

**CITY OF NEWARK
DELAWARE**

SPECIAL COUNCIL MEETING MINUTES

June 17, 2019

Those present at 7:03 p.m.:

Presiding:	Mayor Jerry Clifton District 1, James Horning District 2, Sharon Hughes District 4, Chris Hamilton District 5, Jason Lawhorn District 6, Deputy Mayor Stu Markham
Absent:	District 3, Jennifer Wallace
Staff Members:	City Manager Tom Coleman City Solicitor Paul Bilodeau Acting City Secretary Tara Schiano Planning and Development Director Mary Ellen Gray
Presenting:	State Planning Coordination Director Constance (Connie) Holland Director of Special Projects and FTZ #99 Grantee Administrator Patricia Cannon

1. Mr. Clifton called the Special Council Meeting to order at 7:03 p.m. Mr. Clifton opened the floor to Mr. Coleman who introduced Jeffery Martindale, the new assistant to the City Manager and James Reazor, the new IT Infrastructure Manager.
2. Mr. Clifton stated the nexus for the meeting was due to the Green Mansion project on Main Street. Focus zones for student housing were discussed and Mr. Clifton had heard a lot about how it could be approached if residents or a public body wanted something different and what could be legally done to make changes. Mr. Clifton introduced Mses. Holland and Cannon.
3. Ms. Holland provided a brief personal history. She had worked 19 years in her current role and 30 years total with New Castle County. She has also worked closely with Patricia Arendt a DNREC representative.

Ms. Holland had been asked by the Mayor and Ms. Gray to explain and define a Comprehensive Plan. She stated her office understood the definition of a “public servant” which helped their office run well to service the 57 municipalities and 3 counties that they are responsible for. They worked to keep the character of the State, make it a place where people wanted to live, and provide jobs and houses in a healthy environment.

Ms. Holland explained when starting in planning around 1973, a Comprehensive Plan was assumed to have been put together by local jurisdictions to obtain Federal funds. They had no teeth, except for New Castle County’s. When former Governor Minner was elected, she understood Delaware was a unique State with 60 governments as well as a place where people either lived in or traveled within. Ms. Holland estimated that the State paid between 76% to 98% of the infrastructure. The infrastructure is made up of roads, schools, public health and social services as well as State centers. Ms. Holland’s department worked to create a budget to help the local jurisdictions survive and know the amount of the budget. There was a program called “Livable Delaware”, which made it mandatory for all 57 municipalities and the 3 counties to have a certified Comprehensive Plan by the Governor.

Ms. Holland said that many of the municipalities did not want the State to take over. She explained that the municipalities should not want the State to take over but to help. A Comprehensive Plan is not made of rules and regulations. It is the municipality’s mission and provides a backup for the ordinances created. Ms. Holland gave the example of how Dewey Beach had a problem with the height of buildings. To fix the issue, Dewey Beach put a height requirement in their Comprehensive Plan which meant that

each time it changed they would have to go to the State to agree to the change and amend it. The Comprehensive Plan must be strict enough to support the ordinances.

Ms. Holland provided the State of Delaware Comprehensive Plan Checklist for local jurisdictions and counties. Local jurisdictions with populations under 2,000 and those over are slightly different. The definition of a comprehensive plan for populations over 2,000 from the Planner's Dictionary: "the adopted official statement of a legislative body of a local government that sets forth in words, maps, illustration, and or tables their goal for policies or guidelines intended to direct the present and future, physical, social economic development that occurs within its planning jurisdiction and that is included in a unified physical design for the public and private development of land and water."

The municipal plan differed slightly, saying "a comprehensive plan needs a document in text and maps setting forth the strategy for the jurisdiction's position on population, housing growth within the jurisdiction, expansion of its boundaries, development of any adjacent areas (annexation), redevelopment potential, community character and general land use within a community and critical community development and infrastructure issues." It was very important that the text matches the maps because if they did not match, there would be issues.

