

Downtown Dover Partnership

Economic Development Committee Meeting
Wednesday, January 21, 2009 – 7:30 AM – City Hall Conference Room

MINUTES

Attendance: Gerri Street, Ami Sebastian-Hauer, Dave Bonar, Diana Welch, Joe McDaniel, Laura Simmons, Mike Harrington, Paul Lakeman, Tony DePrima, Mayor Carleton Carey, Councilwoman Sophia Russell, Councilman Reuben Salters

Staff: William Neaton, Ed Perez, Janelle Cornwell, Beverly Jackson

There were no changes to the agenda.

Mr. Bonar moved and Mr. McDaniel seconded the motion to approve the minutes as presented. The motion was unanimously carried.

The November Financials were reviewed.

Mr. Street stated that the February meeting of the committee needs to include a discussion of the committee's budget. He noted that a study of potential development uses for the Acme project would probably require an RFP. He also stated that the DDDC typically reacted to opportunities rather than anticipating opportunities. He would like the committee members to think about what funds might be needed for downtown development activities/projects .

Mr. DePrima asked if the committee had completed its work plan since the work plan was typically the basis for developing the budget. Mr. Neaton responded that he and Diane Laird would be reviewing a work plan template based on the Main Street model with individual committee chairs.

Mr. DePrima then stated that the Economic Development Committee needed to think beyond the former DDDC and play a larger role than just the purchase of property. He noted that one role for the committee is in business recruitment. Identifying businesses that would be a good fit with downtown and helping them to see downtown Dover is a good place to open, relocate, or expand their business. He also stated that business education or "survival" training for business owners could be included as part of the committee's work plan.

Mr. Harrington asked if the budget developed by the committee would be for properties the corporation owns or for new ventures. Are we talking about a true budget with funds for recruiting new businesses, provide training, property maintenance, and acquisition of new properties?

Mr. Street responded that this is a new approach for the committee because the money has to follow the plan. Mr. Harrington responded that we need a subcommittee to develop a plan that is realistic and designed to accomplish something.

Mr. Perez noted that the committee had developed a list of subcommittees which could be linked to the tasks that will make up the overall committee work plan. He noted that business retention and education are both components of the Economic Development sub-committee structure.

Following a suggestion from Councilman Salters, Mr. Street stated that the February meeting would be a brainstorming session to move the committee from a reactive to a proactive approach. He stated that members should assume there are no financial barriers when identifying what the committee should be doing.

Mr. DePrima stated that the Economic Development Committee is a blend of the Main Street and DDDC Organizations and there are enough committee members to do it all. The committee can include Education (2 or 3 workshops), land development (reserve \$\$ in the capital budget) and develop a seed loan program through the Board of Directors or by having members approach banks and other institutions for funding.

Ms. Welch stated that she and Clay Hammond have been talking about ways to work with Mike Zimmerman. They believe there should be a package for business retention and one for business recruitment. Ms. Welch also expressed the need to attract an anchor store with a national name and to look at vacant buildings. She noted problems with the enforcement of the current vacancy ordinance.

Mr. Harrington stated that there are at least two areas of concern with new businesses, help navigating the licensing and permitting system, and financial support for fit-outs. Mr. Neaton noted that Economic Development office has been actively engaged in providing businesses assistance in working through the system.

Mr. McDaniel stated that the DDDC had loaned funds to businesses and Mr. Perez noted that the SBA will guarantee loans up to \$50,000. Ms. Welch stated that there are also opportunities for some creative financing. Mr. Bonar asked if this information is documented in a packet that can be provided to prospective business owners. Mr. Perez responded that financing information is included with the demographic and other materials available through the Economic Development office.

Mr. Street noted that we have several recognized downtown anchors – Bayhealth, Wesley College, as well as the City of Dover and the State office buildings. He asked Mr. Lakeman to briefly discuss where Bayhealth sees its zone of influence.

Mr. Lakeman responded that Bayhealth is committed to the community and the greater downtown area. The economic climate has changed over the last six months and our plans are being looked at in light of current economic conditions, however, we have a long-term commitment to this area. He noted that improvements in downtown are helpful in the recruitment of professional staff.

Mr. Street asked Mr. Lakeman to share feedback from new recruits regarding their interest in buying or renting apartments in the downtown district and about types of boutique shops that would fill a need at the next meeting. He also asked Ms. Simmons to obtain information about what the State of Delaware's future needs for its employees in terms of office space and parking.

Mr. DePrima noted that all committee members are not currently represented on at least one of the subcommittees, he stated that there should be at least three members for each committee and encouraged members to sign up. (List is attached.)

Mr. Harrington stated that there should be flexibility in having a "pot" of money to help get a business started. He asked "how do you get a business started downtown, one business at a time." He suggested a committee to work with Mr. Neaton with funding solicited from banks and other institutions to use in bringing new businesses downtown.

Ms. Welch stated that she wanted to hear from the committee what the mission is for the recruitment and retention subcommittee. Mr. DePrima, stated that subcommittee members should develop their own mission statement and then present it to the committee as a whole. Mr. Neaton stated that a mission statement has been provided for each of the subcommittees which they can adapt.

Mr. Street asked Mr. Bonar to act as the lead for the Incentive Program/Education subcommittee. He Asked Mr. McDaniel to serve as the lead for the Loan Program, he asked Ms. Simmons to work with Ms. Welch on Recruitment/Retention, and Mr. Street will serve as the lead for the Property Management subcommittee.

There was a further discussion of the Vacancy Ordinance. Mr. DePrima stated that the City had high hopes for the ordinance when it was implemented. The Inspections Department experienced some turnover which impacted early enforcement. It is now fully staffed. There have been difficulties in collecting some of the fines. If the property is being marketed, there is no fine. However, the Planning & Inspections Department has not tested the marketing of any of the vacant properties to determine if the asking prices are realistic. Ms. Cornwell added that the department has also experienced difficulty in contacting property owners.

Mr. DePrima noted that he is concerned about why there are some perpetual vacant buildings. Councilwoman Russell stated that it's time to bring downtown back into reality, if the upstairs of a building is rented, it technically is not a vacant building. The City charter and building codes are not consistent in the historic district. She noted that the City Council's safety committee wants a clear definition of what constitutes a vacant building.

Mr. Perez stated that there is a catalog of properties in the downtown district that are clean and ready for occupancy, but the landlords are looking for top dollar in rent from the beginning of the lease and are not willing to work with a new business to start low with regular rent increases. He noted that the recruitment and retention subcommittee should meet with property owners to discuss how improvements in their buildings and working with new business owners can generate a win-win.

Mr. DePrima stated that the ordinance needs to be enforced. Mr. Bonar added that rather than tweaking the ordinance, there needs to be strict enforcement. He added that until the City can enforce the vacant property ordinances, it can't attract people to live downtown and consequently you can't grow downtown.

Mr. Harrington stated that if a building is not competitively priced, it is in violation and that generates a fine. He stated that every building has its own unique problems and some buildings can't be brought up to code because of the physical layout - buildings must be reviewed on a case by case basis. Lastly, he noted that some of the zoning laws do not allow for conditional use. Mr. Harrington stated that every zoning law should allow for a decision on conditional use – giving property owners the flexibility to bring a proposed building use before the planning commission.

Mr. Street reminded members to bring their ideas for the committee's projects to the next meeting.

Mr. Bonar moved that the meeting be adjourned and Mr. Harrington seconded the motion.