

*MILFORD CITY COUNCIL
MINUTES OF MEETING
August 15, 2013*

A Meeting of the Economic Development Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Thursday, August 15, 2013.

PRESIDING: Chairman Garrett Grier III

IN ATTENDANCE: Committee Members Bryan Shupe and James Starling, Sr.

Councilpersons S. Allen Pikus and Dirk Gleysteen

City Clerk/Recorder Terri Hudson

CALL TO ORDER

Committee Chair Grier called the Council Meeting to order at 5:04 p.m. and introduced David Wilk. He noted that Mr. Wilk is a real estate specialist who worked with the University of Delaware for more than twenty years. His focus is on economic development.

Mr. Wilk is currently the Product Council Chair of Corporate Real Estate and Advisory Services for Sperry Van Ness (SVN) and Corporate Valuation Advisors (CVA).

*David J. Wilk/Innovation Park Presentation
Recommendation to City Council to Proceed with Plan Presented*

Mr. Wilk said he is a native Delawarean who grew up in northern Delaware, attended Brandywine School and the University of Delaware. He has been a real estate advisor, appraiser, broker, and was an adjunct professor at the University of Delaware's Lerner Business School from 1989 to 2012, teaching real estate courses. He has worked as a real estate consultant doing appraisals, market studies, feasibility studies, transactions, financing, innovative type strategies over the past thirty-five years. He spends a lot of time working with communities especially in Delaware. He is currently working in Dover on some place-making ideas and different projects and is also working with Key Properties in Milford.

One thing he has never seen in his career that started in the recession of 2008 is the separation between the haves and the have nots, not only in society and culture, but also in real estate. When we talk about haves in real estate, we are talking about stable cash flowing investment properties where you can reasonably see the future. But properties that don't have the clearest and best use for the investor, or that don't have a good direction in today's real estate market, all of a sudden have gone from a have or a maybe, to a have-not because there is little or no capital in the marketplace to take risks on uncertain real estate anymore.

Mr. Wilk stated that what occurred over the past five years that is really bothersome is municipalities and governments who have lost a lot of their funding sources and ability to control their own future from an economic and financing standpoint. At the same time, every community has something unique to offer to the marketplace. The dilemma is how to capture that in a way that allows economic development to be created. His feels that unless a community understands its brand and what kind of a place it is, it is going to get lost in the noise of what is going on around the country in terms of people looking at the community as a place to grow, a place to bring their company or where they even want to live.

In June 2012, Mr. Wilk put on a Real Estate Symposium at the University of Delaware where the governor was a speaker. He noted that in today's market, creatively repositioning real estate to capture new demand and private investment is the key to economic development and job creation. He said during the past five years, the single sentence that is more important is in the terms of the value proposition to economic development. Whether your community has lost a key employer or under utilized real estate in strategic locations, it is all about your 'dirt'.

However, it is not easy for communities to reinvent themselves and grow real estate demand. That is why there are so many properties and communities struggling to figure out how to move ahead.

His research has indicated the way communities prosper in today's marketplace is by understanding how to place-make themselves. Mr. Wilk said what he has been doing around the country and in Delaware is coming into communities and trying to help them figure out how to do place-making strategies that creates new real estate demands.

He then shared some experiences and stories on how a strategic marketing plan can help benefit a city like Milford and how to create some new real estate discussion that can benefit key places in Milford and other areas around the country.

Mr. Wilk said our world is changing so much that you have to think about society. Right now, we live in what we now call a creative economy. That creative class in the economy numbers over 60 million people. That creative class economy is saying 'where you live' is now the most decision in your life. He said not your job, not your profession or not who you work for, but instead where you live. He feels that is a major shift in his lifetime from where he started in the mid-seventies.

He explained that the idea of 'place' being the single most important choice creates an interesting clarity. If you can create a cool place, then people will want to be part of it. He referenced cool places such as Soho or districts in New York, art districts or Georgetown in Washington, D.C. noting those are models that show where place-making has really worked and where people want to be.

Mr. Wilk stated that if you think about where the future is, and how we create growth in an area that will be dependent upon our ability to create, is what we call the creative class.

Cities like Dover and Smyrna are looking for that formula just as Milford is. He asked what is the formula that is needed to create that buzz in the street to bring people out to create an energy and excitement to Milford. Also, he recommends having it so it enhances your lifestyle as opposed to replacing it.

What Mr. Wilk is trying to do from a real estate standpoint is talk to communities and stakeholders in communities about creating strategies to place-make your community which leads to economic development. To bring in creative people and stimulate innovation and economic development is the only way out from the economic condition we are in right now. There is a need to be creative, innovative and figure out how to prosper or survive in today's economy.

He said to consider Rehoboth even though Milford will never be Rehoboth and vice versa. But one thing about Rehoboth is it is one of the highlighted creative class places in the United States. It has technology, talent, tolerance and lifestyle. Most towns do not want to be like Rehoboth, but cities like Philadelphia, San Francisco, Boston and Austin, Texas have also become creative class places. They had an ability to create schools, universities, talent, education, technology, medicine and they also allow for a decent amount of tolerance.

