

## Council Agenda Report

**Date:** May 23, 2016

**Prepared and Submitted by:** Sandra Tripp-Jones, City Manager 

**SUBJECT:** Council Goals

**Recommendation:** That Council:

- A. Adopt the following five (5) goals for FY 2017:
  - 1) Strengthen financial health of the City,
  - 2) Address housing blight,
  - 3) Promote economic development,
  - 4) Advance Sailwinds development project,
  - 5) Reduce Crime;
- B. Consider implementation plans;
- C. Direct staff to include implementation plans in the FY 2017 Proposed Operating and Capital Budget.

**Discussion:**

On April 20, 2016, Council tentatively approved five (5) Council Goals for FY 2017 as follows:

- A. Strengthen financial health of the City
- B. Address housing blight
- C. Promote economic development
- D. Advance Sailwinds development project
- E. Reduce Crime

Council also prioritized potential implementation action plans with the exception of those for "Reduce Crime." If four implementation action plans are added for the crime reduction goal, the possible implementation plans total 16 at a cost of \$2,184,000.

In the FY 2017 Proposed Operating and Capital Budget, there is a total of \$50,000 reserved in the Commissioners' Budget for Council Goals implementation actions. Staff has reviewed the 16 potential implementation plans and identified those that can be done without additional resources and those that will need additional resources.

- Exhibit 1 lists the priority implementation plans with costs and how additional resources would be used.
- Exhibit 2 lists those implementation plans that would require additional resources and recommends how they can be funded.
- Exhibit 3 is a discussion of a different approach to Economic Development Implementation Plan 43 re business attraction and support for Advancing Sailwinds.

**Exhibit 1**

<b>Goal/Strategy</b>	<b>Implementation Plan</b>	<b>Cost</b>	<b>How new resources will be used</b>
General Strategy	1. Adopt Fiscal Policies	\$0	
Increase Revenue:	6. Sell unneeded properties	\$0	Future policy decision
Reduce Costs	58. Task RFC with finding ways to reduce costs.	\$0	
Demolish condemned houses	23. More dollars for demolition	\$40,000	Av. cost per demolition using City staff for some of work: \$5000. Proposed budget includes \$30,000. Funding for more is dependent on number of demos.
Get more properties onto tax rolls	27. Cooperate with County on selling vacant property and facilitating lot-line adjustments.	\$0	Staff developing policy recommendations to facilitate lot line adjustments.
	59. Purchase tax certificates as buyer of last resort to take control of properties in the City.	?	Rather than purchase tax certificates, it is possible that the City pay only the County's \$2,500 transaction costs after the County has attempted tax sale and direct sale of property. \$10,000 would pay for 4 properties.
Avoid decline of vacant houses to point of condemnation	31. a. Research enforcement policies and tools for more effective code enforcement.	\$0	\$0 reflects only the research but not necessarily any new enforcement programs.
	31.b. Develop a housing blight reduction program, in coordination with the County.	\$0	\$0 reflects only the program development but not necessarily any new programs. Can include consideration of Dale Green's potential plan.
	32. Increase code enforcement capacity	\$45,000	Additional Code Enforcement Officer who could

	so that it is more proactive.		concentrate just on houses that need demolition, blighted property that is salvageable but needs quick action, commercial businesses that have issues, work with Dorchester Co. on the disposal of properties.
General Strategy	40. Add advertising dollars to Marina budget and direct Long Wharf Committee to advise on its use.	\$10,000	Long Wharf Committee has recommendations for advertising.
Attract businesses – increase employment base.	43. In collaboration with the County, hire a business attraction professional, possibly under direction of joint committee or Economic Development Commission or Corp.	\$65,000	Note that current budget for vacant Economic Development Director position could be used for this.  See Exhibit 3 for different approach.
General Strategy	46. Proceed with Sailwinds Wharf repair	\$2 million (est.)	City already has \$4 million in grants but will need an additional est. \$2 million. The City has a local line of credit for this. Council could consider directing staff to seek grant funding to reduce the amount that would have to be borrowed.
	60. Bike patrol	\$6,000	Training and equipping 3 current officers: \$6,000. Adding a dedicated bike patrol officer would cost \$68,000
	61. Neighborhood Watch program in every neighborhood	\$0	Current budget includes establishing a minimum of 4 programs. See Exhibit 1 to this report.
	62. Exploration of how to reduce crime through meetings between the Chief, Sheriff and State's Attorney	\$0	\$0 reflects only the exploration but not necessarily any actions that follow.

