

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 11, 2016

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 11, 2016.

PRESIDING: Mayor Bryan Shupe

COUNCIL MEMBERS IN ATTENDANCE: Councilpersons Christopher Mergner, Garrett Grier III, Lisa Peel, James Burk, Owen Brooks Jr., Douglas Morrow, James Starlin Sr. and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Retiring Police Chief Keith Hudson was also in attendance.

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:02 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

SWEARING IN/POLICE CHIEF KENNETH BROWN

The ceremony commenced with Mayor Shupe acknowledging the overflow crowd in attendance for the change of command and swearing in ceremony. He said it is both impressive and heartwarming to have almost every officer from Milford Police Department, as well as officers and police chiefs from outside agencies, in attendance this evening.

Mayor Shupe then administered the Oath of Office to the newly appointed Chief of Police Kenneth Brown while his fiancé Sue held the bible and his children, Erin and Chris stood beside him. At its conclusion, Chief Brown signed the Oath of Office followed by his fiancé pinning his new chief's badge on.

Chief Brown thanked the nearly one hundred people that attended the ceremony and Mayor and Council for the honor and privilege of being able to serve in this position. He also expressed his appreciation to family and friends in attendance and to Retired Chief Hudson for his years of service. He also acknowledged the men and women of the department for their ongoing support and encouragement.

Chief Brown then presented Retiring Police Chief Keith Hudson with an American flag that was flown at the police department and removed this date, commemorating the change of command.

Retired Chief Hudson thanked and congratulated Chief Brown wishing him well; he then embraced each person at the dias expressing his appreciation for their commitment to the department over the years.

APPROVAL OF PREVIOUS MINUTES

Motion made by Mr. Brooks, seconded by Mr. Mergner to approve the minutes of the November 2, November 18, November 23 and December 8, 2015 Committee Meetings and the November 9, December 14 and December 16, 2015 Council Meetings as presented. Motion carried.

RECOGNITION

*Downtown Master Plan/Rivertown Rebirth Report/Muldraw & Associates
Adoption/Resolution 2015-02
Appointment/Rivertown Rebirth Committee*

Mayor Shupe introduced Ben Muldraw recalling the number of meetings with business owners, property owners and residents that were held to create a Downtown Master Plan.

Mr. Muldraw then provided a quick overview of what has been accomplished as a result. He said that in September he oversaw a process that was primarily funded through a grant from the Delaware Economic Development Office. He explained that a three-firm team conducted an onsite charrette process. During that time, they met with over two hundred people and on the third night, provided a presentation at Abbotts Grill.

He said a lot of people asked why should we invest in downtown and explained there is an automatic value and reliability. When we sell our story as a community, we build brand equity and cultivate the necessary motivation for investors to take a chance in our community.

The intent is to have a vision plan that will create a holistic vision for downtown. As council leads this community forward, we are able to consider every presentation and recommendation, as well as any potential project, as a part of the holistic picture in lieu of looking at it piece by piece and trying to determine if it is valid in its own little vacuum.

Mr. Muldraw referenced the following comparison of two properties in Ashville, North Carolina:

	<u>Walmart Site</u>	<u>Downtown Business</u>
Land Consumed	34 Acres	.2 Acre
Total Property Taxes Per Acre	\$6,500	\$634,000
Retail Taxes Per Acre	\$47,500	\$83,600
Residents Per Acre	0	90
Jobs Per Acre	5.9	73.7

He explained that without the ability to measure a potential development and decide whether a potential project is a good project, there is no way to know how to incentivize that project.

Mr. Muldraw emphasized the need to understand standard commercial corridors that are filled with national brands. National brands who are focused on their own personality and that personality overshadows the individual unique personality of a place.

He emphasized that Downtown Milford provides the unique character for this community. Anyone choosing to locate their business in a commercial corridor is choosing to be part of that retail environment; people taking a risk in downtown are choosing to focus on a different level of customer service.

The consultant explained that all their recommendations are made off real market potential. They look at zip codes even though a municipality does not typically consider that. The population of the primary Milford zip code is approximately 12,000 and the median age is 39. Because that is two years older than the average national median, that usually means there is a higher number of retirees in this community.

There has been an increase of 4.5% in the number of households over the past five years with almost 5,000 households in the Milford zip code.

Mr. Muldraw likes to look at retail leakage which is the comparison of what stores sell compared to what consumers in the area spend. This asks the question how we can capture the money that already exists to fuel new business in the community.

For example, we are leaking approximately \$6.2 million in the hobby/toy/game and sporting goods shops which is more than enough to support a downtown oriented business.

In addition, Milford is losing approximately \$11.6 million in clothing stores; and losing \$12.8 million in full service restaurants. The furniture, antique and home furnishings category is losing \$1.2 million.

All of these categories will fuel the kind of shopping experience we want in Milford.

He said the economic development sweet spot is the convergence of where education, safety and healthcare come together to create a prime quality of life. Safety is a huge issue in every community and having a successful force helps perceive a true sense of safety.

He noted the recent referendum that was approved to help fuel additional operational funding for our school district. In addition, there are current plans for huge healthcare developments in this community.

Mr. Muldrow said that Milford is primed and ready for economic growth because the city has been focusing on all three of those key factors for sometime now.

He is recommending the city adopt an economic development incentive policy with goals and objectives and financial incentive tools. A point system can be created so that when development projects are brought to council, points are allocated for those items council feels is important to this community. That process will be much easier moving forward in terms of cultivating business development.

Mr. Muldrow then referred to the physical design of the plan. He revealed an overall plan document that includes North and South Front Streets and the bulk of the downtown core on Walnut Street.

In downtown east, he said there have been several discussions about developing an amphitheater and outdoor park in the hook of the river. He believes that use would be very appropriate and would help this community better catalyze the idea of this being a 'rivertown'. They feel there is a major opportunity for private sector investment as a catalyst of the public sector investment.

Mr. Muldrow also stressed that any private money being invested is spurring public sector investment to go along with building a tax base. Without an increasing tax base, they will not be able to maintain it.

Also a future pedestrian bridge will help connect the two sides of the river and increase viability with residential development that has already been approved.

The appropriate architecture can engage with the river while providing some sort of restaurant usage and possibly river front dining which is something the community wants. The site on the south side of the river is a site with an approved site plan that will bring additional residential uses along the river front.

He pointed out the one problem with the site is it is treated as a single site that disrupts the street grid that exists there. Being able to use tree barriers, etc. to create a continuity and buffer between two different housing types is important to fit in that neighborhood.

Referring to the Riverwalk Plaza north of Front Street, Mr. Muldrow said the center has recently gone through a renovation and the fascia was upgraded with stone veneer that added to the columns. They are recommending some additional outdoor space for dining. That will allow the businesses in the center to grow their square footage without growing the building itself.