Mr. Wilk pointed out that from Milford's standpoint, why real estate is so important to place-making. He asked what we have in our current national market that applies not only to Milford but other areas. He said there is not enough job creation. Community tax bases are shrinking and so is economic growth. Real estate trends are improving in spots but not across the board. Communities have many properties without stable or predictable cash flows. There are a number of old plant sites and vacant properties along Route 113 and Route 1. Capital is not available for non-stabilized real estate.

At the same time, there is a trend that corporate real estate use is shrinking. Companies are trying to get out of real estate as opposed to getting into it.

He asked where the growth markets are in Milford. If we are creating a strategy and a place-making strategy together for the City of Milford, there needs to be an understanding of what markets to go after and how they can tie into our

core strengths as a city.

Milford has certain unique attributes which we need to take care of versus trying to be something we are not. For example, innovation and technological users, food production, culinary arts are appropriate. Mr. Wilk emphasized this is a food area. One of the greatest things about Milford and Sussex County is the food business. He noted that the agricultural business is on fire right now. Milford is right in the middle of that because we are only two and a half hours to fifty million people around the country with what we can grow and create.

From a transportation logistics and supply chain standpoint, we also have rail, air and water availability.

Mr. Wilk noted that last piece is really where the market is going right now. He refers to it as med-u-tech which is a combination of medical, university and technology. People want to be in areas that are heavy med-u-tech scale which includes great health care, universities and educational institutions along with access to technology and related infrastructure.

He said the value thesis for Milford is based on this. Mr. Wilk said there are no easy answers to place-making or creating economic development. But there are ways to create a renewed sense of possibilities. Most communities around the country have dormant properties with no value, plan or vision. These include closed plant sites, old malls or a mixed use retail facility that never properly developed. In addition, corporate headquarters, old hospitals, airport hangars, excess land, old schools, post offices, libraries, government/ military facilities, downtowns, redevelopment districts, brownfields and other similar areas.

Mr. Wilk reported he is a big main street guy. He just spent the hour before he came to city hall walking around Downtown Milford. He said it has some bright spots but it is also screaming to elevate to the next level which can be difficult to do. Otherwise, it would be done without any effort.

He said to think of the City of Milford as a series of economic units and potential economic development districts. The downtown is a major economic development district. The southeastern part of Milford, where the new overpass is being built, is a major catalyst area. Other parts of town near Route 113 and in the northern area of Route 1 where Grottos and other developments are occurring is another.

Mr. Wilk believes there are plenty of areas that could be talked about or catalysts to place-making economic development and transformed into market stories. However, they cannot all happen at the same time unless a huge influx of population is expected. Though we know the population will continue to grow in Milford, at this point, there is no way to tell how much it will support square feet or number of units, etc. Therefore, sequencing is needed.

Mr. Wilk's point is if a city wants to place-make and elevate themselves, the only real way to do that is to transform the real estate. Someone like himself comes in and helps create ideas and works with key stakeholders. They then figure out that the overpass entering from the Cedar Neck Road area could appeal to new development. Every time a person drives by Grottos, the parking lot is full and he wonders how someone would not want to be along that stretch. In other areas of town, every single national chain is on Route 113 after the split. There are also a lot of interesting businesses north of Route 113 near IG Burton every vehicle passes on their way to the beach.

He then explained that when you look at Milford, there are five different areas to become catalysts. For example, downtown needs its own market story. Mr. Wilk believes the new brand for downtown is a great step in the right direction. You then need to build on it. The key to economic development is to get catalysts to move real estate and create a number of mini projects. But there is a gap of where we are now and how we get to that point and who does that; Mr. Wilk noted that sometimes he comes into an area to try to be that catalyst person that can do that.

Mr. Wilk said that he is currently doing that with a project in Delray Beach, Florida where they have an old Office Depot headquarters right off Interstate 95. He has been working on repositioning and creating a new market story through a strategic plan. Then they bring in a university, nursing school and some medical office buildings. That attracts other users because they created a story of innovation. They have renamed the property the Delray Beach

Innovation Park. There are now users coming after it because the story resulted in a market buzz. People are offering to build offices, retail and take the multi-family area because a mixture of uses was created.

He feels that anytime there is a piece of land sitting idle without a market story, there is nothing. It boils down to asking another person or the market to figure out what to do with that property. Not many people will pay top dollar to tell you what to do with your property.

Milford should be able to identify numerous opportunities for new value creation and market stories that are under-utilized assets.

Mr. Wilk was listening to council talk about the infrastructure issues. Building and designating infrastructure is a way the city can move forward. This is exactly what that area needs to have any chance of creating economic development type projects.

Once the infrastructure is created, then someone can physically develop. The story, the plan and strategy are needed though that is missing at this point. Mr. Wilk often creates a strategic marketing plan for a community or for a property like the Office Depot property that meets the market. He does that by creating a story and strategy that creates a new sense of possibilities in the community and in that area. It is presented in a way that has never been looked at before and thus, open up new ideas.

Mr. Wilk said he does not go in and tell someone this is my strategic marketing plan and what they should do. Instead, during the course of the strategic marketing plan, Mr. Wilk will work with the council, the mayor, the city manager and federal, state and local officials, economic development groups, planning department, engineers and public works group. He does not only want to create a new story about an area that just redevelops, instead he wants to take it into the place-making context by having something that fosters social value creation and entrepreneurship for the community. The community then feels like they are part of what is going on as opposed to just another developer coming in and saying they are just going to make as much money as they can on a project.