The key components of the comprehensive plan for a municipality of over 2,000 people presented a slightly greater challenge. Regarding the population, the municipal development strategy must contain policy statements, goals and planning components detailing the position on population growth. A bill was just recently passed addressing the Population Consortium where now all municipalities must use the numbers and have input. Ms. Holland stated that the City of Newark would be represented by the Delaware League of Local Governments and would have a seat at the table for the numbers. The City should be cognizant of the numbers when they are released, to make sure they share the same demographics as the City and work with the statistics the City collected.

Ms. Holland added that the City needed to be very aware of federal regulations regarding housing. Some structures could not be approved or declined because of the Fair Housing Code. She worked directly with the Fair Housing Code staff and stated that the group could help with any component of the checklist. They could also help to obtain grants for housing, connect with funding sources and provide statistics.

Annexation planning needed to be noted in the comprehensive plan. Redevelopment strategies required a lot of thought as it correlated to housing and economic development. Ms. Holland provided the example of where in Dover it was difficult for the city to grow or have any annexations. The city looked at areas where the housing could be updated and reusable buildings. This process would have a lot of landowner participation with the city.

Ms. Holland said that once a comprehensive plan had started, there must be a draft to circulate to the public because they must have knowledge of the plan and the ability to comment. Notification could be done in different ways. One way would be to have a public open house. New Castle County and adjacent jurisdictions must also be invited. In this setting, people could review the current comprehensive plan to find out what they might want to change or have remain the same. There was also a free service through the State called the Preliminary Land Use Service (PLUS).

Intergovernmental coordination was paramount for the City to work with the County and any local jurisdiction. She had found that if a city did not know what happened on its boundaries it had to be worked through to find a zoning district that fit both parties. Critical community development areas needed to be reviewed to figure out where the community may be lacking.

The Land Use Plan is extremely important. The comprehensive plan has two maps to show the future land use and the current zoning map. The future land use shows what the land could be zoned from. Ms. Holland stated to not have the zoning map match the future land use map. They could be in correlation for conforming which needed to be done because of growth and area changes. As an example, if one area has become more commercial with a few residential homes, there could be a zoning district created to fit the situation. A zone could be created to allow 95% commercial with a small amount of residential or provide the homes as an ancillary use to the businesses.

In looking at the economic development conditions, the State tried to layer the different programs to help a town become stable. The State reviewed downtown development district zones, opportunity zones or any other grants available to help with economic development. The State has a new economic development office which looked to hire staff to help towns.

Open space and recreation areas are important because there has been a large push to have walkability. It needed to be reviewed as to how to make a community with open space and homes with smaller yards and walkability.

The transportation plan must be done in concert with DelDOT because they have a large sum of money involved in it, but it did not mean that it had to be done by DelDOT. The City would just have to be cognizant of their programs, transportation districts, or anything in and around the community.

Affordable housing has been a very important topic for the City of Newark to have affordable housing for both students and residents. Ms. Holland suggested reaching out to the Department of Housing as they have worked with many municipalities throughout the United States.

Community facilities was a large component and it was suggested to ask a question of residents to know where the City may be lacking or where residents would like to see additional improvements.

Adequate water and waste water systems was another large component. Water quality is the lifeline for economic development in the State and something they are keeping close track of. Ms. Holland noted that climate change was not just about water. The weather and the heat affected where the elderly went within local jurisdiction limits or where people went when they did not have any heat. The State also worked with DEMA to see how they could evacuate should something happen in the State.

Ms. Holland continued to the historical and the cultural component. The State has a great historical preservation program. She stated it would be a good idea to bring the last comprehensive plan through PLUS. The benefit would be that State agencies could review the last comprehensive plan to see if they had any new programs or any other way to assist. She believed in the last few years since the last comprehensive plan there may be some areas the City might want to retain for historic preservation or want to embellish on more in the comprehensive plan.

Ms. Holland stated the most important thing was to know the basis for a land use control policy and a map and not having a plan at all. The comprehensive plan has the law, that all development shall be consistent with that comprehensive plan. If a developer were to do something against the Comprehensive Plan but it was permitted, the City could be sued and be held liable. The other party would win if it was something not consistent with the City's comprehensive plan. This was why the State focused on the comprehensive plans to allow municipalities to amend the plan. It was recommended to have the comprehensive plan reviewed every five years from the date of certification. A letter should be written to the State to keep them up to date. It was suggested to not have changes within a short span of each other or numerous changes yearly because continuity of the residents and businesses is important.

