happen but did not go downtown because they wanted a footprint that could handle 50 years. She noted that it had been necessary to cut 10,000 sq. ft. from the new Dover Public Library, which was supposed to be 52,000 s.f. Mr. Koenig recalled that the library had been cut because of the cost rather than the size.

Mrs. Mitchell stated her belief that the extra 10,000 s.f. for the library was supposed to get the City through 50 years. Even though cost was a factor, she did not believe that the footprint was there.

**Review of Downtown Dover Partnership (DDP) Properties**

Mr. Bill Neaton, Economic Development Manager, stated that the Downtown Dover Partnership (DDP) owns approximately eight (8) or 10 pieces of property in the downtown area and referred to the map depicting DDP properties. He stated that if the goal was to find a location for City Hall, the only property that would come close to allowing the City to stay in the downtown area would be the old Acme site (Site E) that currently had two (2) tenants. Mr. Neaton stated that under the current leases, the City would have the ability to move these tenants out after giving them one (1) year's notice.

Responding to Mr. Mitten, Mr. Neaton stated that the City would not have to wait until year's end but just provide a year's notice.

For disclosure purposes, Mr. McDaniel advised members that, technically, he is one (1) of the owners of these properties because he is on the Downtown Dover Partnership (DDP).

Mr. Neaton stated that the DDP had approximately four (4) acres of open, vacant land on Railroad Avenue past the railroad tracks, but indicated that he could not envision City Hall moving there. He indicated that this is where the Dover Interfaith Mission for Housing (DIMH) homeless shelter and the Central Delaware Habitat for Humanity were located. Mr. Neaton indicated that buildings had been demolished at that location, noting that it was a remediated brownfield and currently had monitoring wells, with testing being done on the property on a regular basis.

In response to Mr. Hutchison, Mr. Koenig stated that the former Acme site was approximately 1.8 to 2.0 acres in size.

Mr. Neaton advised members that a developer had shown interest and was supposed to submit a proposal on that property. The DDP had a mortgage of a little less than \$1.3M on the property that had just been re-signed approximately six (6) to eight (8) months ago, and they were now paying principle and interest on it.

In response to Mrs. Mitchell, Mr. Koenig stated that the City Hall/post office complex was approximately four (4) acres in size.

Responding to Mr. Neaton, Mr. Koenig stated his recollection, from prior reviews, that the City's lease with the post office would expire in 2020.

Mr. McDaniel stated that the DDP also owns the old Dover Hardware and Capitol Office Supply properties, now called Loockerman Way. He indicated that a charrette was done for this property that would allow for office buildings to be built on either side of the property, against Hogan Lee's property and The Golden Fleece Tavern. Mr. McDaniel felt that the former Acme and the Dover Hardware/Capitol Office sites were interesting. Thinking out loud, he suggested that Weyandt Hall and the former library could be sold, a new four (4) or five (5) story City Hall could be built on Loockerman Plaza to have it all under one (1) roof. Mr. McDaniel stated that a two (2) deck parking garage, which is the cheapest way to build a parking garage, could be built on the former Acme site. This would keep City Hall downtown and put everything under one (1) roof. Whatever funds were received from the two (2) properties would go a long way toward putting in a City Hall on Loockerman Street.

Mr. Neaton stated that the DDP purchased the Loockerman Way property three (3) years ago with a portion of a \$3M grant from the State of Delaware for North Street improvements and improvements at Loockerman Way. He explained that it was originally owned by developer Mike Zimmerman, and the deal was made with the Onyx Group, who managed Mr. Zimmerman's mortgages. Mr. Neaton advised members that there is no mortgage on that parcel, which is owned free and clear by the DDP.

In response to Mr. Hutchison, Mr. Koenig stated that he felt it would be an advantage to have all administrative staff from Weyandt Hall, City Hall, and potentially some other areas of the City in the same building.

Mr. Hutchison stated that, long ago, he had discussed the post office with the City's congressional leadership, noting that it had always been the wishes of the City to keep local mail delivery downtown and move bulk postal operations elsewhere. He expressed the need to get back in touch with congressional leaders to find out their intent at the end of the lease in 2020.

Responding to Mr. Neaton, Mr. Hutchison stated that he was unsure if Senator Tom Carper was still serving on the group that discussed the postal site; however, he indicated that Senator Carper had been very active on this and was very supportive at the time.