At the same time, they have to do the strategy. They have to gain community support, then buy into the strategy and market. The community is also needed to support what the council is doing by creating infrastructure growth areas to support that ability for economic development to occur.

Mr. Wilk said we then have to figure out the type of financial engineering and non-traditional capital sources it will take to create that economic development because it does not happen out of private capital and really needs to be public/private partnerships.

All the pieces are then put together, led by the Economic Development Committee, City Council and City Manager. They then bring local stakeholders together and collaborate on decisions for the real estate within Milford that will elevate beyond prior actions.

Mr. Wilk said he knows Milford well and always thought the community was ready to break out. However, it was never quite there. He believes a place-making opportunity exists for Milford partially based on the recently contemplated infrastructure activity and the fact that the stakeholders have a consensus on whether this is a good thing for the city. Without that consensus and spirit of cooperation, it ends up defeating a lot of good initiatives.

Going forward, Mr. Wilk wants to create some new development strategies in designated growth areas. Milford would be primed for some long term and short term real estate demand. The goal would be to keep the city strong, keep the existing quality of life, encourage local companies by informing them that Milford wants to keep them badly and at the same time, work on attracting new businesses.

He does not want someone to come to Milford or any other community to find dissension and too much politicking. It will basically undo the ability for public/private partnerships. He thinks there is a good opportunity here to create the public/private partnerships.

Mr. Wilk then talked about telling the Milford story in an innovative way that creates a 'wow'. He recalled when Milford created a branding and slogan back in 2010. He said after that was done, you needed to execute on it to create a real reaction.

He said another challenge is the ability to drive new real estate value and infrastructure, gain community buy-in and announce some catalyst project in order to create a market buzz. He explained the place-making of a brand does not happen overnight. When you create some stories, you get some initial catalyst projects to announce. Suddenly, the market wakes up and looks seriously at Milford. He referenced the Smyrna and Middletown areas that were developed in this manner. Milford is not looking to be like that but instead hope to create that type of market. At the end of the day, economic development is brought in by creating a psychological feeling on the part of others who want to become part of what is happening.

Mr. Wilk is aware that Milford has hired economic consultants and studies have been done. He said that most communities have a lot of those items on the shelf. One of the starting points would be to have the economic development committee be the catalyst for creating a place-making vision for the City of Milford that shows how to create value for all citizens. The goal would be to bring in more entrepreneurial activity and residents into the area.

Mr. Pikus recalled several years ago when an economics professor at the University of Delaware made a statement that in order to make a community develop and grow economically, you first need the support of the citizens. He talked about people in small towns like Milford who typically held the town back. They were considered the old guard and they really wanted to control Milford. They wanted to keep the salaries low and allow very little development. This professor even talked about the duPont Company who wanted to come to Milford back in the 1930's and consequently chose Seaford. That occurred because these Milford residents put their hand up because they did not want a big company in Milford. Instead, they wanted to keep Milford like it was.

Mr. Pikus asked if the first step Milford should take is to work with the public. Determine what the public wants and how they want the town to grow; then get the public behind these efforts.

Mr. Pikus knows the public wants more jobs in Milford and every candidate who campaigns for office, including city council, all focus on economic development. He said Milford is going to be a medical community because we have a fantastic hospital that plans to grow and expand. We need to place them some place that is politically and economically correct. He asked Mr. Wilk if we need to get the public on board for that first.

Mr. Wilk answered by stating the goal is to get the public excited about the vision and innovative things Milford is trying to do. He thinks that needs to be a process which requires understanding the viewpoint of the public and the key stakeholders in the community. We then wrap that into some ideas to present to the community as opposed to trying to do it as a committee.

Mr. Wilk is relatively new to Milford in terms of digging into this component of economic development. He does not want to come here and be presumptuous to the point he knows what should be done this evening. He would like to figure out what has been done from an economic development standpoint involving studies, reports and initiatives. That will give him some idea of where Milford is. If he sees a plan that has no activity or logic to Milford's situation, and does not appear to be a good direction, he could then provide some feedback.

He said if he was asked how to develop that process with the community, they would try to figure out what exactly is the Milford brand. He said there are two things that can happen in Milford. Our residents can either like Milford as it is and feel that no additional economic development is needed. Or we can create a new story and a new connection to the people in Milford about their city, their brand and the future. We can work on getting everyone excited so that people are talking up Milford because there are good things happening here. This can only be created by working together.

Mr. Wilk said Milford needs to figure out what they are from a branding standpoint. Then a marketing strategy and an economic development strategy needs to be created that plays off that brand. In that way, there is never any

question that Milford is not Milton, Rehoboth or Dover. We are Milford with our own unique story. We know what we can and cannot do.

He stated that he knows the progression and real estate history of Milford during the last thirty years because he has watched it develop. The only interesting thing he sees right now about Milford is it has a chance to break out and become something it has not been.

Mr. Wilk said that is the question back to this committee. He asked if this is something the community wants and there has never been a better time to put those type plans and actions in place.