Ms. Holland mentioned a practice the City of Newark uses to have a property buyer sign a "Buyers Affidavit" prior to purchasing a property. The buyers come into the Municipal Building to review the Comprehensive Plan in part to know the zoning around the property and to make an informed decision. As part of that process, the Planning and Development Department reviewed the flood plan regulations with the buyer and all of the ordinances and zoning and the Comprehensive Plan.

Ms. Holland explained that the municipal regulations stated that the comprehensive plan shall be the basis to develop zoning regulations. Municipalities had 18 months to bring their zoning regulations into conformance with their comprehensive plan. The comprehensive plan should be the basis for any development for the zoning regulations and that was why the language must correlate with any of the new zoning districts. She added to be careful with the index on the maps. The index needed to encompass everything that could be done in the zone. The State did not force a rezoning within 18 months.

Ms. Holland said the future land use map should show how the City would like any future properties zoned with language to match. She has found that many municipalities track their zoning amendments. That information should be used for the updated year comprehensive plan. Many towns, who have had several commercial requests in a certain area would color that portion of the map "commercial" on the future land use map to help it going forward.

Ms. Holland added that amendments could be added to the plan, but they would have to go through the County. If the change of the zone was to be to commercial, if it was to be over 50 housing structures or 50 square feet of commercial, it would go back through the State because it would have to go through PLUS.

The PLUS service did not hinder economic development. For the City of Newark, it would be up to the City, as anything could be brought through the PLUS service at any time. There were several jurisdictions that did not allow anything to move to PLUS unless they reviewed it first and were aware of the project. The law was written that anyone who had a piece of ground could bring it through PLUS. A developer could bring a parcel to the State in the City of Newark's jurisdiction and the State would invite the City of Newark to make them aware. The City would have to decide if an agreement could be made to have it come to the City first. She suggested that be the path. The whole process took about 45 days, the first day of every month where the State reviewed PLUS applications. Twenty days after the meeting the State sent out comments to the municipality and the developer. That was a practice because she believed the PLUS review should be in the review presented to the Planning Commission. It was important for the municipality to know what the State said about historic preservation or the remarks of the Fire Marshal. The Fire Marshal within the jurisdiction would be more detailed.

Ms. Holland stated both County and municipal entities must complete an annual report to the Office of State Planning. It must be done because the information was then reported to the Governor. The Office of the State Planning provided all the municipality's information such as the number of building and demolition permits, how many comprehensive plan submissions have been instigated, any new ordinances, and the needs for the municipality. This helped the State understand the growth of the municipality.

Ms. Holland's final statement was about master plans. The Office of State Planning appreciated master plans which are different from comprehensive plans. If a municipality knew of an area of several parcels where they wished to have changes or developed in a certain way, they should create a master plan and involve all the homeowners. Ms. Holland added that it could also update the comprehensive plan and believed it would be a much better way to either grow or preserve. The Office of State Planning could assist but could not write the ordinances for a municipality. Per direction from the Delaware Attorney General's Office, the Office of State Planning could not approve and write comprehensive plans or ordinances at the same time.

Mr. Clifton asked if it would be necessary to state focus areas in a Comprehensive Land Use Plan for it to be effective in those areas. Ms. Holland responded yes. Mr. Clifton wanted to know if Ms. Holland saw any issues that would prevent the City from "truly" zoning properties to give the public and the City Council the flexibility for when a plan is presented to have greater leverage over what the property would become. Mr. Clifton then provided two examples: University of Delaware has dual zoned properties and Newark Country Club is zoned as RD but is considered a recreational area. Ms. Holland stated it was a tough issue as zoning did not come about until the 1960's. Wesley College in Dover had the same issues with restrictions. Ms. Holland suggested working with the University of Delaware to find a solution to help them and the City. The City had the power to rezone any property, but it was hardly ever done. Ms. Holland stated it was important to make sure the City did not have legal non-conforming for people. These issues were the reason why she liked the master plans and what she had reviewed that Ms. Gray did with a focus area. It was important to have all parties involved to discuss how to work through what the future may be for their property.