Mr. Hutchison felt that Mr. McDaniel's comments regarding unloading the old library and Weyandt Hall and looking at one (1) big building were good. He questioned how big the building would need to be and how much space would be needed. Mr. Hutchison stated that after that was determined, a location would have to be selected and then the best model for the finance side would have to be determined.

Mrs. Mitchell advised members that she always looks at cost in the long run, and also ensuring that the City's needs would be met for the 50 years, which she felt was the right way to go. She agreed that Weyandt Hall and the old library building probably did not have a large enough footprint. Mrs. Mitchell questioned whether the building truly needed to be downtown. She reminded members that the County was in City limits but not downtown and that there is space out in that area, where efforts were being made to develop the Route 113 corridor. Mrs. Mitchell advised members

that she had just returned from visiting her sister in McAllen, Texas, where the inside of an old Wal-Mart building was retrofitted as a new library. The façade was redone and architectural arches and streetscaping were put in there. They had a beautiful new library with a whole parking lot and it cost a lot less money than building a new building. Mrs. Mitchell questioned whether members wanted to look at those kind of options and think outside the box, or if it had to be downtown.

Mr. Hutchison stated that the purpose of the Committee was to look at all options.

Mrs. Mitchell stated her desire to ensure that they were looking at what was required to meet the needs, but also the most economical way to do it.

Mr. McDaniel felt very strongly that the City owed it to downtown to stay in that area to keep traffic, interest, and people downtown. He also stated the need to be very sensitive to the needs of DNREC. Mr. McDaniel indicated that he would love to see DNREC increase their footprint by getting into the library or whatever they wanted to do. As far as building a new City Hall, he questioned if it was conceivable to get a developer to build it and lease it to the City. Then there would not be the capital outlay. Although rent would be paid every month, it would be someone else's problem to keep the building in shape. Mr. McDaniel stated that Mr. Zimmerman had the clever idea of leasing two (2) dorms to Wesley College and then, at the end of a certain amount of time, which he believed was 30 years which was probably the useful life of the buildings, they gave them back to the company. He felt that this might be a concept to consider. Mr. McDaniel stated that he did not know how the rest of the people on the committee felt, but reiterated he felt strongly that City Hall should stay downtown.

Mr. Neaton stated that he was not a member of the committee; however, as a member of the community, he also felt strongly that City Hall should have a downtown footprint.

Mrs. Mitchell stated that she was also a member of the community and felt just the opposite. She stated that she was also looking at the financial implications.

Mr. Hutchison stated that, especially with what was going on downtown, the City was looking at the whole target area for expansion, improvements, and upgrades. He felt it was a wonderful time to tie into the movement of the City, together with the Governor's Office. Mr. Hutchison stated that the City also had great support from Kent County Levy Court for downtown. He stated that it was a matter of identifying where the City wanted to be. He noted that he liked the idea of being downtown and that it was a great time to move this project forward and work with the project at hand.

Mr. Neaton stated that the properties on Forrest and Railroad Avenues were vacant and were in the downtown corridor. He indicated that there were approximately four (4) or five (5) years left on the lease for the DIMH. Mr. Neaton stated that the thought process had always been to develop west Dover and there was a grant from the State for development there. Mr. Neaton stated that if that property could be squared up, a complex of office buildings could be put there, including City Hall, and he felt this would do all the things that were wanted; there could be additional buildings out

there and City Hall could be kept in the downtown corridor. Mr. Neaton stated that this was not an expensive property.

Responding to Mrs. Mitchell, Mr. Neaton estimated that there would be approximately six (6) acres if properties A, B, and C were squared up. Mr. McDaniel stated that land below Property C was also available for sale, which would take the property over to North Street. Mrs. Mitchell stated that this would provide the most acreage downtown. Mr. Neaton stated that the DDP had discussed purchasing the property just below Property C to square the property up and take it into the North Street area.

In response to Mr. Mitten, Mr. Koenig estimated that the property next to The Golden Fleece Tavern was approximately one-half the size of the Acme property. He indicated that it would be big enough for a building to go straight up but there would be no parking available on that site. Mr. McDaniel stated that there was some parking available on North Street. He stated that the DDP had stated that the area is one (1) new industry away from a parking crisis. Mr. Neaton stated that every spot in the North Street Parking Lot was taken.