He referenced the new interchange being constructed on Route 1. Mr. Wilks believes there should be an influx of requests for real estate projects. If the utilities get there the same time, that will be an even bigger appeal. With all that in place, he does not know why another health care facility would not want to build a \$250 million medical complex right there. It could include an emergency room and a trauma center. If something like that was built, all of a sudden that area would get medical office buildings, residential complexes, etc. Something as big as an interchange off Route 1 provides an opportunity to do something that could really impact that area.

Mr. Wilk thinks there are other areas in the city this may happen as well. The question becomes whether council and city leadership want to capitalize on this opportunity. He noted there is a huge opportunity downtown as well. He said one project becomes a connector to the other.

He said where is the best place for a technology park in the city or where is the best place for an education institute and perhaps a community college or a branch of one of the universities. Mr. Wilk believes there are possibilities in each of the various areas. But someone needs to develop the strategy and do it in a way you are talking to the people in the community while it is being developed.

Mr. Pikus asked if that is Mr. Wilks' background; Mr. Wilk said he is an advisor in different areas. He emphasized it is not about him and not necessarily about the client he is working with. Instead it is about the general benefit to the community. He has a huge area in his heart for creating better communities using his talents and background in real estate and education. He coming back and seeing how things have changed can be very gratifying.

He said now is the time to create something in Milford that everyone will be excited about.

Mr. Pikus asked if we need to sell Milford first; Mr. Wilk thinks so and reiterated that we need to place-make Milford so we create a market reaction. Over the past twenty to thirty years, other than some new developments, there has not been an explosion of development in this community.

Mr. Grier believes Milford has come a long way over the past ten years. The way downtown looks now as opposed to what it looked like in the late 90's is much improved. In terms of council and being dedicated to economic development, Mr. Grier said that most of the members of council were here long before he was elected. He thinks the attitude has changed a lot over the years. In 2010, the city hired Economic Development Consultant John Rhodes to do an economic study. He put together a strategic plan for the city which includes a short and long term plan.

Mr. Grier said Mr. Wilk mentioned Key Properties and noted that Dave Hitchens is a member of the Economic Development Advisory Panel (EDAP). He explained the panel's job is to try to implement Mr. Rhodes' strategic plan. As a result, the plan is in place though it has not really been publicized so it does lack a lot of the excitement Mr. Wilks speaks of. He agrees there has not been a big push toward some of those things being done.

Mr. Grier pointed out that Key Properties has properties in the area of the new interchange. However, the issue behind the scenes is how to get sewer to those properties. Mr. Grier said that council took that step at the last council meeting. He also noted that two months ago, we made a commitment to do public/private partnerships. Council agreed that should no longer fall solely in the hand of the private developer. However, he feels it should not fall

completely under the city either. Council agreed it was a state, municipal and private matter and all three needed to work together to get the utilities to a certain point.

He reported that the city does not have the money to extend sewer with no end user. But Monday night, other infrastructure projects were discussed that included streets in town, sidewalk improvements and improvements to the Shawnee pumping station which is a big issue to Innovation Park. If that pumping station is updated now, it will take two years to complete. However, council agreed to invest money to improve that pumping station. The benefit is the sewer to Innovation Park will now only take nine months versus two years.

Mr. Grier said there is definitely a commitment among council.

Mr. Grier then reiterated that the city has a strategic plan in which the community needs to be more involved though there has not been a push to do that.

Mr. Shupe asked Mr. Wilk what he asking for the town to do. Mr. Wilk said he wanted to clarify his role in this matter. He explained that he is an advisor to Key Properties and that is how he has met and talked with several members of city council. In his role as an advisor, he informed Key Properties they have a unique opportunity on their properties, but without the city and place-making, it could be very challenging.

He referenced the article regarding Delray Beach, where Mr. Wilk is a consultant and advisor on what they call their innovation corridor. The project began in November 2011 and he did not meet the Key Property representatives until May 2013. He had already done the Innovation Corridor Project in Delray Beach where they are in the process of taking the old Office Depot property. When he was first introduced to Key Properties, they told Mr. Wilk about their concept at Innovation Park. Mr. Wilk felt it was a fascinating possibility for the city. He asked where the city was on the project and whether they wanted that type of economic development. Dave Hitchens indicated that they needed to start talking to more people in the city. They talked about how they could work together, not only on behalf of Key Properties, but also make it work across the board.

Mr. Wilk responded by saying this is what he does and offered to get to know the committee members and city council to see how they can put this all together.

Key Properties feels like, and Mr. Wilk agrees, that without the place-making and the city strategy, the other pieces will not get that market reaction that is needed. His goal behind this meeting is to foster a greater awareness on the part of the council and the members of the community on how to go about taking Milford as a whole by using the economic development goals, studies and plans that have already been done. Figure out where from a pure supply and demand standpoint, where are the ideal catalyst projects within the city and how to make those projects move forward.

Mr. Wilk is hoping that city council will welcome him back to continue on that pathway. He would love to be part of taking the city forward in a really exciting way. The key is how to tell the story and that can be accomplished by working together with this committee and city council. Then it could become more of a real work experience for people by having catalyst projects around that will reinforce that story and provide that market brand and reaction.

