

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
October 13, 2014

A Meeting of the Economic Development Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, October 13, 2014.

PRESIDING: Chairman Garrett Grier III

IN ATTENDANCE: Mayor Bryan Shupe

Committee Members-Councilmen Chris Mergner and James Starling, Sr.

City Clerk/Recorder Terri Hudson

Chairman Grier called the meeting to order at 6:03 p.m.

*USDA Revolving Fund Loan*

Chairman Grier reported the city has an opportunity to apply for a \$300,000 grant in which the city must provide a match of \$60,000. The grant is through the USDA Rural Economic Development Loan and Grant Program (REDLG). The city would then have the ability to lend out \$360,000 to small businesses. Guidelines and perimeters will be needed though Mayor Shupe and he feel those rules can be established at a later date.

He advised that Elizabeth City, North Carolina had a similar program called the Elizabeth City Downtown Improvement Grant Program. That was also a competitive program whose awards were made on a first serve basis until the funds were depleted.

Chairman Grier believes we will be able to mirror their program as we establish our criteria.

Mayor Shupe advised that he and the city manager met USDA Rural Development State Director for Delaware and Maryland Bill McGowan. Under the REDLG program, the USDA will provide \$300,000. With the city's match of \$60,000, \$360,000 would be available for loans to small businesses for start-up and/or expansion. The interest to the borrower must be below the prime rate.

Specific perimeters will need to be established and potential borrowers must meet that criteria. He feels a good objective would be the type of business the city wants to attract or the type of business that may be beneficial to the overall growth of the city.

One of Mayor Shupe's recommendations would be to fund restaurants in the downtown area. He said residents are continually asking why the businesses in downtown Milford are not open seven days a week. He believes the answer is for a restaurant to be open seven days a week. That would bring people or foot traffic downtown on weekends, including Sundays. It would then encourage other businesses, including his, to open the additional days and/or hours.

Mayor Shupe said that may be a perimeter which he will discuss at a later date.

He said in order to apply for the REDLG grant, the city must commit \$60,000 which he feels can be paid from the economic development fund. Governor Markell has appropriated \$7 million in Delaware Downtown Designation grants. The committee agreeing with his recommendation also makes the city eligible for that grant through the State of Delaware. The city is already in the process of applying for that grant. One of the perimeters of this grant will be to create a new incentive for businesses.

Mr. Grier asked the mayor to clarify 'new' incentives; Mayor Shupe explained they must be new at the time the application is submitted. We must also provide proof the city is committed to the new incentive.

Mr. Grier recalled the former city manager and the economic development committee discussing the possibility of providing loans to small businesses. However, that was never pursued because of the criteria in addition to the question of where the money would come from. At that time, there was no economic development fund though that was recently created.

Mr. Grier is hoping that the economic development director will be on board within the next month or so to help with these projects.

He feels the \$300,000 grant is vital considering the city only has to provide \$60,000.

Mayor Shupe emphasized that the funds will be available as long as the city continues to offer the support to small businesses. He said a good example would be to provide the new owners of the Warren Furniture Building money for renovations.

Mr. Grier confirmed it could be used for the expansion of a current business; Mayor Shupe stated yes.

Mr. Mergner asked what happens when the money runs out; Mayor Shupe said that is why a percentage should be added. As the city lends the money, we will earn some back. Mr. Mergner feels it is important to recoup our \$60,000.

The mayor said the intent is as the money is paid back, another business can apply for it. He would not recommend lending \$300,000 to one business; instead use smaller increments for more businesses. He emphasized the need to target certain types of businesses and to encourage job growth.

He advised that former City Planner Gary Norris did this in another city and has been very helpful with the application. The intent is for him to sit down with the committee as they review the details and criteria that should apply.

Mr. Starling asked if this would be a one shot deal per business; Mayor Shupe stated yes. He explained the USDA representative informed the mayor that a lot of small municipalities have taken advantage of this program and they have never had a problem with businesses paying back the loan.

Mr. Grier feels it is a big incentive and any bank loan will be 4.75% to 6%. SBA loans are approximately 3%. He feels if the city is lending this at 2.5%, the city can still make a little bit of money. In the meantime, this will be a huge help to a business who is trying to start up or expand.