The downtown core comprises several different opportunity sites. One of the best is the south side of the river just east of Washington Street where the former city water plant was located. It serves the potential of a huge development opportunity.

Mr. Muldrow said that to engage in the river, he recommends giving the private sector the opportunity to develop market-driven property that helps consumers engage with the river. They recommend a multi-floor mixed use development with a first floor retail restaurant and second and third floor that can be used as an office, residential or a mixture of both.

By planting tree buffers and they start to grow overtime, it starts to minimize the impact of the structure. It also continues the feel of the adjacent parks.

The idea of creating this river place development can potentially drive a lot of high-end interest into Milford. Having the plan on the table shows the city has an aspiration and vision that is extremely high.

The east side of the municipal lot has infill development potential that directly engages the Bicentennial Park. This is another opportunity to take city-owned property and place it back on the tax rolls while giving additional opportunities to grow retail density in the downtown core.

They also heard that some of the activities in the Bicentennial Park may potentially deter people from using this space. By constructing a building that fronts the park directly adds more eyes on that space, thus creating a safer area.

Considering Park Avenue as a possible district, there is currently a menagerie of electric wires. To bury those wires would cost a tremendous amount. What they suggest is making this street more of a character-driver region and run decorative lights through the wires. Mr. Muldrow recommends taking advantage of the roof/canopy created with those lights which results in a warm, charming area.

Another important element is to show private sectors how they can invest and enhance buildings that currently exist. Milford Skating Center is a great building in terms of providing activity. Architecturally it is a big blue box. He presented a simple modification to the skating center with a change of the building color and the addition of two roll up doors that would allow them better use of their lobby space.

In the future, should this skating rink no longer be viable, it would be ready to convert into three bays for three different businesses that immediately becomes a contributor to the downtown.

His team was also very interested in the area connected to the Washington Street parking lot. They feel this is an idea site for a micro-retail development. Very small retail buildings can be added which will allow people to start a business and actually succeed because the rent is low; the square footage is manageable and this does not require a lot of merchandise.

This area will be referred to as Vinyard Village and was inspired by some things they have seen throughout the country. Currently, this area is very dark at night and with increased activity through retail and mixed uses, it will become a much more engaging place on the river.

Mr. Muldrow said the team actually designed 16x20 feet 'modular retail bays' which can be placed in two parking spaces. They can be built off site and brought in on a trailer and placed on the site. Three sizes were designed.

He emphasized the importance for the community to develop a physical space that acts as the heart of the community. He noted the number of playgrounds in Milford. But a square in the heart of downtown is a place where physical space, buildings, retail and mixed use all come together. This would be a great place to host small events and have people interact with not just green space, but architecture as well.

They feel the green area in front of 2nd Street Players Theater is the appropriate place. The designer of this site was focused on the same purpose and wanted a green space that could be used by the community. Unfortunately that did not work. It has a nice green space though it has not served as the gathering space it needs to be.

His team came up with a splash pad idea. Mr. Muldrow said some people like them and some people hate them. He emphasized this is a water feature that does not need a lifeguard.

This green space then becomes more of a plaza. In that plaza, a number of programming potentials are possible. But physically it serves as the appropriate place for this to exist because we want to preserve the tree canopy directly across the street where the farmer market is held.

Mr. Muldrow reported that they met with private business and property owners to infuse some inspiration in what their properties could look like. He referenced the art league building that was revitalized and repainted approximately six years

ago. Unfortunately the pre-treatment was unsuccessful so the paint is coming off. They showed how that building could be painted to better highlight the architectural character it has.

Mr. Muldrow then referenced the 1804 Lou's Bootery building on Walnut and Front Streets showing where he took the store front back to how it was designed in 1954. The building currently has cracking stucco, roof and other infrastructure that needs to be repaired.

He then focused on downtown west which has a main focus on Southwest Front Street. There are buildings in this area that juts out into the river that can no longer be built in that manner. He referenced the two large parking lots on Southwest Front Street. He suggests thinking of this entire square as a single redevelopment potential. For example, realigning the buildings so they re-engage the riverwalk. It could be a mixed use with a primary focus on residential. Keeping the footing that juts out into the river creates some sort of amenity that services the residential, but then consolidating a central parking lot would provide a shared resource with increased parking capacity. In addition, it sets up the potential in the future for a deck parking lot when needed.

The consultant noted the redevelopment potential right along the Warren Furniture property site. He presented a photo rendering that illustrates the relationship between public sector investment, by creating a space and private sector investment in redevelopment. They would like to see some sort of architectural element denoting this as a special district.

Having some sort of architectural standard is needed in the historic core but appropriate to scale in the downtown.

Mr. Muldrow referenced a map displaying areas where the streetscape project exists along Walnut and Front Streets and where it should be extended. In addition, the basketball courts that currently exist along the riverbank should be relocated and multiplied in the front space of the Parks and Recreation building.

He emphasized the need to maintain pedestrian friendliness and connectivity to resources for recreation in the community.

In the report, Mr. Muldrow referenced full details on how to implement a facade master plan. That allows a single source renovation or revitalization of facades throughout the downtown area. The city can also do some dynamic things by coupling things such as tax increment financing districts along with these facade improvements. This provides long term infrastructure funding mechanisms that are put in place as the work is done.

Mr. Muldrow then spoke about the importance of retail density in downtown areas. Having a service and professional presence in downtown is great, but it also creates a huge gap in retail. By dividing it, facades and new businesses/retails could be created. In addition to new micro retail opportunities, it provides more continuity along the streetscapes.

He recalled six years ago when DMI and the city adopted the new branding system. DMI was instrumental in getting the brand out to various organizations. Recently Milford School District adopted a new logo that incorporates the same word type.

Mr. Muldrow would like to take it one step further and brand this process "Rivertown Rebirth". He said everything being done to reinvigorate the downtown is captured by this idea.

He advised the final report, consisting of 108 pages, is complete. During the first week of February, an implementation summit will be held. That summit will involve a Strategy Board who will gather information from various community organizations. He will then come back on February 8th with the Strategy Board presentation.

Mr. Burk asked if Mr. Muldrow has contacted the owners of Milford Skating Center to determine if they are willing to consider his ideas for that building.

Mr. Muldrow confirmed they met with all the property owners prior to the renderings. In this case, both properties have the same owner who is very excited about the potential. The owner was amazed at the difference a very small investment in the skating center could actually make.

Mayor Shupe asked Mr. Muldrow to discuss public investment spurring private investment and what type of strategies

are recommended. He has had people ask how we will afford all of this. He has informed them that the city will make a public investment to encourage private investment.

Mr. Muldrow explained that over the past fifty years, communities have become more pro-active into the economic development arena. Certain things are needed by cities including tax base and tax revenue to drive that investment. A lot of towns do things because neighboring communities do it.