Mr. Grier asked if Mr. Wilk came back to a council workshop, would he speak about the exact same thing discussed tonight or could he present a refined marketing plan. Mr. Wilk said he does not want to take 45 minutes to an hour to teach council about place-making. However, if this presentation can be shared with them, then using the existing study that Mr. Rhodes did to see where that strategy is today, he feels everyone can work together on creating a strategic marketing plan for Milford.

Mr. Wilk said in Delray Beach, the strategic plan was on the innovation corridor. The city manager and mayor wanted to do something to transform the corridor which was a large undeveloped area. In order to do that, they needed to redevelop the piece in the middle which is where the former headquarters of Office Depot sat vacant for six years. That is how the former Office Depot property became the Delray Beach Innovation Park. He said that is

why it was such a coincidence when he came to Milford and saw that Key Properties also called their project Innovation Park.

He referenced two bullet points which state 'capitalize on Delray Beach's I-95 access and visibility to generate new demand for real estate'. Mr. Wilk said all that is needed is to replace I-95 with Route 1 and exchange Delray Beach with Milford.

Mr. Wilk said we need to capitalize on the interstate/freeway access because everyone that goes to the beach goes by this area.

Secondly, he recommends we connect Milford with the other communities around Sussex County to place-make it into a nexus of medical, educational and technological innovation. He pointed out there is no room in Rehoboth or Lewes for a \$200 to \$500 million medical center hospital campus but there is room in Milford. This will bring in a top class, medical, educational lifestyle. We will also have room around the hospital to create retirement communities, assisted living communities and people who want to be close to the best health care they can get. All the while, they are still only 25 minutes away from the beach or the outlets.

Mr. Shupe said he would like to see a more specific plan. There are a lot of questions about the key stakeholders and who are they. He asked what the new development strategies are and where the designated growth areas are located; to him it sounds like generalizations are being discussed without specifics.

Mr. Grier asked if that is something Mr. Wilk is looking to do; Mr. Wilk said he is unsure at this point. His goal is to be part of the team that transforms Milford. He has the ability and experience to do that and hopes council is willing to work toward that.

Mr. Grier asked that Mr. Wilk be provided with all the previous work that has been done so that he can review it and provide some ideas on what is needed. He said we can then work toward getting on the agenda with a more specific idea or direction. He reiterated there has been a lot of work done over the past three years and encouraged Mr. Wilk to become familiar with those documents.

Mr. Wilk said he would be happy to help figure out the right frame work for a future strategy. He also emphasized that it is clear in his disclosure that there is no conflict; he does not want to give the impression they are doing this for his client. He repeated that he has a client who has asked him to help figure out what they should do with their property if the city is willing to support it.

Mr. Wilk said his goal is to create something that is beneficial for the city and in doing that, he wants everyone to feel comfortable.

Mr. Grier said he has talked with Mr. Wilk prior to this meeting and he is willing to discuss this further. He is not opposed to Mr. Wilk being put on an upcoming workshop agenda with some ideas.

When asked if anyone in the audience had any comments, Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, stated that when he first moved here, he heard that Milford is a bedroom community and he does not agree with that. He knows that CVS is opening very shortly. Bayhealth Hospital is spending \$250 million. He said we had an economic meeting awhile ago that was chaired by Councilman Clifford Crouch where a number of specialists and doctors spoke. The majority said they don't want to live in Milford because the amenities are not here. They preferred to live in Lewes or Rehoboth. He said we have DMI and now have Scott Angelucci, and the art galleries.

Mr. Palermo said if we want to keep our youth here after they graduate from school, we need light industry. He does not see more medical on the horizon. He believes if we have light industries and tech companies who pay a decent salary other than minimum wage, then we will see more people develop roots here.

He feels that is the direction we should be going in.

Mr. Grier thanked Mr. Wilk stating we will provide him with the last three years of work done on economic development.

Mr. Wilk then continued by mentioning that after the market story and strategy is created, he suggests council put on a symposium that is tied in with the University. He said that could be used as a launch point to announcing the catalyst projects and things going on in the community. He is currently doing one with Salisbury University in Cambridge, Maryland at the end of October. They will also be doing one the end of this year in the Salisbury airport and Wallops Island area. He referenced the symposium that was done in June at the University of Delaware in addition to other areas of the country.

He concluded by stating when there is a story and catalyst projects, other stories will be written about the interesting things the city is doing which is all part of the process.

Economic Development Director Position & Job Description

Mr. Grier said this was discussed during the council meeting Monday night. At that time, it was sent to the committee to form a direction of where council wants to go. He stated that we had an economic development director the past year who is no longer with the city for other reasons.

Mr. Grier feels strongly the city needs an economic development director. He recalled expressing in a number of the executive sessions the benefit he has seen in his business dealings with the City of Seaford. He had an excellent experience in terms of what they do with their director. He understands there were a lot of different ideas thrown out Monday night but he wants to know the opinion of those present on hiring a new director and the process of how to go about it. He feels it needs to be handled in a different manner this time.