Mr. Markham asked how to work the historical properties in to avoid lawsuits. Ms. Holland suggested using Firstmap GIS (Geographical Information System) which could be a tool for State agencies to view several historic maps, structures, and burial grounds of where churches use to stand. The State would be able to provide information on any parts of land that has or may have a historical significance. Ms. Holland suggested doing the comprehensive plan and focus areas together; and then revisit later to hone in on the historic properties.

Mr. Markham asked if Ms. Holland had other information, designs and other suggestions for things that would work best to become a more "walkable" community. Ms. Holland stated if they were talking about a "complete" community or a "walkable" community, it would be a place that serves everyone. It would have jobs, shopping, child care, medical care and open areas for parks. She added that most people wanted mass transportation but a requirement for that would be to have density like The Green in Dover. Mr. Markham felt that density was a conversation that needed to happen because a lot the density dealt with students and he was not sure if the focus areas would solve the issue. Ms. Holland urged them to plan with pictures and to make sure to build according to the pictures.

Mr. Clifton opened the discussion to the public comment.

Joseph Word, District 6, stated he was concerned about the zoning conversations. In the past, Mr. Word has asked to do certain projects, was declined, and then developers had been approved to do projects in certain areas which were three times as much as he had requested to do. Mr. Word did not

believe it was transparent for the City to have the ability to change the zoning of a property after someone has purchased it. Any change could deny one person who may have purchased a property for a specific reason to then provide an opportunity for another person elsewhere. He requested that Council be mindful of any changes.

Edgar Small, District 5, asked for clarification regarding the “modified approach”. The documentation used language to explain that the State has provided positive feedback on the “modified approach” which was text amendments on the fly for zoning changes as opposed to amended text which referred to the creation of focus areas. He asked if the letter was intended to provide positive feedback and strong support for text amendments to zoning that would enable a fast tracking of development in the focus areas. Ms. Holland stated she did not have the letter in front of her. Mr. Small presented the letter. She continued to explain that every town within the State has what they call “police power”, meaning zoning power. The Office of State Planning and the State did not have zoning power. When requests went through PLUS for comments, it meant that there were no contradictions to anything within the State strategies, in DNREC or DeDOT. It would be totally be up to Newark. Mr. Small felt that she was stating that the Office of State Planning likes the idea of having focus areas. Ms. Holland stated she does. Mr. Small stated the letter that was sent to Council also said that the State was to provide positive response to the text amendment approach as opposed to the amended text. Ms. Gray stated it was her memo from the Planning Department that Mr. Small was referring too. Ms. Gray believed the question was what was submitted to the Office of State Planning. A presentation would come shortly to explain the approach for a text amendment and that was what Ms. Holland has commented on. Mr. Small disagreed with Ms. Gray’s explanation. Mr. Clifton reminded Mr. Small and all in attendance to pose questions to the dais and the presentations were not structured in a debate format.

Ms. Holland stated she liked the focus areas and thought it was the way to go. The Office of State Planning also understood that a local jurisdiction would have to amend their text from time to time for changes. It could not be done in a vacuum and the Office pushed for public hearings and there must be public notification.

Mr. Clifton brought the discussion back to the dais.

4. Ms. Gray stated she was joined by members of the Planning Commission Bob Cronin, Bob Stozek, Will Hurd, Tom Wampler, and Chairman Alan Silverman.

Ms. Gray presented the proposed policy initiative to facilitate redevelopment of certain areas of the City to multi-family housing targeted for student housing. The agenda included a brief discussion on the background of the Planning Commission discussion, the proposed Focus Area Map and a description of Proposed Focus Areas and Recommendations for Council’s consideration. Ms. Gray stated that she had made some slight changes to the presentation after it was distributed. She explained that it was streamlined with less words and more pictures.