Mayor Shupe feels that while the perimeters are established, this could involve a small loan the bank is unwilling to provide. For example, someone may need \$4,000 to expand but they are unable to qualify over the next two years.

Mr. Mergner emphasized the need to get some additional information on other towns that have done this.

Mr. Grier feels this would be a great first project for the economic development/planner. They could create a rough draft for the committee to critique.

Mayor Shupe said that one of the restrictions prohibits art purposes so it cannot be used for a program the City of Milford is starting and it has to be a private business. He pointed out that in theory, that money will be there as people make payments and account will continue to replenish itself.

He advised that only one city in each county will be provided with the grant. This year, the Downtown Designation is a pilot program. If Milford does not receive that funding this year, we can reapply next year.

Mr. Grier feels we need to jump on the USDA grants and referenced the infrastructure grant the city is receiving. Though we often have to provide matching funds, only \$60,000 is needed and in turn, we will receive \$300,000.

Mr. Starling moved to proceed with the application for the \$300,000 Economic Development Loan and Grant Program

(REDLG), seconded by Mr. Mergner. Motion carried.

Mr. Starling moved to designate \$60,000 from the Economic Development fund to be used as a match for the Rural Economic Development Loan and Grant Program (REDLG), seconded by Mr. Mergner. Motion carried.

### *City Marketing Options*

Mayor Shupe advised that at the Community Affairs and Parks Recreation joint committee meeting, there were several options considered. It was agreed it would be great for the different departments of the city to market itself. Whether television, newspapers or the internet is used, the recommendation was to pursue an ongoing marketing effort for each department.

For example, the parks and recreation department could use the spot to encourage more registrations. City hall could use it to promote an upcoming election and the electric department could inform customers of an issue in their department.

The mayor is familiar with the election notices published in the local newspapers, but feels like something like this would benefit the parks and recreation department by informing our residents of the programs available and even market the individual parks and playgrounds. He believes this is a way to entice people to visit our downtown area.

Mr. Mergner pointed out that parks and recreation is a profit center and be operated like a profit center. Marketing tools are needed to get the message out. His children are still involved in the parks and recreation programs and he does not know what programs are available unless he drives by and sees a sign that indicates sign ups are scheduled. He is fortunate to be on the e-mail distribution list but feels there is not much campaigning done to promote their programs. A flyer is passed out in the schools and he can only hope his child brings it home.

Mr. Mergner feels there should be more of an effort to get this information out. He feels we have a nice niche for what parks and recreation can offer but we need to better communicate.

Mayor Shupe agreed and referenced the opening of Goat Island and though there were a few council members there, an advertising campaign would have brought a lot more people to that event.

Mr. Mergner agreed adding that it should be done through different medias including e-mail, telephone, radio as well as facebook and twitter. He feels this is a different area of how we are made up in demographics, gender and many are not familiar with the internet, texting, etc. But we also have younger people that are tweeting and are on facebook. He stressed the importance of using all those media outlets.

Mayor Shupe recommends we create a subcommittee that focuses on those efforts. Besides the publication that can be costly, they can also concentrate on the social medias that are free. In addition, we can add something to our utility bills on a regular basis. We would have a list of events for the entire year and a schedule for providing that information in advance of the event. His goal is to be proactive and engage the public as well.

Mr. Mergner noted that his company looks at the entire year and decides what to promote each quarter. Once that is established, they determine how to communicate it. He feels that planning it out in that manner will help the budgeting factor.

Mayor Shupe explained that this was not put on the economic development committee agenda to expect the economic development fund pay for it. In his opinion, it should be paid by every department across the board.

Mr. Grier asked the city clerk where the money comes from for publications and asked if it is paid from general reserves; Mrs. Hudson explained that city hall has an advertising line item which is strictly for city hall. Mr. Grier asked if the other departments have that line item. Mrs. Hudson believes parks and recreation does but is unsure if the other departments do.

Mayor Shupe advised that the police department created a facebook page a few months ago which has been well received.