Mr. Starling agrees we need an economic development director. He also thinks that we should have different guidelines this time. Perhaps this person should provide reports at least on a monthly basis and keep council updated of what they are doing. As was discussed at the last meeting, council was unfamiliar with the position. He feels that someone needs to inform the person what is expected of them. Then that person can respond and report on a regular basis. They would provide contact names and the businesses where they have gone. In that manner, council could stay on top of their activities.

Mr. Grier said that definitely lacked this past year. He said there was a one-year contract with the previous director which expired at the end of that term. He also believes the economic development director should work for the city manager. It is important their relationship is top notch. They will both be involved in lots of situations and their personalities need to mesh. Because of that, he prefers the city manager handle the interview and selection process. That was not done the last time and instead, interviews were handled by the EDAP subcommittee who narrowed the field to three. From that, the candidate was selected.

Mr. Grier prefers the city manager decide exactly what he wants and that he hire the person that best meets those needs. The city manager is paid well and very experienced. He is more than qualified to make that decision.

Mr. Shupe agrees there is no question we need an economic development director. He feels that just having someone out there, not only in the city helping our current businesses, but going to other communities to attract new businesses and industries. He agrees with Mr. Starling some accountability is needed and the city manager needs to stay informed to ensure the work is getting done. He also recommends council consider contractual work with some of the national firms that do this for a living. He does not necessarily believe the answer is to have an individual who is paid on a yearly contract.

He feels we need to weigh all options and choose the best fit for Milford. Mr. Shupe also agrees that Mr. Carmean would be the best person to decide how to move forward.

Mr. Grier said that a lot of people believe the economic development director's role is to make cold calls every day to try to bring in big firms. However, that may be 15% to 20% of what they are doing. He feels they should be working with the local businesses we already have to help with their needs. They are also working with the group that wants to come to Milford. They need to help with DelDOT and any other agencies and permits that are needed to build on a raw piece of land. They need to work with the city planner or Christine Crouch and the city manager. They can also help them with other local businesses as well as the Chamber of Commerce.

Mr. Grier met with Executive Director Jo Schmeiser from the chamber two weeks ago. Right now, she is upset that Mr. Masten is gone because she liked having a person she could go to. Since that happened, the city manager now has her reporting to Christine Crouch.

Mr. Gleysteen said he has thought about a couple things. We have had some suggestions about a different type of reporting format and a firmer structure. He feels we need to make sure we are comfortable with the progress that the economic development director is making.

Mr. Gleysteen does not know if reporting to the city manager is the best way to go. The city manager is running the city and has all the different departments reporting to him. This requires a different skill set than just supervising someone for economic development. The economic development committee is an extension of council. That is who will be making the hiring and more or less, the firing decision of this position. Maybe the best way to devote the attention the position needs as far as reporting is for it to come out of the economic development committee. Maybe not the committee as a whole, but one person can be picked that has a close relationship with that position. That is the person that directs and would be responsible for any evaluation.

Mr. Grier said the problem he sees with that is before Steve Masten was hired, he was working with Mr. Carmean almost on a daily basis. Mr. Grier said he has a full-time job and a lot of other things on his plate. He feels it is impossible for him to do that and would not want another committee member to do that.

Mr. Gleysteen said that is the requirement that job is putting on Mr. Grier. It will be put the same type of requirement on the city manager who has a full slate too. Maybe it should be structured so it can be weekly or biweekly reporting so Mr. Grier can still get a good feel of the progress that is being made.

Mr. Grier then asked if Mr. Gleysteen is in favor of hiring an economic development director; Mr. Gleysteen said definitely.

Mr. Grier said the consensus of this committee is that we need someone in that position. Whom they report to remains a question. He is still in favor of this person reporting to the city manager. He understands that Mr. Carmean is very busy because of the number of people that report to him each day.

Mr. Pikus also agrees we need to hire someone. He suggested we establish first what this person is going to do and whom this person reports to. That needs to be done before we jump in and hire someone tomorrow or the next day. Some standard is needed. Council needs to decide what this person is expected to do. A detailed job description is needed. He feels the city manager should handle the hiring. He does not think it is councils' job to interview and critique any individual. That is why we have managers in the city and Mr. Carmean knows what qualifications are needed.

He noted this is a city manager form of government. The city manager would hire this person and who this person reports to will come from councils' direction.

Mr. Grier agrees we need to get the city manager to fine tune the job description we used last time and present it to council.

Mr. Pikus agrees that a job description can be acquired noting that Mr. Shupe made a good comment about the number of nationwide agencies who do economic development. He noted that Mr. Wilk does a fantastic job. There

are people available who can advise the city on what we need. However, he does not feel we should jump into something right away.

Mr. Grier clarified that Mr. Masten reported to the EDAP Committee on a monthly basis. He made a presentation in relation to the contacts he made the previous month. The city manager was not there and Mr. Grier believes there was more information presented to EDAP than was provided to the city manager.

Mr. Grier then directed Ms. Hudson to ask the city manager to fine tune the job description that was used the last time. He reiterated that everyone agrees we need to hire someone. In his opinion, it should be sooner rather than later but we need to hire the right person. We will start with a job description that should be presented to council with the intent to hire someone sooner rather than later.