He said the question when spending money on these type situations, is how will one dollar becomes two, four or eight from an investor or business owner.

The consultant emphasized to council to think about additional investments downtown. Six years ago when he first came to Milford, there was little or no potential for the public or private sector growth along the river. Today, there is an unbelievable catalyst site along the river. Fortunately, the city controls most of that river front space.

With that in mind, a public dollar should set up the opportunity for private sector investment.

He said they are recommending city council approve the creation of a new Community Development Corporation (CDC). That corporation would operate as a 501(c)(3) with a focus on economic development. It would then be eligible for grant sources that municipalities often do not qualify for. That CDC could own, sell or give property away. These type corporations are widely used throughout the country and work together and share dynamic tactics.

When council creates an incentive package, that often puts them in a difficult place. The question is often asked why one person gets something and another person is turned down. Having something in place to control the city's destiny is important though there are many funding mechanisms such as tax increment financing districts which do not involve a tax increase, but captures tax growth that occurs in a district and goes back into infrastructure improvement.

Mr. Muldrow said there are also business improvement districts considered special taxing districts. He feels that Milford is not quite there where residents will vote a tax on themselves, but there are a number of funding mechanisms to help realize this.

He reported that the reason Milford received the grant for this process was because it had proven they could use grant money effectively. That is the reason Milford received the funding over other communities.

Mayor Shupe added that this sets Milford up for the next application of the Delaware Downtown Districts. He referred to Wilmington, Dover and Seaford and the sizable amounts of money that are being invested into each of their communities through grants and services from the State of Delaware.

Motion made by Mr. Grier, seconded by Mr. Brooks to adopt the following resolution:

WHEREAS, the City Council of the City of Milford has found that it is in the best interest of the City of Milford, its residents, visitors and business and commercial interests to promote the development of the downtown area; and

WHEREAS, the Economic Development Committee recognized the importance of a Downtown Master Plan and presented the idea to City Council who approved the concept in April 2015; and

WHEREAS, the City of Milford and the Delaware Economic Development Office entered into an agreement with Arnett Muldrow & Associates to oversee the preparation of a plan that would promote and encourage commercial development of the downtown area; and

WHEREAS, throughout the month of September 2015, city leaders, business owners, community organizations and residents met during several planning sessions to discuss the future of downtown Milford and ways to develop a holistic plan that would celebrate the beauty of the city's natural resources, encourage the ingenuity of our residents and business owners while preserving the quality of life; and

WHEREAS, the Rivertown Rebirth Report, presented to City Council on January 11, 2016, provides priorities for

Milford's downtown district and focuses on ways the Mispillion River can be used for recreation, education and arts, as well as creating and keeping a warm and inviting community; and

WHEREAS, the Economic Development Committee is hereby tasked with developing clear, definitive incentives to assist with existing and expanding businesses and attracting new businesses to Milford that will result in job creation opportunities for local residents.

NOW, THEREFORE, Be It Resolved, by The City of Milford as follows:

'Rivertown Rebirth', as presented in a public meeting on this date, is hereby adopted by the City Council of the City of Milford, Delaware

Motion carried.

Mr. Muldrow concluded by stating that he will return on February 8th.

MONTHLY POLICE REPORT

Mr. Morrow presented the monthly report on behalf of Chief Brown. He then moved to approve the report, seconded by Mr. Burk. Motion carried.

CITY MANAGER REPORT

City Manager Norenberg stated that it is an honor to be here this evening for his first meeting. He reported his first week went well.

Mr. Norenberg then referenced the public works reports from each department noting the street department did not submit one due to the absence of some personnel.

He then reported the cemetery wall project is going well and the restoration is underway. Equipment is ready for snow removal when needed and leaf collection is nearly done for the year.

Mr. Brooks asked when the leaf stops; Mr. Norenberg advised that Street/Solid Waste Supervisor Tim Webb informed him it would possibly wrap up by the end of this week.

Ms. Wilson moved to accept the city manager report, seconded by Mr. Starling. Motion carried.

COMMITTEE & WARD REPORTS

Economic Development Committee

Economic Development Committee Chairman Grier reported that his committee met last Tuesday. The main focus was incentives for the business park and how to spur development on the remaining lots. The city planner will later present some ideas for an incentive plan.

Appraisal Proposal/Masten Realty/Funding Source

Planning and Economic Activities Coordinator Rob Pierce referenced the proposal submitted by Jamie Masten to perform an appraisal on the remaining two parcels in the Greater Milford Business Park and vacant lots in Independence Commons. Once this is completed, we can more accurately represent the value of those lots.

Mr. Grier moved to authorize payment of the Masten Realty proposal in the amount of \$1,950 from economic development funds, seconded by Mr. Starling. Motion carried.

Land Installment Concept

Greater Milford Business Park Economic Development Incentive Program (attached)

City Planner Pierce explained that at the Economic Development Committee meeting, the primary focus was on incentivizing only the Greater Milford Business Park at this point. The concept may later be expanded to Independence Commons and eventually to the downtown area as the master plan is implemented.

He said the economic development incentive program is designed to foster job creation and stimulate business growth within the business park. It is based on a tiered approach with an emphasis on job creation and private investments.

Mr. Pierce said the program provides relief of impact fees and other fee waivers as well as a land installment contract.

Job creation means to calculate full-time equivalent direct jobs and count two part-time jobs as one full-time job. If the total number of part-time jobs adds up to a fraction, it is rounded up to the next whole number. Indirect jobs cannot be used for this calculation.

Mr. Pierce explained that we are already waiving impact fees based on job numbers; however, he has added another tier for thirty plus jobs.

Qualifying businesses would be audited annually for the first five years, beginning twelve months after the certificate of occupancy (C of O) is issued.

If employment falls below the stated level, the buyer becomes responsible for payment of the waived impact fees.

He noted that the city does not have the right to waive the Kent County Sewer Impact Fee. However, the city will waive the fees typically collected by our building department.

The City will audit the business annually for five (5) years, beginning twelve (12) months after the issuance of C of O. If employment falls below the stated level, the buyer becomes responsible for payment of the waived fees.

The buyer is also responsible for the payment of the Carlisle Enhancement Fee.

The City will provide a one-time waiver of Permits and Other Fees based on job creation levels as outlined in Table 1. These fees include the following:

- Building Permit Fee
- Water Meter and Service Connection Fees
- Sewer Inspection Fees
- Electric Service Connection Fee
- Preliminary Site Plan Fee
- Final Site Plan Fee
- Professional service costs associated with planning, engineering and legal review

The same five-year time frame applies to auditing (twelve months after C of O). They are also responsible for all other required local, state and federal permits and approvals.