	63. Crime analysis software <i>Suggested by Chief</i>	\$8,000	
<b>TOTAL</b>		<b>\$2,184,000</b>	

**Exhibit 2**

Action Plan	Net Cost	Rec'd Revenue	Net Cost from CC \$	Comments
23. More dollars for demolition	\$40,000			\$30,000 for an appropriated reserve for demolitions and/or property purchases, to be approved by City Council as opportunities arise.
59. Purchase tax certificates as buyer of last resort to take control of City properties.	?		\$31,000	
32. Increase code enforcement capacity so that it is more proactive.	\$45,000	\$45,000	\$0	Would add 1 full-time Code Enforcement Officer  Funding approach: increase Rental Registration Fee from \$40.00 to \$55,000.
40. Add advertising dollars to Marina budget and direct Long Wharf Committee to advise on its use.	\$10,000	\$10,000	\$0	Increase Marina revenues estimate by \$10,000 and increase Marina operating budget – advertising by same.
43. In collaboration with the County, hire a business attraction professional, possibly under direction of joint committee or Economic Development Commission or Corp.	\$65,000		\$0	Different approach – See Exhibit 1  To expand Economic Development Strategy and develop marketing package with County. Funds are available in the proposed Economic Development operating budget.
46. Proceed with Sailwinds Wharf repair	\$2 million		\$0	Seek grants to avoid drawing down on letter of credit.
60. Bike patrol	\$6,000		\$6,000	
61. Crime analysis software	\$8,000		\$8,000	
<b>TOTAL</b>			<b>\$50,000</b>	

## Economic Development and Sailwinds

### Economic Development:

Potential Implementation Plan No. 43 reads:

In collaboration with the County, hire a business attraction professional, possibly under direction of a joint committee or Economic Development Commission or Corporation. In prior reports, I identified the dollars in the proposed Economic Development budget now designated for an Economic Development Director, as a possible funding source for this implementation plan.

Since the time of first drafting this potential implementation plan, staff has met with Anirban Basu of Sage Policy Group. In discussing potential joint efforts with the County and the goal of business attraction, he made the following suggestion:

- Expand the City Strategic Economic Development Plan to include the County;
- Incorporate an inventory of vacant industrial properties (developed and undeveloped);
- Organize data from plan into an industrial properties marketing package;
- Contract with a real estate broker (Sperry Van Ness) in Salisbury which has been very successful in attracting like businesses to that area to market vacant properties where owners are wanting to rent or sell their properties.

County Manager Jeremy Goldman is very open to this idea. The project was shared with the City Economic Development Committee on 5-20-16 as well, and received general endorsement. The Committee also discussed:

- Exploring with Mid-Shore Regional Council, funding for such a joint project, possibly including funding for broker fees subsidies;
- Putting it under a joint City/County Committee as a pilot for a City/County Economic Development Commission or Corporation, staffed with existing City and County staff;
- Exploring whether a workforce training program option through the Tech Center and/or Chesapeake College could be developed as part of the "marketing package."

I recommend this approach over hiring a business attraction professional. I think it will be more effective and certainly will cost less. It will also facilitate our collaboration with the County and provide a vehicle for working out how the City and County can more closely join its economic development efforts.

Advance Sailwinds:

During the visits to other projects, we learned about the importance of the presence of more people with disposable income to the success of the project. This was often expressed as residential projects and/or employers nearby. Attracting more businesses with their employees is necessary to the success of Sailwinds as well as to that of downtown and other businesses. So that underscores the value of the business attraction strategy.

I also learned the importance of redevelopment/economic development professionals to manage projects. Fredericksburg was a very good example of this. I ask that Council recognize that the Economic Development Director position in the proposed budget will be the Sailwinds Project Manager and will be recruited for those skills and perhaps be a contract employee. Council may wish to make this an additional Implementation Plan for Advancing Sailwinds, to be funded from the proposed Economic Development operating budget.