Mr. Grier recalled that the funding was also discussed in an executive session during the budget process. He believes the money should come from the Wawa economic development account which contains approximately \$900,000. This is an appropriate use considering it was originally set up to be used for economic development.

Mr. Grier moved that the city manager put together a refined job description from what was used in the past and something that will work better in moving toward the future, and to direct the city manager to hire an economic development director sooner rather than later with the funding to come from the Wawa economic development account, seconded by Mr. Starling. Motion carried.

With no further business, Mr. Shupe moved to adjourn the committee meeting, seconded by Mr. Starling. Motion carried.

Meeting adjourned at 6:18 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder

cc: Article & Powerpoint



Community

DELRAY BEACH » BOYNTON BEACH » WELLINGTON » LAKE WORTH » LANTANA » OCEAN RIDGE

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Innovative plans in Delray

Innovation Park, discussed for former Office Depot site, would be a technology hub

BY DAVID DiPINO
Staff Writer

Planning is under way to transform the former Office Depot site between Germantown Road and South Congress Avenue into Delray Beach Innovation Park, a center for the development of new technology and research jobs.

Although the plan consists only of renderings at this point, city leaders and a real estate consult-

ant say it could help revitalize a corridor that was thriving before Office Depot moved to Boca Raton.

"We'd like this to be designated an enterprise zone by the state of Florida," said Vin Nolan, economic development director for the city's Community Redevelopment Agency.

According to FloridaEnterpriseZones.com, an enterprise zone is a specific geographic area tar-

geted for economic revitalization. The state has 59 enterprise zones, which encourage economic growth and investment in distressed areas through the use of tax incentives for businesses within its boundaries.

The CRA has contracted with David Wilk, a real estate consultant who has been working on the Innovation Park project. Nolan said Wilk did much of the background work and created the logo and other brand initiatives.

"We're hopeful that a development team will attract the right investors," Nolan said. "We encouraged Mr. Wilk to come up

with the Innovation Corridor concept and to try and reinvent the old corridor. Key property owners and investors are linchpins to the Innovation Corridor initiative."

The area could be used to house a college research park or a creative media hub.

"Our goal is to bring innovative industries and implement sustainable technologies to the Delray Beach Innovation Park," Nolan said.

According to the city's Public Information Office, the economic development goals for Innovation Park include improving the perception of Delray Beach as busi-

ness-friendly and a viable corporate destination, creating livable-wage jobs within the city, encouraging entrepreneurship and increasing the tax base.

City commissioners recently approved Phase II of the project promoting the Innovation Corridor Strategic Marketing Plan for Congress Avenue. The plan's implementation is expected to encourage redevelopment of underused land parcels in the corridor by reaching out to new businesses and firms interested in expansion.

David DiPino can be reached at ddipino@tribune.com.

"PLACE-MAKING" ECONOMIC DEVELOPMENT

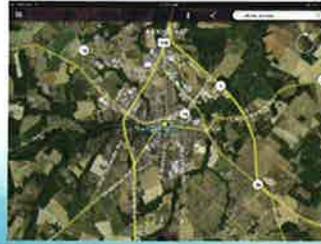


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Sperry Van Ness

MISSION STATEMENT

- Present ideas on real estate "Place-Making" that create economic development, jobs, and stimulate new RE demand for Milford.
- Share experiences and stories on how "Strategic Marketing Plans" for places and their underutilized real estate can benefit Milford.
- Create a new innovative real estate which can benefit key stakeholders in Milford, and other cities, towns, and counties in DE.



"WHO" MAKES "PLACE-MAKING" SO CRITICAL TODAY?

- "Who's Your City?: How the Creative Economy is Making Where You Live the Most Important Decision of Your Life"
- "The growth and decline of urban areas is dependent upon their ability to attract the Creative Class"
 - *Dr. Richard Florida, The Rise of the Creative Class*
- The "Creative Class" now numbers over 60 million and is the fastest growing segment in our national economy
- The "Creative Class" – Occupations that Call Upon Creativity
 - *Computer, math, architecture, engineering, life, physical and social sciences*
 - *Education, training, arts design, entertainment, media, sports*
 - *Management, law, healthcare, sales management*
- To attract creative people, stimulate innovation and economic growth, a "Place" must have the 3 T's of Economic Development
 - *Technology*
 - *Talent*
 - *Tolerance*

"WHY REAL ESTATE IS SO IMPORTANT TO "PLACE"?"

- Current National Real Estate Trends
 - Job creation is not occurring quickly enough
 - Community tax bases are shrinking and economic growth is 2%
 - RE trends are improving in spots (NY, Silicon Valley, TX, ND)
 - Communities have many properties without stable or predictable cash flows
 - Capital is generally not available for non-stabilized RE
 - Corporate use of real estate is shrinking (with few exceptions)
- Growth Market Segments in Today's Economy
 - Innovation and technology users ("Creative Class")
 - Food production, culinary arts
 - Transportation, Logistics and Supply Chain – Rail, Air, Water
 - Med-u-Tech (Healthcare, Universities, Education, Technology)