The buyer shall be responsible for obtaining all required local, state and federal approvals and permits for the proposed improvements.

The tiered incentives are as follows:

Tier	# Jobs Created	Water & Sewer Impact Fee Waivers	Waiver of Permits & Other Fees	Audit Period for Fee Waivers
1	5-9	1	20%	5 Years

2	10-14	2	40%	5 Years
3	15-19	3	60%	5 Years
4	20-24	4	80%	5 Years
5	25-29	5	ALL	5 Years
6	30+	ALL	ALL	5 Years

He explained the focus is on job creation and an additional tier has been added. In the past, five was the maximum number of impact fees that could be waived. A business bringing thirty plus positions to the city will now have all impact fees waived regardless of the number.

Mr. Pierce also added a column for waivers of permits and other fees. That relief would be based on a percentage basis.

In addition, a business bringing thirty plus jobs would have all fees, including permit fees, waived in their entirety.

One of the new concepts discussed at the Economic Development Committee meeting was to provide a land installment contract option. The buyer will have the ability to receive zero percent financing to purchase city-owned property for an agreed-upon purchase price based on its appraisal. The buyer would then repay the city via monthly installments.

Mr. Pierce explained that in this manner, the city would retain the legal title to the property, while permitting the buyer to take possession of the land for their use.

Eligibility and length of the installment contract would be based on the job creation levels and private investment amounts. The planner recommends city council make that determination on a case by case basis.

The city would audit the business annually to ensure the full-time jobs are achieved.

Mr. Pierce proposes the required number of jobs will begin 36 months from the contract signing. If the initial job level is not achieved after thirty-six months or the employment level falls below the required level stated in the contract, as calculated over a three-year average, the city has the right to terminate the contract.

The buyer would then have two options. Surrender the land and all improvements on the property to the city or pay the remaining balance in exchange for legal title to the property.

Mr. Grier said one thing that was not discussed at the committee meeting is whether the buyer should pay the monthly payments over a twenty-year time frame at a price of \$125,000 an acre. Should that value increase to \$200,000 an acre after the first fifteen years, he asked if there is a period within that twenty years when the land can be re-evaluated or will it be kept at that fixed number.

Mr. Pierce explained the sales price of the property at the time they enter into a contract is what the installment payment will be based on throughout the entire term of the contract.

Mayor Shupe emphasized this entire concept is based on job growth. He said we do not want to provide this opportunity to someone who will take advantage of building a garage there to store their classic cars. The purpose is to gain jobs for Milford families. Ms. Wilson agreed adding that is her concern.

Mr. Grier referenced the minutes from the committee meeting which resulted from the conversation last month. He feels this is much more reasonable and fair to the city. He pointed out that this will certainly not devalue the properties in the business parks that are already developed. In this situation, the city will still get their money back and it is a way to attract businesses who will create new jobs.

He noted that when he built his carwash, he was required to have 20% of the project costs up front. Not being required to have that amount of money on a \$125,000 piece of land is a great benefit to someone planning to develop. In addition,

the cost of the lease is a deductible expense on your tax return. Not having to pay city property taxes is yet another savings according to Mr. Grier.

Mr. Grier feels this is a huge incentive to the business. He confirmed this is only being offered to potential buyers of the business park lots. It could later be considered for Independence Commons based on how it works out initially.

Mayor Shupe stressed that this will make Milford stand out when businesses are considering more than one community. He said we want those businesses bringing thirty plus jobs to a community to select Milford.

Ms. Wilson wants to make sure the incentives are fair to everyone. She does not want the incentives to be so great that it becomes a risk for the city and she does not want 'to give away our grandfather's land'.

Mayor Shupe pointed out we are not giving away anything because these businesses will be paying the city back.

Mr. Mergner said we are providing flexible alternatives to get the businesses here and started which is the hardest part for a new business.

Mr. Grier noted this is not set in stone and any of the proposal can be changed. He welcomes any other ideas council may have. He feels the new appraisal will provide some valuable information that can also be used.

Mayor Shupe added that these incentives are simply tools that will be available at such time they are needed. The big plus is to attract a business who may be considering another town to choose Milford.

The city planner noted that the loan term can always be modified in terms of five, ten or twenty years. A business may only need the assistance upfront and could be willing to pay it off early to eliminate the job creation concept.

Councilwoman Peel is curious why this incentive package is only being offered in the business park and why it is limited to one area.

City Planner Pierce explained this is the city's pilot program and only focuses on the business park to ensure the two remaining lots are developed. This same concept will be expanded to Independence Commons and the downtown area. However, the criteria will need to be amended in the downtown area and job creation would not be the main focus. It would be based on the Downtown Master Plan recommendations.

Ms. Peel wants to make sure something simultaneously is happening in the downtown area though she agrees job creation would not make sense.

Mr. Pierce said we are hoping to move forward with redevelopment incentives and new construction that is consistent with the master plan.

Mayor Shupe said that expansion of current businesses will also be included. What is being discussed is the first step with real economic development incentives and we need them in writing so they can be shared with potential investments. We are starting with city properties that we control prior to building any partnerships with private investments.

Mr. Brooks asked if this applies to Independence Commons; Mr. Pierce reiterated this only applies to the two undeveloped parcels in the Greater Milford Business Park.

Mr. Burk said his concern is the plan is standardized and that everyone will be treated the same. He does not want one applicant to be treated better than another one. He added that if that happens, it will eventually get the city in trouble.

He then asked who is making the decisions on the negotiations and added that it should be documented. In that manner, council will know who the players are.

Mr. Pierce explained that the tiered approach for the impact fee and permit waivers are spelled out based on the number of jobs. However, council has some latitude when it comes to entering into a land contracts which he feels should be based

on the amount of jobs and money the developer is willing to invest.

The planner reminded council there is a need for a scoring criteria for each item and one of the reasons they are limiting this to the two parcels in the business park.

Mr. Burk asked who will be handling the incentive negotiations and asked if it will be city council or done in house and then presented to city council; Mr. Grier feels that it should be based on the appraised value. The only item that will be negotiated will be the term length. In his opinion, everything else is set in stone. The appraised value, number of jobs and waivers are already in writing. An annual audit will be done and only the term length needs to be decided at this point.

Mr. Burk explained his question is as we move forward with this program, if we have two applicants that want the same property, who decides which applicant will be accepted. In addition, will the same incentives be offered to both applicants. He understands it is based on job creation but wants to know who is making these decisions.

The planner feels we could have a panel that oversees these applications to ensure they are scored properly before they are presented to city council for approval.

Mr. Grier said he is open to suggestions on that matter and whether it should go before the Economic Development Committee or the city manager to handle. Mr. Mergner prefers the committee idea.

