

## **ECONOMIC DEVELOPMENT COMMITTEE**

The Economic Development Committee met on May 24, 2017 at 2:01 p.m. with Mayor Christiansen presiding. Members present were Mr. Cole, Mrs. Mitchell (departed at 2:18 p.m. and returned at 2:20 p.m.), Mr. Hugg, Mr. Moore (DDP), and Mr. Hammond (arrived at 2:04 p.m.). Mr. Hare and Mr. Sheth were absent.

### **AGENDA ADDITIONS/DELETIONS**

**Mr. Moore moved for approval of the agenda, seconded by Mrs. Mitchell and unanimously carried.**

### **Presentation - Starting a Small Business Incubator (Dr. Michael Casson - Delaware State University UCEDIT)**

Dr. Michael Casson, Jr., Director, Delaware State University Center for Economic Development and Trade (UCEDIT), advised members that he had approached Mayor Christiansen a couple of months ago regarding the possibility of a partnership to create an incubator in the City of Dover. He indicated that incubators and accelerators are quite prevalent throughout the United States and have demonstrated much success. Dr. Casson stated that the potential for an incubator would always rise to the surface when thinking about what can be done in the City of Dover to spur economic growth and support small business growth.

Dr. Casson reviewed a presentation entitled “Starting a Small Business Incubator: Feasibility approach.”

Dr. Casson noted that the first step in developing an incubator would be to provide services, which could be done initially without a facility to begin to get momentum. He advised that these services could be continued while looking for a facility.

Mr. Hammond questioned if Dr. Casson was referring to an incubator without walls, and Dr. Casson stated that he was. He indicated that it would be important for an incubator without walls to be part of the full incubator plan for perhaps 18-24 months, after which there would be the ability to move into a physical establishment.

Mr. Moore asked if Dr. Casson was proposing to do a feasibility study to identify types of companies. Responding, Dr. Casson indicated that he was, if the Committee was committed to exploring this and trying to see if this would be a good fit for the City. Mr. Moore questioned if this was something that Dr. Casson and/or Delaware State University (DSU) does. Dr. Casson stated that this could be done as part of UCEDIT and funded through the Economic Development Administration.

Mr. Moore questioned if Dr. Casson was trying to target which companies and start-ups would be successful in the City based on other companies that are currently here and services that are needed. Responding, Dr. Casson advised that he was and that it would include the cost of doing business here. He stated that technical services could be offered by DSU or within the City. Dr. Casson advised that expertise would be tracked down and a plan would be created around this. He advised that the facility itself can often be an obstacle for many cities and that an incubator without walls

would be doable for much less cost. He stated the importance of coordinating some of the efforts currently occurring throughout the City and County.

Mr. Cole asked if the focus was on a partnership between the City and DSU. Responding, Dr. Casson advised that it would be about collaboration, with a combination of public and private entities working together. He stated the need for a lead, noting that DSU could take the lead in terms of the feasibility study. Dr. Casson indicated that there would then be a need to move into what the management or entity structure of the incubator would be and determine where the leadership roles would be housed.

Mrs. Mitchell questioned where the financing was expected to come from. She noted that Dr. Casson had mentioned that failure in this type of undertaking sometimes results from not managing money and cash flows. In response, Dr. Casson advised that there are a variety of different ways to finance, noting that some incubators use a percentage of royalties, some have rental space, some use a combination of grants, and some use fee-for-service training. He noted that financial mixes can be used to help support the revenue streams.

Mr. Hugg stated that doing a feasibility study would be the first step. He asked what early commitment was needed from the City and if this would be a financial commitment or just an endorsement from the City that indicates that DSU would do this and come back to the City with a report that would start to outline what the questions are. Responding, Dr. Casson stated that UCEDIT would commit to providing professional expertise and asked the City to consider supporting a graduate student stipend for the six (6) months that it could potentially take. Mr. Hugg asked what this cost would be for the City, and Dr. Casson estimated that it would cost \$2,000 or \$3,000.

Mayor Christiansen indicated that this was a great concept and advised members that the County was looking at doing basically the same thing. He suggested that Mr. Hugg, Mr. Hammond, and Dr. Casson have a meeting at the earliest possible time with Mr. Mike Petit de Mange, Kent County Administrator, and Mr. Jim Waddington, Kent County Director of Economic Development, to discuss this. Mayor Christiansen suggested comparing notes to see how the City and County could move forward on this together. He stated that he thought he heard the County mention, when talking about the initial concept, that they had space available. Mayor Christiansen advised that if the County had space and the City had the good intentions and spirit to join them, together they could make this happen. He indicated that the City had collaborated with Kent County and he would like to continue that partnership, noting that this would be beneficial to the City and to the County. Mayor Christiansen noted that, if there was any financial responsibility, it would probably be spread across many shoulders rather than place on one (1) entity.

**Mr. Moore moved to recommend that there be a meeting held with the County to determine a path forward, seconded by Mr. Cole and unanimously carried.**

Dr. Casson noted that he had spoken about this matter with Mr. Waddington, informed him of the presentation, and walked through the space at the County.

Mayor Christiansen informed members that he had obtained a commitment from Mayor Mike Purzycki of Wilmington to come to Dover to discuss the successes and failures of Wilmington regarding economic development. He expressed the desire to have a joint meeting of the Downtown Dover Partnership (DDP) and the Economic Development Committee where Mayor Purzycki could come and offer insight into successes and failures in the City of Wilmington.