"HOW" - THE VALUE CREATION THESIS FOR MILFORD

- Every community has excess properties lying dormant with no plan, value, or vision.
 - Closed Plant Sites, Empty Retail or Malls, Struggling mixed-use developments
 - Former Corp HQ's, Hospital Campuses, Airport Hangars, or excess land
 - Old Schools, Post Offices, Libraries, Gov't or Military, Museums
 - Downtowns, Redevelopment Districts, Brownfields, Arenas, Rail yards
- Excess/underutilized RE assets can be transformed into catalysts for "Place-Making Economic Development" and exciting "Market Stories".
- Marketing properties today requires innovation and "Market Stories" or creative ideas that stimulate new demand.
- Each community should be able to identify numerous opportunities for "new value creation and market stories" on underutilized real estate assets.
- How communities can bring a renewed sense of possibility to their market area:
 - Strategic Marketing Plans that "meet the market"
 - Collaboration on RE decisions that foster social value creation & entrepreneurship
 - Financial engineering and non-traditional capital sourcing (EB-5, TIF, EZ)
- Local stakeholders who collaborate on RE decisions "will elevate" beyond prior actions.

MILFORD - "A PLACE ON THE CUSP"

- A "Place-Making" opportunity exists for Milford based on recently contemplated infrastructure activity and key stakeholder consensus.
- Through creating new development strategies in designated growth areas, Milford will be primed for short and long term real estate demand.
- The existing lifestyle quality, local companies, and strong local public-private partnerships, will attract new users.
- Challenges for Milford and Open Discussion Items
 - How to tell the Milford story in an innovative way that creates a "wow" reaction from the market.
 - How to drive new real estate value and requisite infrastructure, gain community buy-in, and announce some initial catalyst projects to create a "market buzz".
 - Presenting a vision for the future of Milford that demonstrates value creation & entrepreneurship being evenly distributed around the City.

David J. Wilk, CRE, MAI - Qualifications

- Mr. Wilk is National Director of Corporate Real Estate and Advisory Services for Sperry Van Ness and Corporate Valuation Advisors ("CVA"). David creates value in today's market for corporations, private equity firms, developers/investors, and institutions (universities, hospitals, governmental entities) by focusing on real estate strategies that generate new earnings, cost savings and bottom line impact. With these types of value propositions, Mr. Wilk also provides valuations and market studies, economic development strategies for municipalities through repositioning key properties, and marketing/branding strategies that optimize challenging real estate assets.
- Mr. Wilk was formerly National Managing Director of Duff & Phelps Corporate Real Estate Advisory Group from 2008 through 2009 after they acquired Graystone Realty Advisors, a boutique advisory firm he founded in 1997. From 1995 to 1997 Mr. Wilk was Regional Director of Corporate Real Estate Services for Emral & Young LLP in the Middle Atlantic. From 1993 to 1995, Mr. Wilk was Managing Director of the Real Estate Valuation Group for Arthur Andersen in Philadelphia after Anderson acquired Wilk & Associates, Inc., a real estate consulting company founded in 1987. From 1977 to 1987, Mr. Wilk held senior management positions with Valuation Research Corporation, Arthur D. Little, and was National Director of Valuation Services for Kenneth Leventhal & Co in California.
- Mr. Wilk was an Adjunct Professor of Real Estate Finance at the University of Delaware Lerner Business School from 1999 to 2012. Course taught included Real Estate Finance (FINC 617), Real Estate Development & Investment (FINC 607), and MBA Real Estate Finance (FINC 854). He earned a Bachelor's Degree in Finance from the University of Delaware and is currently completing graduate work at Johns Hopkins University and collaborating with Charles J. Schike, JD, CRE and Lindsay Thompson, Ph.D on Corporate Real Estate academic studies, Social Entrepreneurship, and Place-Making economic development strategies.
- Mr. Wilk is a Counselor of Real Estate (CRE) and has been a Member of the Appraisal Institute (MAI) since 1985. He is a Licensed Real Estate Broker and Certified General Appraiser in the State of Delaware. He has also qualified as an expert witness in numerous State and Federal court jurisdictions on a national level.
- Mr. Wilk has 35 years of real estate experience on commercial, industrial, residential, agricultural, governmental, and institutional real estate projects including having worked in 48 states in the U.S., Canada, Mexico, Europe, South America, the Caribbean, Asia, and the South Pacific.
- Fortune 600 clients served have included; Johnson & Johnson, Chevron, GE, Berkshire Hathaway, Agilent Technologies, MBNA America Bank, Hercules (Ashland), DuPont, Comcast, AT&T, Exelon Energy, Bristol Myers Squibb, PNC Financial, Bank of America, AstraZeneca, Sun Company, and J.P. Morgan Chase.
- Real estate consulting highlights from Mr. Wilk's career include; Pebble Beach, Aspen Ski Resorts, 20th Century Fox Film Studios, Irvine Ranch, Madison Square Garden, Santa Anita Racetrack, Dover Downs, Elms Praterly Enterprises, Hyatt Regency & Four Seasons Resorts in Hawaii, Chevron's Huntington Beach Company, Marriott's Great America Theme Parks, Power Plant in Baltimore, Art Deco Homes in South Beach, Panayama Convention Center and Philadelphia Marriott Hotel, Comcast Cable Systems, Blue Star in Micronesia (South Pacific) and Fort DeRussy in Waikiki, Hawaii.

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