Mr. Brooks asked if we are talking about thirty new jobs; Mr. Pierce stated this will be thirty new jobs in the City of Milford. Mr. Brooks questioned if an existing company wants to move to Milford and brings their current employees, would that be considered. Ms. Peel said they could be commuters or residents. Mr. Grier feels that a job is a job; thirty positions will result in new positions over the years as turnover occurs in the company.

Mr. Brooks wants to make sure everyone understands.

Ms. Wilson pointed out that the previous concept was to promote jobs for Milford residents. Mayor Shupe stated that job growth in Milford is positive. A business bringing thirty existing positions to Milford will eventually provide new opportunities in the future. Even though it come with thirty vacant positions, people will be moving in and out of the job while spending money in Milford.

When asked what action was needed, Solicitor Rutt advised that a vote is not needed this evening. He suggests something more formal be presented to council; in the meantime, he will create a land contract with options.

COMMUNICATIONS & CORRESPONDENCE

Mayor Shupe then thanked Carlisle Fire Department and Milford Police Department for their assistance at the Towers Bed and Breakfast after a vehicle hit the building and a gas line which started the fire. Both were on the scene immediately and considering the severity of the fire, it is fortunate the structure is still standing. He learned that despite the weight of the water, the floor avoided serious damage because they were made from the same materials that local ships were made from years ago.

The mayor also informed council that the public was warned today about scammers who are calling area residents and businesses claiming to be from Milford's utility department. They are informing the customer that their account is past due and unless payment is made right away, the service will be disconnected.

We informed residents that the City will never call and threaten immediate service disconnection nor do we call and demand payment via a prepaid debit card. The mayor emphasized that should this occur, the customer should call Milford City Hall and/or Milford Police Department.

Mr. Brooks said there was confusion again last week about recycling; he thanked Norman Brady for sending the recycling crew to take care of the mixup.

Councilwoman Wilson thanked everyone that has donated toward the Code Purple program which has been used on a

regular basis by at least two families. She added that the volunteers are on standby should the shelter need to be reopened.

She also invited Mayor Shupe and city council members to attend the Martin Luther King celebration at Benjamin Banneker Elementary School beginning at 11:00 a.m. on Monday, January 18th.

UNFINISHED BUSINESS

Appointment/Holiday Decorating Committee

Mayor Shupe recalled city council approving \$15,000 for updated holiday decorations. He discussed this matter with City Manager Norenberg and decided that the city electric and parks and recreation department will research what type of decorations are appropriate.

They will bring back that information in the near future.

Schedule Meeting/Charter Review Committee

Mayor Shupe announced City Manager Norenberg has agreed to oversee this project and will follow up by scheduling a meeting with the committee members previously appointed.

Approval/Date/Hungry to Help Event

Mayor Shupe recalled the discussion about this event to promote volunteerism at the last council meeting. In addition to the civic organizations that will attend, food truck vendors have also been invited.

Mayor Shupe, being a member of the Governor's Commission of Volunteerism and Community Services, hopes this event will become a pilot program for other cities in Delaware.

Also on that date, the Milford Central Academy will host students from across the region who will compete in an Odyssey of the Minds tournament. He hopes those families will take a few moments to attend this event.

He said that he, along with Mr. Burk and Ms. Peel, are assisting with the event.

Mr. Mergner announced that Milford's Honor Roll students are looking for ways to volunteer in the community. He said it is difficult for the students to find places where they can acquire the hours they need.

Mr. Mergner suggested putting something on our website so that our residents and businesses can be made aware of this need with the intent that someone will reach out and assist these students in this effort.

Mayor Shupe advised that he is working with Volunteer Delaware 50+ whose website posts nonprofit information and where volunteers are needed. On that website (volunteerdelaaware.org), individuals can sign up to view this information and volunteer at this event.

Mr. Grier moved to approve the Hungry to Help event on Saturday, March 12, 2016 from 10:00 a.m. to 1:00 p.m. at Milford Armory, seconded by Mr. Burk. Motion carried.

Approval/Mailings/Hungry to Help

Mayor Shupe said a press release will be prepared and added to the utility bills to be sent to all City of Milford customers.

Mr. Grier moved for approval to include the Hungry to Help press release in all city utility bills, seconded by Mr. Starling. Motion carried.

NEW BUSINESS

Adoption/Resolution 2016-01/Appointment DEMEC Director & Assistant Director

Ms. Wilson moved to adopt Resolution 2016-01, which removes Electric Superintendent Rick Carmean as the city's director on the DEMEC board and replaces him with City Manager Erin Norenberg. Mr. Grier moved to adopt Resolution 2016-01, seconded by Mr. Mergner.

WHEREAS, the City of Milford is a member of the Delaware Municipal Electric Company ("DEMEC"), a municipal electric company established pursuant to 22 Del. C. Chapter 13;

WHEREAS, the City of Milford is authorized to appoint an individual to serve on the DEMEC Board of Directors pursuant to 22 Del. C. § 1304(3);

WHEREAS, Article V, Section I of the DEMEC Agreement and Articles of Incorporation, grants the city authority to appoint an alternate director to serve in the absence of the director.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Milford:

- (1) The City Manager shall serve as the director representing the City of Milford on the DEMEC Board of Directors.*
- (2) The Electric Department Superintendent shall serve as an alternate director in the absence of the director.*
- (3) In the absence of the director, the alternate director shall have full power and authority to act on the City of Milford's behalf.*

Motion carried.

DMI/City of Milford Code Waiver & Approvals/Chapter 77 & Chapter 165/2016 Brewgrass Festival

Sara Pletcher, DMI Brewgrass Festival Chair submitted the following letter for consideration:

Dear Council Members:

Downtown Milford, Inc. is sponsoring the 2nd Annual Brewgrass Festival in Bicentennial and Memorial Parks scheduled for Sunday, June 12, 2016 from 12-6pm. This festival will offer live bluegrass music, food to purchase and beer tastings from local Delaware and Maryland breweries with a maximum of 500 participants.

Each participant will pay an entrance fee (\$30—pre-registered, \$40 at the door, \$5 for designated driver) and receive a souvenir plastic cup for their tastings. Food, provided by local restaurants and food trucks, will be available for purchase throughout the parks. The parks will be closed off with only one entrance and exit. We have budgeted for security. We would like to park vendor vehicles in the fenced in area where the DMI/Chamber offices were torn down on Washington Street. We will not need to close any major roadways other than the road leading into Bicentennial Park.

Enclosed are two applications for a group gathering license in each park. I've requested the license from 12-7pm to allow for clean up in both parks. Please sign and return to my attention at the DMI office when Council has approved our request. If you have any questions regarding this event, please contact me at 302.519.6767 or sara@downtownmilford.org.

Mr. Grier moved to approve the requests, seconded by Ms. Peel. Motion carried.

