

Economic Development Working Group

Friday, February 24, 2017

MEMBERS PRESENT:

Dr. Mark Brainard, Co-Chair

Mr. Rod Ward, Co-Chair

Honorable Bernice Whaley, DEDO Director

Ms. Doneene Damon

Mr. Mark Kleinschmidt

Mr. Nick Lambrow

Mr. Jim Maravelias

Mr. Terry Murphy

Ms. Mona Parikh

Honorable Brian Pettyjohn

Mr. Albert Shields

Honorable Bryon Short

Ms. Richelle Vible

Honorable Jack Walsh

Honorable Lyndon Yearick

ALSO PRESENT:

Honorable Kim Williams, State Representative, 19th District

Delaware Economic Development Office

Mr. Cerron Cade, Deputy Director

Mr. Lawrence Lewis, Deputy Attorney General

Ms. Christina Dirksen, Strategic Communications Manager

Mr. Jeff Lawrence, Web Developer

Ms. Cindy Rule, Communications Coordinator

Others Present:

Mr. Andy Lubin, Delaware Council on Development Finance

Mr. Bob Perkins, Delaware Business Roundtable

Mr. James DeChene, Delaware State Chamber of Commerce

Mr. Joe Fitzgerald, New Castle County Chamber of Commerce

Mr. Bob Coy, Jr.

Mr. Martin Willis

Mr. Brad Wenger, Delaware Hotel and Lodging Association

Ms. Meghan McGlinchey, Governor's Tourism Advisory Board

Mr. Will Minster, Downtown Visions

Mr. Van Hampton, First State Community Loan Fund

Mr. Bill Sullivan

Mr. Bob Byrd, The Byrd Group

Mr. Jeff Marcell, TIP Strategies (via teleconference)

Mr. Jon Roberts, TIP Strategies (via teleconference)

Mr. Alex Cooke, TIP Strategies (via teleconference)

LOCATION: Delaware Technical Community College, 300 N. Orange St., Wilmington.
Delaware 19801

TIME: 1:00 p.m.

CALL TO ORDER:

The meeting was called to order at 1:00 p.m. by Rod Ward on Friday, February 24, 2017 at 1:00 p.m.

Introductory comments from Governor Carney

What do we have to do to make Delaware's economy stronger? Taking into consideration all the changes made. Narrowing out the middle class; jobs lost over the years.

It became very clear as we had this discussion through the campaign, the economy of our state is very different. The competition for new economy jobs is greater than ever. We learned a lot last year when DuPont and Dow announced they would be merging and then splitting into three

separate companies. We found ourselves in competition with Iowa, Indiana, and Michigan for those jobs, and we learned all the factors into decision making process.

If we are going to compete aggressively every day, we need to do things differently. Looking at different approaches. The idea is to create a public-private partnership to make our economic development office sharper, more entrepreneurial, more streamlined for the transition in our economy. Something more focused to help entrepreneurial vision. Ultimately, put Delaware business leaders, government leaders, and leaders of labor together. One thing we can do, because of Delaware's small size, something better than anyone is to have this kind of partnership across the traditional boundary line.

Look at what other states are doing. More generally, look at the current responsibilities of things: what are the things we can do better? It's going to require private sector commitment and a broader view of each one's individual role in the economy.

What are our economic development efforts going to look like in the future? How can we remake it in a way that is better? Expenses are growing faster than revenue. We've got to be able to compete. Are all the things that we're doing, the right things to be doing at this time? Do we do enough to create an ecosystem of entrepreneurship?

Member Introductions and Comments

Rod Ward and Mark Brainard, Co-Chairs of the Working Group, provided an overview of the timetable for the work and the meeting schedule.

Each member of the Working Group introduced themselves and provided a brief description of their connection to economic development and their interest in this endeavor.

Bernice Whaley made a power point presentation overviewing the operations of the Delaware Economic Development Office, including structure, staffing, budgets, statutory and additional responsibilities, existing grants, loans, bonds and programs. Her presentation slides can be viewed at: http://inde.delaware.gov/dedomisc/DED0_EO1.pdf

Documents distributed at the 2/24/17 Working Group meeting can be found on DEDO's website on the Notices & Meeting Minutes page

<http://dedo.delaware.gov/News/Notices-Meeting-Minutes>

Andy Lubin presented an overview of Delaware's Economic and Financial Advisory Council.

Introduction of TIP Strategies

Jeff Marcell introduced TIP, which has worked with cities, counties, regions, and states to help them think through their workforce development and economic development strategies. TIP has worked with the Delaware Roundtable on the Delaware Growth Agenda and is excited to work with everyone in the room on this important task.