A background of the Planning Commission in its 2019 Work Plan initiated a review of amendments to the Comprehensive Plan V as well as associated zoning changes to facilitate redevelopment of certain areas of the City for higher density from multi-family housing targeting to student housing named Focus Areas.

A copy of the 2019 Work Plan was provided to Council. In addition, the planning concept was also included in the 2018 Planning Commission Work Plan and initial discussions were held in 2018 by the Planning Commission. The original map from 2018 had six focus areas but then reduced to four to focus on target areas for multi-family housing for students that were close to the University of Delaware and downtown. The areas were also chosen to encourage walking and bicycling as well as transit use. The Planning Commission discussed the focus areas from June 2018 through April 2019. Those items were on the City Council agenda as time allowed in between land use plans. The discussions occurred during the regularly scheduled monthly meetings as well as a public workshop in October 2018. Discussion regarding the focus areas included:

- The establishments of the focus areas;
- Focus area boundaries;
- Prioritization;
- Proposed revisions to future land use designation; and
- Appropriate rezoning changes.

The Planning Commission studied four focus areas which were outlined on a map that had also been posted on the City website:

- Focus Area 1 – New London Road
- Focus Area 2 – Cleveland Avenue
- Focus Area 3 – Center Street
- Focus Area 4 – South Chapel Street

After the Planning Commission public meetings held from June 2018 through September 2018, the Planning Commission did not come to a consensus on recommended zoning changes for the Focus Areas. The Planning Commission directed staff to hold a public workshop on the highest priority area which was Focus Area 4, South Chapel Street. Staff conducted a public workshop on October 30, 2018 to obtain public feedback on potential rezoning and Comprehensive Plan V amendments for the specific area. The feedback was positive to encourage higher density redevelopment. Specifically, the Planning Commission was not certain as to whether certain parcels fronting Haines Street should be rezoned to RM (Multi-family dwelling-garden apartments) or RA (Multi-family dwelling-high-rise apartments) which would be the highest density. For the discussion to move forward in January 2019, Planning staff offered a modified approach from specifically changing future land use designation and rezoning each parcel to take a broader higher-level look. To look at the text at a higher level and as a drafted text amendment for each of the focus areas in the Comprehensive Plan. The text amendments provided a framework to direct future growth without needing to change the future land use designation or zoning before future developments were proposed.

The Planning Commission and Council used the text amendments to gather decision making on future development proposals upon a positive review to approve the appropriate map amendment to the land use designation and zoning changes through the subdivision approval process.

The Planning Commission discussed this approach in the January through May 2019 meetings. In addition, the Delaware Office State Planning Coordination reviewed the proposed text amendments and approach through PLUS process where it received a positive recommendation. Also included in the presentation was the first draft of the proposed text amendments and the final draft which was submitted to the Office of State Planning.

Ms. Gray presented the aerial view for Focus Area 1 – New London Road. Historically this area is an African American community. The redevelopment was heavily impacted by off campus student housing with significant traffic issues on New London Road and West Cleveland Avenue. It also has a lot of pedestrian traffic. The current use was made up of older housing stock. Recent developments have replaced single family and duplex dwellings with multi-family dwellings with increased density targeted primarily to University students. The current zoning of the area included a mix of RM, RS and BC (General Business) zoning, which are commercial properties. For the Future Land Use, the designation was largely low density residential. The recommendation for the properties along New London Road, Wilson Street, Ray Street, Church Street, and the east side of Corbit Street may be considered high-density. The properties also on West Main Street, Terry Lane, Kennard Drive and the west side of Corbit Street should be considered low-density because they are appropriate for that use. The zoning designations recommended for all proposed multi-family would be RM.

Focus Area 2, the East Cleveland Avenue community, was originally developed for workforce housing. It has transitioned into a rental area largely targeted to students. Redevelopment has been heavily impacted by an increased demand for off-campus student housing. The current use is older housing stock, single family detached homes, duplexes and rowhomes. Redevelopments have replaced older housing stock with multi-family dwellings with increased density targeted towards students. This area has a mix of zoning of RM, RD, BLR (Business Limited-Residential), and BC. The Future Land Use Designation map has a mixture of designations with low- and high-density. The recommendation and proposed text amendment would be for the properties along East Cleveland Avenue, Prospect Avenue, Wilber Street, North Street, and North College Avenue between Cleveland and White Clay Drive to be high-density. Properties along White Clay Drive have been recommended for low-density. The recommended zoning for multi-family housing development would be BLR along Cleveland Avenue and RM for all other areas.