Mr. Perza stated that Property E at the former Acme site and Property H at the former Dover Hardware site were interesting because they were downtown; however, he believed they would be difficult to use by themselves. He indicated that he was unsure who owned the properties around them. Mr. Perza suggested, without getting into the architectural engineering, that if members were looking at squaring up properties, this might be an opportunity to extend Property E north up to Reed Street, square this area off, develop the whole block across from the fire hall, and expand the City's footprint there. Mr. Perza stated that, alternatively, Property H could be extended west to Governors Avenue. He stated he felt that these might be anchor sites for developing the rest of downtown in those areas, so E and H were interesting from that perspective if they could be squared up in the sense that they were acquirable. Mr. Perza indicated that he also felt that the suggestion to combine Properties A, B, and C and possibly acquire property below C to make a big lot was a good idea as well.

Mrs. Mitchell stated that she liked the A, B, C site best because it had the most acreage. She advised members that the businesses west of Dover complain about not having attention, noting that having City Hall there would bring attention.

Mr. Perza questioned if the area next to the A, B, C land labeled Railroad Avenue was DDP land. Responding, Mr. Neaton stated that it was not.

Responding to Mr. McDaniel, Mr. Neaton stated that there was a dedicated road there. Mr. Koenig stated that Railroad Avenue is a right-of-way, however, there were existing businesses there that would have to be purchased.

Mr. Koenig stated that if multiple land purchases were being discussed, there would be a level of complexity. He indicated that it would be achievable, but he did not believe that the DDP would give the City the land for free; it would have to be purchased from them.

Mr. Neaton stated that there would also be an opportunity for a land lease. He concurred with Mr. Koenig that the DDP would want some sort of compensation.

Mr. Koenig expressed his opinion, philosophically, that the City needed to own the piece of land where City Hall is built as a fee simple lot, not a land lease. Responding, Mr. Neaton indicated that he had no problem with that.

Mr. Koenig advised that if the A, B, C site were used, the City would be intimately involved in the relocation of the homeless shelter because the City would be kicking them out of that lease.

Mr. McDaniel stated that the homeless shelter has a 10-year lease.

Mr. Koenig expressed his professional opinion that if the City is the entity that is pushing to have this transfer, the City will be dragged into and become the point agency for relocating that facility.

Mr. Perza indicated that he questioned whether a land lease would mean that the City would not have to worry about the capital overhead if a building were leased. From his experience, he did not think it would be that simple. Mr. Perza noted that the City would not have the up front cost, felt that the costs absorbed by the landlord would go right back on the City in the rent, so the City would be paying for it one way or the other.

Mr. Koenig concurred with Mr. Perza. He noted that a 50-year building would be paid for through bonds. Money would be borrowed, and the City could go to the bond market and, given the City's bond rating, would probably get the same or better rate than a public-private partnership; therefore, the City would have access to money at the same or better rate.

Mrs. Mitchell stated that the City would not be looking for the kind of return that they would be looking to get on their money.

Mr. Perza reiterated that it would be a little more complicated than having someone else fronting the cost of the building, noting that it would not be as if the City had a 100-year locked-in rent payment and would get whatever it wants.

Mr. George Gaudio, 167 Maple Glen Drive, stated that he understood what had been said about a nice campus environment that would be very impressive for people to come to the City. He noted that a lot of people drive through the area they are going to move into, and a striking image of a municipal complex does have an impact on people. Mr. Gaudio noted that the City was putting a lot of effort into the project to develop downtown Dover. He noted that it seemed nice to say let's possibly move City Hall outside but stay within the boundaries of the City, but at the same time, you are kind of negating the intent of a major project. In addition, Mr. Gaudio felt that in going to a public/private partnership, the City would find that its best rate of borrowing would be against the City's bond rating so long as the City incorporates utilities under the same roof. He advised members that his brother-in-law was president of the largest bond-rating agency and Mr. Gaudio has had relatives who work there, including his daughters who did summer internships there. He

stated the need to understand how the whole thing works. Mr. Gaudioso stated that they would look at the gross income of the City and would be particularly interested in how this would be paid back. Mr. Gaudioso stated that putting the utilities under the same roof as the rest of the City departments would bring in the funding from those utilities, which would help with the City's bond rating.

Ms. Mitchell noted that during earlier meetings members discussed how the debt service would be allocated between the General Fund and the utilities because one (1) of the operations is customer service, where customers come to pay their bills. The debt service would be allocated among the utilities, not just the General Fund.

Mr. Gaudioso stated that if members wished to sell this project to the public, they would have to sell it as an improvement to the City's overall environment. He felt that locating it in either of the two (2) areas that were mentioned would satisfy this, and they would be doing what they said they would do – trying to improve the overall environment downtown. Mr. Gaudioso stated it would not matter whether it was done vertically or horizontally, the point was that they were doing this and he felt that people would respect that.