Mr. Moore stated that a portion of the DDP was already planning to go to Wilmington to talk about economic development, so the DDP may already be doing this. He expressed his belief that Ms. Diane Laird, State Coordinator, Downtown Delaware and member of the DDP Board of Directors, may be doing this, noting that he would find out who else was participating and advise Mayor Christiansen. He indicated that he supported doing this, whether as two (2) separate efforts or as part of an Economic Development Committee meeting.

Dr. Casson stated that he and colleagues at DSU wanted to bring before the Economic Development Committee the possibility of a small business website initiative for the City of Dover. He noted that a pilot was done with Mr. Ken Anderson, Director for Entrepreneurial and Small Business Support, State of Delaware, as well as Ms. Laird, for the Town of Middletown. Dr. Casson explained that small businesses have a lack of web presence, which is the revenue generator of the future, and DSU saw fit to bring a program that supported small businesses in the development of their websites. He indicated that DSU has a mobile entrepreneurship training bus, which had been parked in downtown Middletown, and four (4) small businesses in that area hopped on the bus for an eight-week training program. Dr. Casson advised that, at the end of the eight (8) weeks, these businesses had functioning websites. He noted that one (1) person from the town also went through the training, for capacity building. Dr. Casson indicated that DSU learned many lessons from the first pilot, and they were ready to move forward with the actual rollout. He expressed the hope that the City of Dover would consider being the first rollout town as DSU takes the bus on a tour of towns across the State.

In response to Mayor Christiansen, Dr. Casson advised that there would be no cost for the program.

Mayor Christiansen asked where the bus would be set up. Responding, Dr. Casson indicated that the bus was set up in the town's parking lot in Middletown and store owners walked to it. He noted that it could be set up anywhere where the bus could be parked.

Mr. Hammond suggested using the Loockerman Way Plaza.

**Mr. Hammond moved to recommend entertaining the idea of participating in the small business website initiative, seconded by Mr. Cole and unanimously carried.**

Mayor Christiansen asked that Dr. Casson coordinate this with Mr. Hugg. He asked Mr. Moore to instruct the Executive Director of the DDP to put the word out about what the project would encompass.

Dr. Casson advised that he could send the specifics of the eight-week program to be disseminated. He noted that a date for the project could be decided.

Mr. Moore asked if the project would be held in the summer or fall. Responding, Dr. Casson indicated that the program in Middletown was held in the fall; however, it ran into the winter and had to be extended to 12 weeks due to holidays and snow days.

Mr. Moore asked if DSU was thinking about late summer or early fall, and Dr. Casson indicated this would be a good time.

Mr. Moore stated his understanding that Dr. Casson was talking about a mobile vehicle that would help people with websites. In response, Dr. Casson explained that they would park the bus and, after eight (8) weeks, the participants who currently do not have a website would have a fully functional website. He stated that those who have a website that is not optimized would have their website optimized through DSU's consultants.

Mr. Moore questioned who would provide the training. In response, Dr. Casson indicated that it would be a combination of Nuts and Bolts Web Design, a group out of Wilmington, and information technology people from the DSU campus.

Mr. Moore asked if the participants would be trained to do website work or if the work would be done for them. Responding, Dr. Casson indicated that before they get on the bus, participants would receive an assignment in order to make sure that they have the documents, tools, and understanding needed for the first day. He noted that once they get on the bus, they would go through a curriculum with the instructor and would have a website at the end. Dr. Casson stated that the consultants would stay with participants throughout the course of the year to make sure that everything is going well for them, and they would then be released. He indicated that DSU was discussing the next step, which would be creating an e-commerce platform for participants as well.

Mr. Hammond asked whether the eight (8) weeks could be staggered if there was a tremendous turnout. He noted that not everyone would show up on the first day. Responding, Dr. Casson explained that the bus would only hold seven (7) participants.

Mr. Hammond expressed a desire not to turn anyone away. Dr. Casson indicated that this must be considered. He noted that there were quite a few people who wanted to be part of the program in Middletown and the Town Administrator in Middletown had selected the participants. Mayor Christiansen stated that the Executive Director of the DDP could take care of selecting the first candidates. Mrs. Mitchell indicated that there may need to be an application process. Dr. Casson advised that DSU had an application and a survey and that he could send them.

Mr. Moore asked if the bus would be placed at City Hall and questioned where it was placed in Middletown. Responding, Dr. Casson advised that it was placed next to the fire hall.

Mayor Christiansen suggested the possibility of placing the bus at Loockerman Way Plaza every day except when the farmer's market is held. In response, Mr. Moore stated that parking would be better behind the Dover Public Library and suggested connecting the event with the library. He advised that parking there was more accessible, since Loockerman Way parking is coin operated or permanent and not as flexible, whereas parking behind the library is for two (2) hours and is easy

to identify. Mr. Moore stated that if there was overflow, the library has computers and a business center that could work in concert with the program and accommodate more than seven (7) people, noting that he was unsure what kind of equipment that DSU had. Dr. Casson indicated that he was unsure if the consultants could manage this. Mr. Moore stated that, in a worst case scenario, those who could not get into the program would at least have the library as a resource. Dr. Casson stated that the key was trying to bring the classroom to small business owners where they can get to it quickly once per week.

Mayor Christiansen advised that the details could be worked out.

**Mr. Hugg moved for adjournment, seconded by Mr. Moore and unanimously carried.**

Meeting adjourned at 2:47 p.m.

Robin R. Christiansen  
Chairman

RRC/JS