Introduction/Ordinance 2016-01/Change of Zone of Annexed Lands belonging to Misphillion Realty LLC

Planner Pierce recalled this proposal being reviewed by the Annexation Committee on November 23, 2015. This ordinance establishes the zoning of the annexed property which is a two-acre parcel adjacent to Brookstone Trace subdivision.

Mayor Shupe introduced Ordinance 2016-01, adding that a public hearing on the matter will be held on January 25th:

*ORDINANCE 2016-01
Change of Zone of Annexed Lands belonging to Mispillion Realty LLC
Tax Parcel 1-30-3.00-080.02
2.00 +/- Acres
Current Zone MR/Proposed Zone R3*

AN ORDINANCE OF THE CITY OF MILFORD, DELAWARE to amend the zoning map of the City of Milford by rezoning 2.00 +/- acres of real property from MR to R3 adjacent to Fieldstone Avenue in Brookstone Trace, Milford, Delaware. Present Use: Vacant. Proposed Use: Garden Apartment/Townhouse. Tax Map and Parcel: 1-30-3.00-080.02

Whereas, the City of Milford Planning Commission will consider the change of zone application at a Public Hearing on January 19, 2016; and

Whereas, Milford City Council will hold a Public Hearing on January 25, 2016 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a change of zone as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Upon the adoption of this ordinance, tax map and parcels 3-30-3.00-080.02, owned by Mispillion Realty LLC located on Fieldstone Avenue in Brookstone Trace, is hereby zoned R3.

Dates:

Planning Commission Review & Public Hearing: January 19, 2016

City Council Introduction: January 11, 2016

City Council Public Hearing: January 25, 2016

Adoption: January 25, 2016

Effective: February 4, 2016

Council will take final action following the public hearing at the next council meeting.

Planning Commission Vacancy

Mayor Shupe reminded council that the planning commission has a vacancy due to Deborah O'Neill moving outside Milford's jurisdiction. He asked that council consider possible candidates from their wards.

Approval/City of Milford FY15-16 Budget Adjustment/Tyler Technologies/Additional Services Addendum

Mayor Shupe reported that a budget adjustment in the amount of \$5,500 is needed for Tyler Technology Additional Services Addendum.

Mr. Grier questioned the amount paid for the year; Mr. Norenberg advised that typically the annual costs are \$29,000 to \$30,000. For some reason, it was budgeted at a lower amount this year. Therefore, the adjustment is needed to keep pace with the appraisal services.

Mr. Norenberg explained this is really a correction of the budget and not an increase.

Mr. Grier moved to authorize a FY15-16 budget transfer in the amount of \$5,500 from the City Administration Salary and Wages (101-1010-413-10-10) to Tax Assessor Services (101-1010-413.30-11) in the amount of \$5500.00 to pay for the Tyler Technologies Additional Services Addendum, seconded by Mr. Morrow. Motion carried.

MONTHLY FINANCE REPORT

Through the fifth month of Fiscal Year 2015-2016 with 42% of the fiscal year having passed, 44% of revenues have been received and 36% of the operating budget expended.

Mr. Brooks moved to accept the November 2015 Finance Report, seconded by Mr. Grier. Motion carried.

EXECUTIVE SESSION

Mr. Grier moved to go into Executive Session reference below reasons, seconded by Mr. Morrow:

Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements, or sales or leases of real property (City Property Lease Agreement)

Pursuant to 29 Del. C. §10004(b)(9) Personnel matters in which the names, competency and abilities of individual employees or students are discussed (Chief Kenneth Brown Employment Contract)

Motion carried.

Mayor Shupe recessed the Council Meeting at 8:53 p.m. for the purposes as are permitted by the Delaware Freedom of Information Act.

Return to Open Session

City Council returned to Open Session at 9:24 p.m.

City Property Lease Agreement

No action needed.

Chief Kenneth Brown Employment Contract

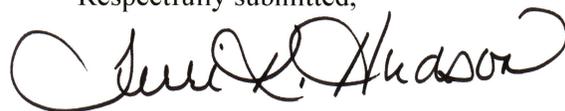
Mr. Morrow moved to present the employment contract to Chief Brown for his review, seconded by Mr. Grier. Motion carried.

ADJOURN

Mr. Mergner moved to adjourn the meeting, seconded by Mr. Starling. Motion carried.

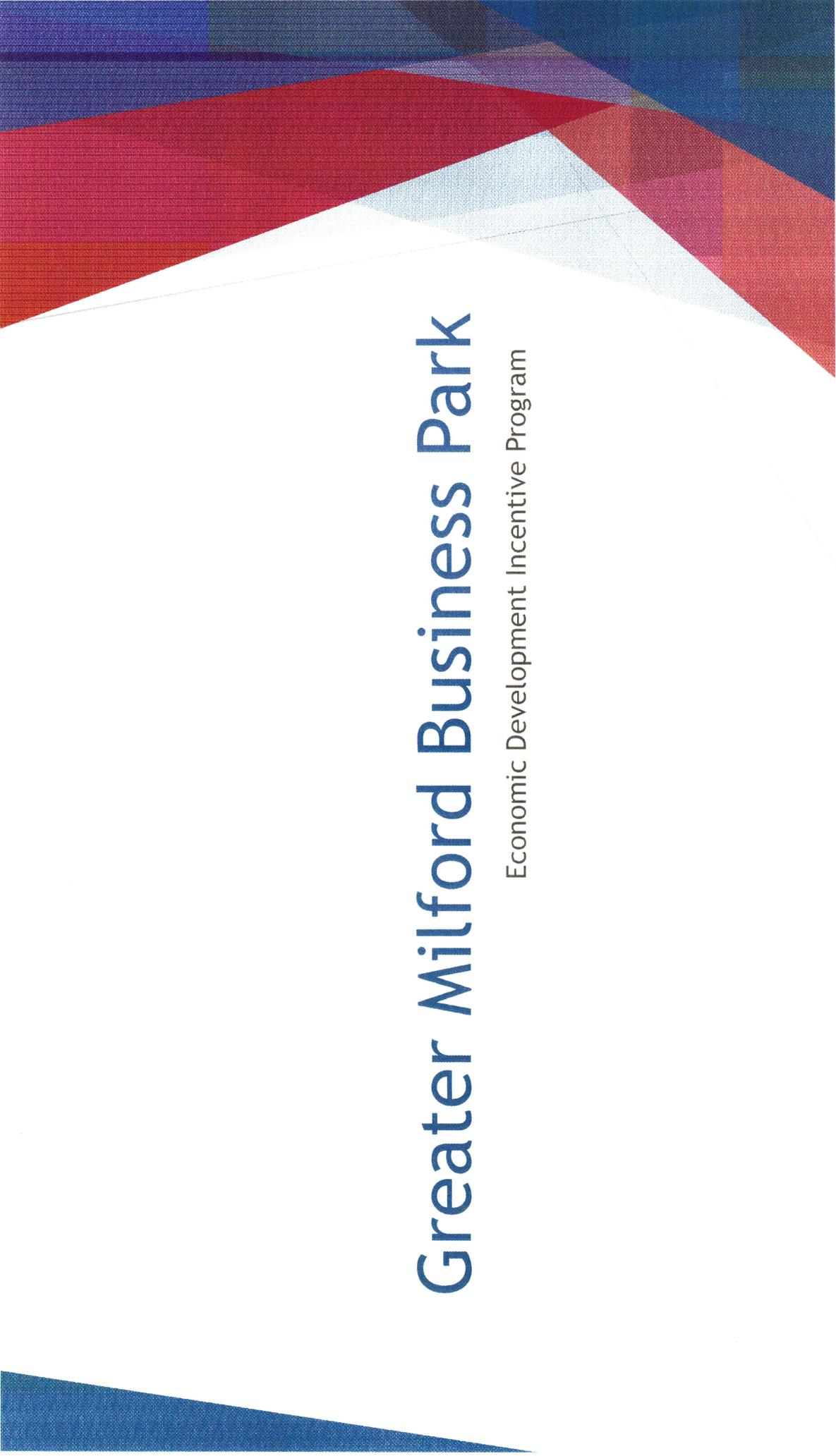
The Council Meeting adjourned at 9:26 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder

Attachment:
Business Park Incentive Presentation



Greater Milford Business Park

Economic Development Incentive Program

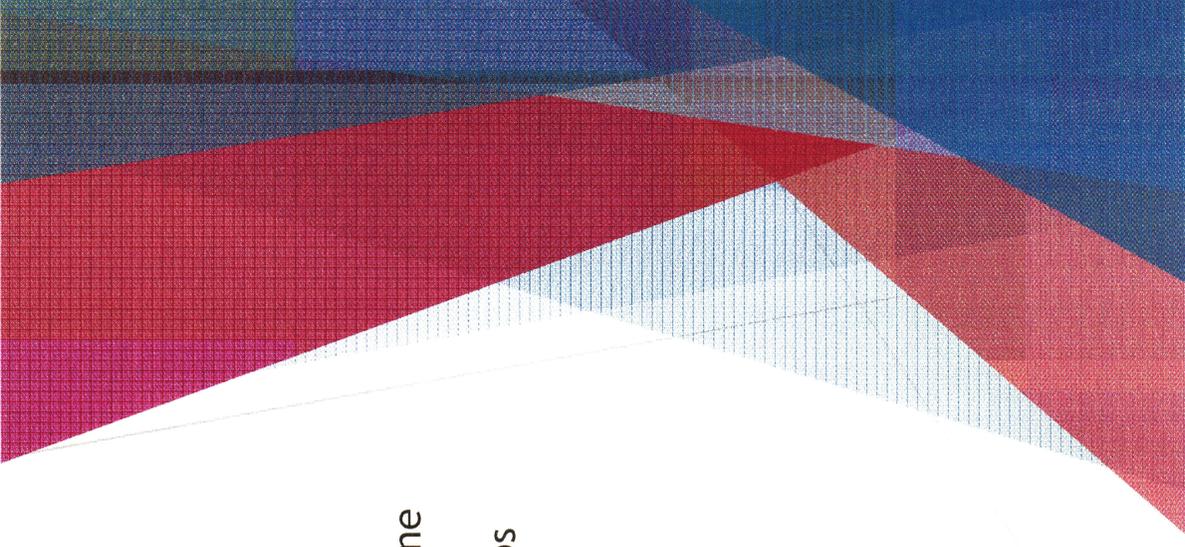
Economic Development Incentive Program (EDIP)

- ▶ EDIP is an incentive program designed to foster job creation and stimulate business growth within the Greater Milford Business Park.
- ▶ The program is based on a tiered approach with emphasis on job creation and overall private investment.
- ▶ The program provides for impact fee and other fee waivers, along with the option of a land installment contract.



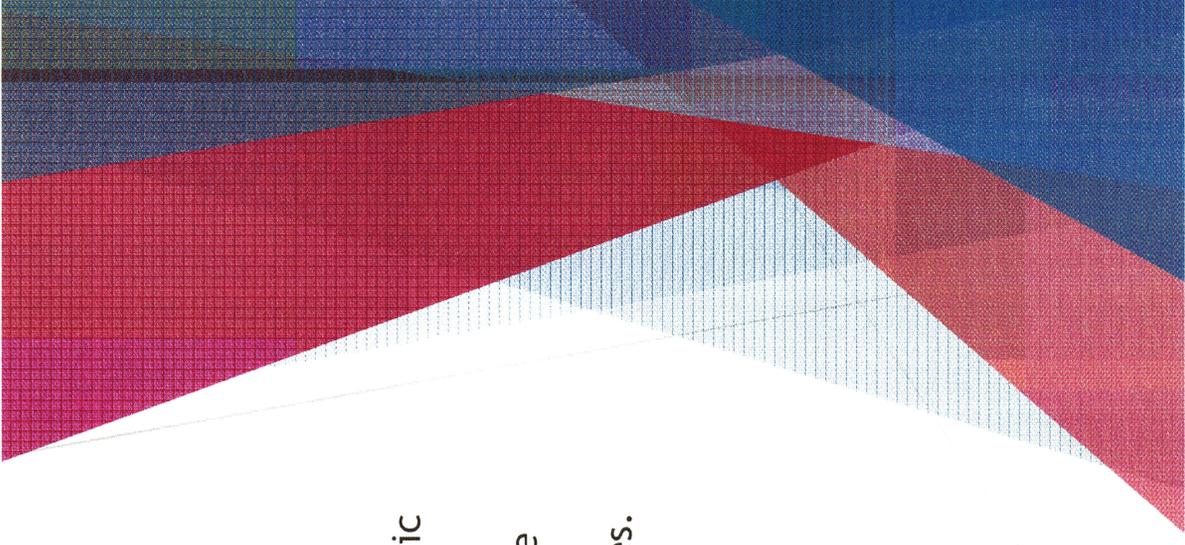
Job Creation

- ▶ To calculate full-time equivalent direct jobs, count two part-time jobs as one full-time job. If the total number of part-time jobs add up to a fraction, round up to the next whole number after combining the same. Indirect jobs cannot be used for this calculation.



Impact Fees

- ▶ The City will provide a one-time waiver of the City Water, Sewer and Electric Impact Fees based on job creation levels as outlined in Table 1.
- ▶ The City will audit the business annually for five (5) years, beginning twelve (12) months after the issuance of C of O. If employment falls below the stated level, the buyer is responsible for payment of the waived impact fees.
- ▶ The buyer shall be responsible for the payment of the Kent County Sewer Impact Fee.