Jeff Marcell described his experience in leading an economic development P3 in King County, Washington. He is very impressed with the representatives that are on this working group,

including leaders from the government sector, education sector, organized labor, private sector, health care, and non-profit sector.

Jon Roberts described his state-level work experience in Washington and Texas. TIP's goal is to act as a facilitator and make sure that the information that the Working Group gets is timely and relevant.

Alex Cooke introduced himself and commented on his experience at the Texas Department of Economic Development. Alex was the project manager working with the Delaware Business Roundtable on developing the Delaware Growth Agenda.

Bob Coy introduced himself to the group and talked about his prior experience running Delaware's economic development program and recent tenure leading CincyTech.

Jeff Marcell talked about the role of the consulting team in this effort. TIP will facilitate the four (4) meetings of the working group; serve as an advisor to the group; provide expertise and research; and will pull together all the recommendations from this group to a single document that will be presented to the Governor. The consultants will not draft the legislation.

Tasks the Working Group is expected to perform based on Governor Carney's requests:

1. Policy recommendation for organizing a P3 for economic development that includes tasks and activities of this group.
2. Governance structure and an estimated budget for a P3
3. Implementation process and timeline for establishing this organization
4. Drafting necessary implementation legislation

The final report is due April 7.

The schedule for the four meetings:

1st meeting | February 24, 2017 - Level setting

2nd meeting | March 6, 2017 – Working session

3rd meeting | March 31, 2017 – Working session – review key points, observations and conclusions

4th meeting | April 4 or 5, 2017 - 2-hour session – review final report

1st meeting goals:

- setting the stage
- meeting and introductions
- understanding the tasks ahead
- getting grounded on the economic development activities in the state now
- beginning to think about next steps and the kinds of questions we should be asking ourselves as we move forward with this work.

2nd meeting – March 6th – ½ day workshop

TIP facilitates the meeting in person. It's a critical day for everyone to attend. This is going to be the foundation of this entire project. The Working Group will discuss the P3 approach in various states, talk about the positive things, the best practices, but also will talk about challenges of organizations in other states. Mike Downing, Director of the Missouri Department of Economic Development, will share his insights on economic development P3s.

3rd meeting – March 31st – 3 hours: TIP facilitates the meeting in person. The group will review the draft findings and recommendations for a potential P3. We will gather feedback of what's been put together to make adjustments and changes to the recommendations that will be part of the report.

4th meeting – April 4th or 5th: TIP will call-in and review the final recommendations to the group for its approval.

Jon Roberts described the five key questions we will ask the Working Group to address at the next meeting.

- How broad should the mission of the new organization be?
- Are there examples among other states that you feel we should follow?
- How do you propose incorporating DEDO's functions into the new organization?
- What are the additional funding sources you think could come into play?
- What is the regional impact (or benefits) of this new organization? (i.e., Philly, NJ, MD, and NY)

Public Comment

- 1) Brad Wenger - Delaware Hotel and Lodging Association. Mr. Wenger presented the working group with a letter outlining the contributions the tourism industry makes to Delaware's economy.
- 2) Megan McGlinchey - Riverfront Development Corporation and the Governor's Tourism Advisory Board. Ms. McGlinchey emphasized the important role of tourism on Delaware's economy
- 3) Van Hampton – First State Community Loan Fund. Mr. Hampton discussed the role of the First State Community Loan Fund in providing capital to small businesses. He pointed out that the FSCLF was involved in 111 of 175 loans made through the Delaware Capital Access Program.
- 4) Mr. Martin Willis. Mr. Willis discussed his thoughts that the state regulations on the Coastal Zone Act need to be changed to improve economic development. He stated that the CZA was not meant to leave “industrial graveyards” in Delaware, and that too many economic development opportunities are “left on the table” because of the CZA regulations.
- 5) Will Minster – Downtown Visions. Mr. Minster encouraged the working group not to forget about microbusinesses. He would like the group to look at the opportunities that build successful downtowns. He expressed concern that partnerships involved with the Downtown Development Districts programs involved significant funding going to large developers. He would like to see a more “bottom up” approach to economic

development, including a specific focus on retail recruitment and bringing small retail to Delaware.

- 6) Bill Sullivan – Mr. Sullivan spoke briefly to underscore the importance of tourism to Delaware’s economy. He also encouraged the working group to “find a suitable home” for the Delaware Tourism Office, which currently operates within the Delaware Economic Development Office.

ADJOURNMENT:

Rod Ward and Mark Brainard adjourned the meeting at 3:00 p.m.