Mr. McDaniel stated that Mr. Gaudioso's comments were very well said, noting that Mr. Gaudioso agreed with him.

In response to Mr. Clendaniel in regard to the time frame for getting started, Mr. Koenig stated that staff had a draft request for proposals (RFP) for architecture. He expressed the need to get someone on board who could advise on the kind of space that was needed. Mr. Koenig did not feel that the site should be selected yet, noting the need to know the space size.

Mr. Clendaniel questioned when it would be known what size building was needed. Responding, Mr. Koenig stated that the best guidance he could get from the committee would be to issue the RFP so that some technical expertise could be obtained. He indicated that \$50,000 had been set aside for the concept/initial planning phase. Mr. Koenig advised that the RFP could be issued, proposals could be received, and a selection could be brought to Council. That would put efforts into the planning phase and the private design expertise could say what the realistic possibilities would be. Mr. Koenig indicated that one of the things that the committee would wrestle with would be a drive-through, which would influence the design. He noted that Kent County does not have a drive-through and collects only tax, water, and sewer. Mr. Koenig questioned whether the City would have access to existing drive-throughs or the ability to do an unattached drive-through, where the transaction would happen 75 or 100 feet away from the building. He thought that these would be technical things for which additional advice was needed, since this would drive how the project was looked at. In addition, he noted that, ultimately, a lot of this would come down to parking, in terms of what people's perception of parking downtown would be over a long period of time. Mr. Koenig stated that, in some people's opinions, there was a parking problem, but it was really a free parking problem since they do not want to pay anything for parking. He indicated that as the value of property and the value of the downtown goes up, the value of parking will go up. He felt that the first question that the designer needed to know was whether the City was committed to the main street area.

Mr. Clendaniel stated that if members were looking at two (2) or three (3) properties, they would be stuck to having the project designed for those properties; and if twice a particular sized building were needed, this would not be possible. He expressed the need to find out the square footage size of the building and then start looking at properties and where it would be put. Mr. Clendaniel stated that a 92,000 sq. ft. building, other than going up six (6) stories, could not be put on sites H or E with enough parking. He indicated that if the post office becomes available five (5) years down the road, the City may have that.

Mr. Hutchison agreed that it made sense to go ahead with doing a design of the building and get the size needed and then look to see where it would fit.

Mr. McDaniel stated that it might be possible to end up with a post office where people go and buy stamps and mail letters and maybe put the drive-in window in the back of it, noting that it had been said that the drive-in window did not necessarily have to be attached to the City Hall. He noted that Wilmington Trust has a drive-in on one side of the street and an office on the other side with tubes that go under the street.

Mrs. Mitchell stated that she had thought about possibly seeing if one of the local banks would let the City rent space to take payments in the bank.

Mr. Koenig stated that the building and site should not be designed based on a drive through because there would be other options. Responding, Mr. McDaniel concurred.

Noting the desire to be downtown and to utilize the main street in the development of projects, Mrs. Mitchell stated that Site H was facing Loockerman Street. She questioned whether there was potential for purchasing the buildings on the opposite side that abut the Acme site, facing the main street, where the former Simon's Bridal Shoppe, etc., were located. Responding, Mr. Neaton stated that those buildings were currently for sale and Harrington Realty took them over as the realtor, therefore, there was potential to purchase them.

Mrs. Mitchell stated that if all those sites were put together as one site, it would provide property facing the street.

Mr. Hutchison stated that members wanted to move forward with the RFP. He questioned if outside vendors, in addition to Mr. L. D. Shank, developer, had expressed interest in coming and sharing their thoughts. Responding, Mrs. Mitchell stated that Mr. Jeffrey Tankin, President, Public Facilities Investment Corporation, from California, had contacted her by email during the previous week wanting to know if progress had been made on this project, and she had informed him that the project was no further along. Mrs. Mitchell advised members that this organization could perform design and everything from the ground up. She indicated that she had sent this information to Mrs. Traci McDowell, City Clerk, so that Council was aware of it, but she had not done anything else.

Mr. Hutchison questioned members' thoughts as to whether an opportunity should be entertained to invite outside partnerships to come in and share ideas and thoughts that members may not have thought about. Responding, Mr. McDaniel stated that this was not a bad idea. He indicated that if the properties were sold, the City would have to let everybody bid on them, but if a developer, such as The Renaissance Group, wanted to come to talk to members, he indicated he would listen.