They post a number of things, including things going on at the schools, wanted persons, etc. He was really impressed with their 'ask a cop' night when they were answering live questions during a specific period of time. He noticed that most people were not complaining, but in general, were asking about things going on, projects, etc. He feels they set a good example for what can be done for the rest of the city.

Mrs. Hudson advised that Christine Crouch is working on a facebook page which will hopefully be up and running when our new website is launched. Mayor Shupe is very impressed with the new website design which looks more like a tourism site versus a government site. He feels the pictures will entice visitors to come to Milford.

He reported that they also just finished the Community Videos which will be added to the new website. They could also be utilized for marketing as well. He feels they have the potential of attracting outside businesses to come to Milford.

Mr. Grier feels there is a value to advertising on television. There are a variety of packages and he has one for his carwash that starts at \$950 a month. He feels that is a great value considering it involves a month-long advertising campaign. It would easily promote our riverwalk festival by reaching out to tens of thousands of people versus only Milford residents.

Mayor Shupe referenced Berlin, Maryland when they were awarded the Coolest Town in the United States and used that phrase in their marketing. They included pictures of live entertainment downtown, people eating at restaurants, etc. He spoke with a representative of their downtown group who told the mayor that a lot of people came to visit them as a result of that campaign to find out just why Berlin was given that award.

Mr. Mergner said we might be able to offset the cost a little bit by slightly increasing our business permitting fees. Mr. Grier and Mayor Shupe felt that was a good solution.

As an example, Mr. Mergner suggested a new business be invited to advertise an upcoming event. That business could also be included in a television ad that would entice people to visit their business. Mr. Grier suggested promoting a new business each month.

As a businessman, he likes the idea of getting something additional for a \$500 permit or so.

Mayor Shupe pointed out that when Bayhealth starts to construct their new replacement hospital, they will most likely have an ad campaign. The city could include a 30-second video on the new hospital, how many new jobs it will create and information about expanding health services. Basically, he feels it can inform people of what is happening in Milford.

Mr. Grier believes this is a great way to encourage someone who is contemplating expanding or starting a new business to come and check Milford out.

Mayor Shupe agrees that would be a great tool because in today's world, the only time Milford is mentioned by the media is when there is an arrest or some type of scandal. This will allow Milford to be promoted in a positive way.

Mr. Grier pointed out the budget for this current year is already in place but he does not want to wait until July 1<sup>st</sup> to find the funding for this. He suggests we use the economic development money over the next eight months to get the campaign started. We would then set aside money in the next budget which would be spread across the board and paid from different departments.

Mayor Shupe agrees we need to promote economic development and organizations that have festivals and events can do their own advertising. However, the city can include them in our overall strategy.

Mr. Grier asked if we want to wait until the economic development director is hired and allow that person to oversee the project and asked Mayor Shupe the time frame before they are hired. The mayor said we have received several applications and will start reviewing them next week.

Mr. Grier then questioned if they will be hired by January 1<sup>st</sup>. Mayor Shupe said that would probably be the latest date.

Mayor Shupe likes the idea of the committee and economic development director partnering to design something. However, he does not believe that will have to go before council. Mr. Grier agrees it will be good to have the committee's intentions in the minutes to ensure the idea will not die after the committee meeting.

Mr. Mergner asked if Downtown Milford is part of the city or a separate entity. Mayor Shupe explained it is a nonprofit group that promotes downtown. However, the city provides funding in the amount of \$40,000 per year over the next five years. Mr. Grier pointed out the \$40,000 basically covers the salary of their director.

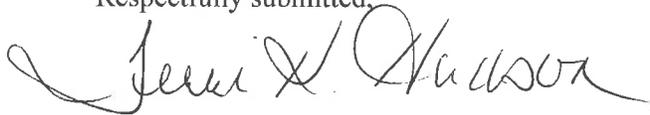
It was noted that DMI is a separate entity and similar to the chamber of commerce.

Mr. Mergner suggested they help in this endeavor as well.

With no further business, Mr. Grier moved to adjourn the meeting, seconded by Mr. Mergner. Motion carried.

The Economic Development Committee meeting adjourned at 6:44 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Terri K. Hudson". The signature is written in black ink and is positioned above the printed name.

Terri K. Hudson, MMC  
City Clerk/Recorder