Permits and Other Fees

- ▶ The City will provide a one-time waiver of Permits and Other Fees based on job creation levels as outlined in Table 1. These fees include the following;
 - ▶ Building Permit Fee
 - ▶ Water Meter and Service Connection Fees
 - ▶ Sewer Inspection Fees
 - ▶ Electric Service Connection Fee
 - ▶ Preliminary Site Plan Fee
 - ▶ Final Site Plan Fee
 - ▶ Professional service costs associated with planning, engineering and legal review



Permit and Other Fees (cont.)

- ▶ The City will audit the business annually for five (5) years, beginning twelve (12) months after the issuance of C of O. If employment falls below the stated level, the buyer is responsible for payment of the waived fees.
- ▶ The buyer shall be responsible for obtaining all required local, State and Federal approvals and permits for the proposed improvements.
- ▶ The buyer shall be responsible for the payment of the Carlisle Enhancement Fee.

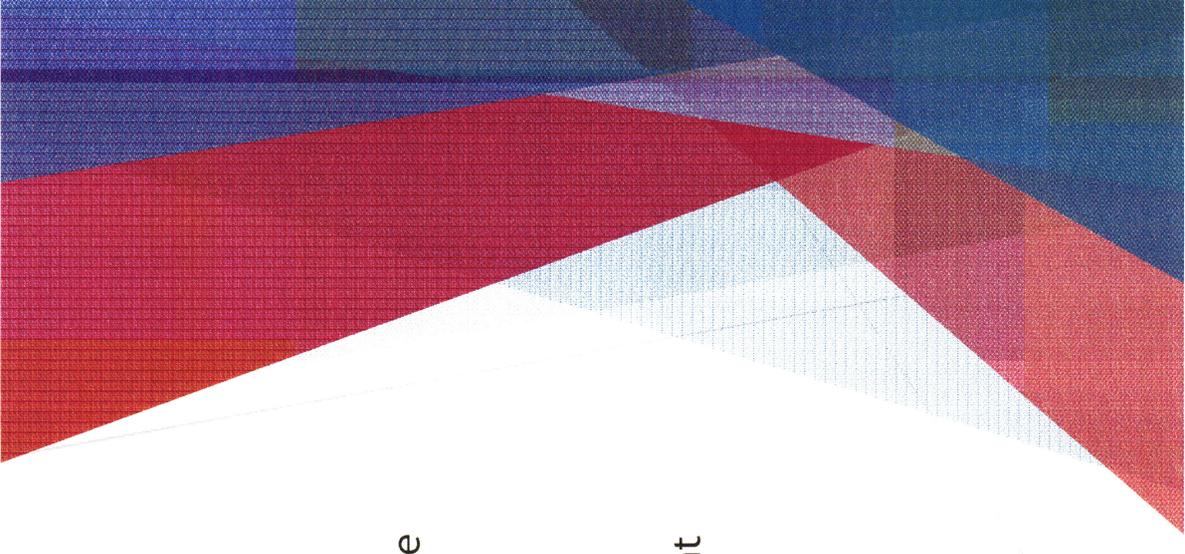
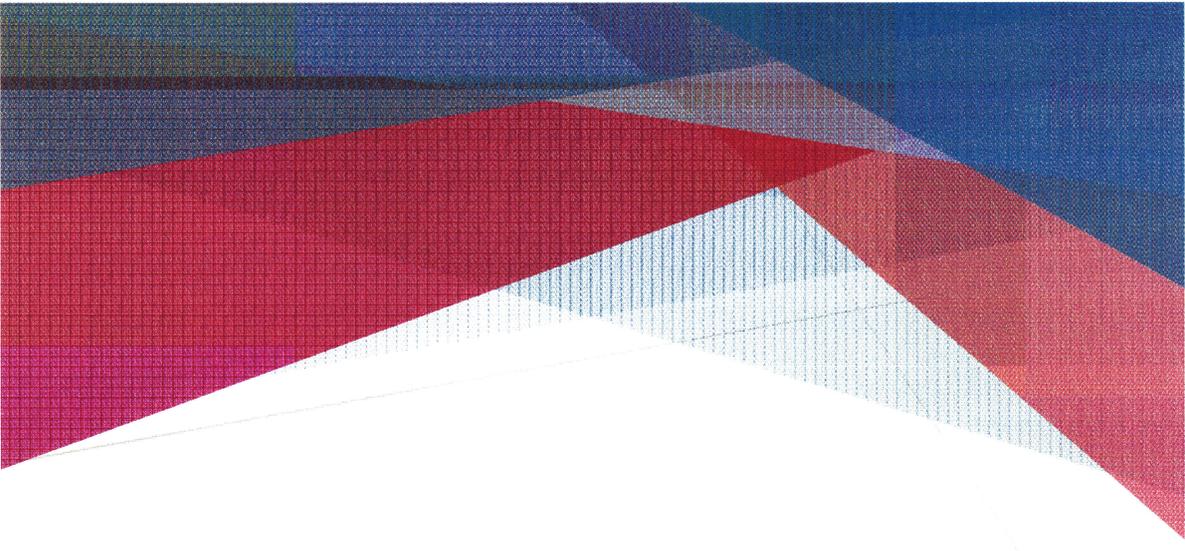


Table 1: Tiered Incentives

Tier	Jobs Created	Water & Sewer Impact Fee Waivers	Waiver of Permits & Other Fees	Audit Period for Fee Waivers
1	5-9	1	20%	5 years
2	10-14	2	40%	5 years
3	15-19	3	60%	5 years
4	20-24	4	80%	5 years
5	25-29	5	All	5 years
6	30+	All	All	5 years



Land Installment Contract

- ▶ This is a contract between the City and the buyer of real property in which the City provides 0% financing to the buyer to purchase city-owned property for an agreed-upon purchase price and the buyer repays the loan in monthly installments.
- ▶ The City retains the legal title to the property, while permitting the buyer to take possession of the land for most purposes other than illegal ownership/enterprises.
- ▶ Eligibility and length of installment contract shall be based on a combination of job creation and overall private investment amount and shall be approved by City Council on a case-by-case basis.



Land Installment Contract (cont.)

- ▶ The City will audit the business annually to ensure the number of full-time jobs are achieved. Audits will begin thirty-six (36) months from the contract signing and continue until full payment is made to the City.
- ▶ If the employment level falls below the level stated in the contract, as calculated over a three (3) year average, the City has the right to terminate the contract and the buyer has the following two options;
 - ▶ The contract shall become null and void and the buyer shall surrender all improvements on the property to the City; or,
 - ▶ The buyer shall pay the remaining balance of the installment contract to the City in exchange for legal title to the property.