Mr. Hutchison questioned if the committee wanted to move forward with the RFP. He felt it would be smart, while waiting for that, to invite members from the partnership and outside vendors to come in and share some thoughts and ideas that members may not have thought about. Mr. McDaniel agreed, stating his understanding that members did not have a deadline to come up with a recommendation.

Mr. Hutchison stated that some vendors that had expressed an interest and requested Ms. Denise Devine, Assistant City Clerk, to see if they could be lined up to share their thoughts and ideas.

Mr. McDaniel stated that getting anything factual back on this RFP would take a while. Responding, Mr. Koenig estimated that it would be approximately 60 days.

Mr. McDaniel stated that if other vendors could be lined up to talk to members, the committee could meet again.

Mr. Perza stated his recollection that Kent County Levy Court had paid approximately \$5M to \$8M for the land acquisition and the total project was approximately \$20M. Mr. Koenig stated his belief that \$20M was the cost of the building and the land was separate. He indicated that he would check on this. Mr. Perza recognized that acquiring pieces of land can get expensive, depending on the value of the pieces and how many pieces there are. He stated that, wherever the property is, it would be nice to square to it up and use it as an anchor to redevelop a whole section of downtown, which would show that the City is investing in downtown. Mr. Perza advised members that once people get wind that this is going on, they would start speculating. Mrs. Mitchell stated that prices would then go up and they would want more money.

Mr. Clendaniel stated that his notes reflected that the County had a total of 16 acres from three (3) different parcel purchases at a cost of \$22M for the total building and \$8M for the land.

Mr. Perza stated that if approximately one-third of a \$25M building was the cost of land acquisition this would provide a loose target of what it could cost for the project, depending on where it was done, etc.

In response to Mrs. Mitchell, Mr. Clendaniel stated that 16 acres was all of the area, including the open space. Mr. Koenig estimated that the building and parking area were approximately four (4) to five (5) acres.

In response to Mr. Hutchison regarding the cost of the RFP, Mr. Koenig stated that it would not cost anything to get proposals in. He estimated that design services would cost approximately \$50,000 to \$100,000.

Mr. Perza expressed his understanding that members would not be working with specific designs until they knew where it would go and the RFP would be a concept to figure how much space was needed.

Mr. Koenig stated the initial setup would be for them to review the work done in 2006 and to meet with the department heads to determine what actually should go in this building. As stated previously, Mr. Koenig noted that there was some interest in the Electric Director potentially being in City Hall with their engineering staff, so utility directors and engineering staff would be in the building. If this was done, the question was whether Systems Operations would be in the building and how much technology would be put in, since right now there was a whole separate building for this.

Mr. Clendaniel stated that it would also depend on what type of emergency connection would be wanted with separate systems for emergency planning.

Mr. Koenig reiterated the need to figure out the square footage of the building plus the growth over the time frame. He felt that this would be the next step, which would give members an idea of whether or not the building would fit on current property or if additional property should be looked at.

**By unanimous consent, members agreed to go forward with a request for proposals (RFP) for design services.**

Ms. Devine questioned whether members wished to schedule a separate meeting to have outside vendors come and share their thoughts and ideas or whether this would be done at the same time that Mr. Koenig presented the proposals from the RFP. Mr. Koenig indicated that he thought that members should hold the meeting with vendors while waiting for the RFPs.

**By unanimous consent, members agreed to schedule a meeting to meet without outside vendors to share their thoughts and ideas.**

Ms. Devine stated that she was unsure what would happen with outgoing members of the Counsel, such as Mr. Perza and Mrs. Williams. In response to Mr. McDaniel, Mr. Perza stated that he had been appointed to the Counsel as a member of City Council. Mr. Hutchison stated that there would be a change in membership on the committee since the Annual City Council meeting was scheduled for May 11, 2015. Mr. McDaniel questioned if this matter would be held in abeyance and until members heard about appointments to the committee. Mr. Hutchison suggested waiting to schedule the next meeting until after the Annual Council meeting.

Mr. Perza suggested that there should be a window to get all developers in the same place at the same time, perhaps somewhere in the middle of May.

Mr. McDaniel stated that a meeting could tentatively be scheduled for May 20, 2015 because that would give City Council time and Ms. Devine enough time to invite people if they want to come.

**By unanimous consent, members agreed to tentatively schedule the next meeting for May 20, 2015.**

**By unanimous consent, the meeting adjourned at 9:53 a.m.**

James L. Hutchison, Sr.  
Acting Chair

JLH/DD/js

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