Focus Area 3 – Center Street, this area is adjacent to downtown. It was originally composed of single-family detached and rowhome dwellings. It has transitioned into a rental area largely targeted to students. Redevelopment has been heavily impacted by increased demand for off campus housing. In 2010, based on a recommendation from Comprehensive Development IV, Council had established portions of Center Street, Choate Street, New Street and Linden Street as a special redevelopment zoning district named the “New Center Village Overlay” (NCV) with a purpose to encourage redevelopment for affordable and market rate owner-occupied projects. To date, there have been no proposed

developments under the designation. The current use has converted single-family and duplex dwellings to mixed-use apartments and townhouse style apartments. The current zoning includes RS (Single-family residential) along Center Street, Choate Street, New Street and Linden Street with a mixture of RS, RM, BB (Central Business District), and BC. The Future Land Use Designation for this area would be primarily low-density with mixed urban. The recommendation for the Center Street area would be to have the housing stock and commercial buildings to be considered for mixed urban and residential high-density. The zoning for redevelopment would be a mixture of BB, BLR, and RM depending upon the context in the area. An additional recommendation would be to encourage multi-family housing with smaller units of one and two bedroom for both rental and owner occupancy but not targeted exclusively for just students.

Focus Area 4 – South Chapel Street, this area consists of older housing stock which was formerly workforce housing that has transitioned to rentals targeted to students. The current use is single-family detached, duplexes, and small apartment buildings. Recent redevelopments have replaced those uses with multi-family dwellings with increased density targeted towards students. This is a mix of RA (high-rise apartments), RM, RD, BLR, and MOR (Manufacturing Office Research). The Future Land Use has high-density planned already. In addition, the plan would have low-density on the southwest portion along Haines Street, Benny Street and the south side of Lovett Avenue. The recommendation would be for residential high-density with appropriate zoning for new developments to be RM and RA may be appropriate in some areas.

In summary, staff recommended that Council direct the Planning and Development staff to begin the process to amend Comprehensive Development V as described and presented.

Mr. Clifton opened the discussion to the dais.

Mr. Markham asked how the Focus Areas were chosen. Ms. Gray stated in 2018 staff had started to review areas that were rezoned the most with Comprehensive Plan amendments. Staff started discussion with the Planning Commission to look at areas to address the student growth. Mr. Coleman added that shortly after Comprehensive Plan V there was a plan presented that was along Cleveland Avenue. Part of the discussion at that time was around the fact that the existing homes were high-density and could not be replaced with high-density homes under the zoning at the time and the Comprehensive Plan designated the area to be low-density residential. There was some discussion after the proposed development was denied about how the Comprehensive Plan did not match what was already in existence, so they took another look at the plan. Mr. Markham did not see how the explanation defined “focus areas”. He believed the answer to be closer to be that “focus areas” were based on request.

Mr. Markham referred to Focus Area 2’s future land use designation. He interpreted the map to read that Prospect Avenue was residential low-density. Mr. Coleman stated that was how it exists in the current Comprehensive Plan. Ms. Gray added that the Future Land Use map shows what is in the current Comprehensive Plan. Mr. Markham asked if there was a map to show the recommendations. Ms. Gray stated one does not exist, but she could generate one. He stated he would like to see that because his first impression was that Prospect Avenue would remain low-density, but the recommendation is to move to high-density. Mr. Coleman stated the recommendation is RM for Prospect Avenue.

Mr. Markham asked what outreach has occurred to the property owners in the focus areas. Ms. Gray responded none has occurred. Mr. Markham wanted to know the process of the Comprehensive Plan and when the property owners would have their input into the plan. He knew that there were still full time residents on Prospect Avenue and Choate Street. Ms. Gray stated that if Council decided to move forward, it would be brought back to the Planning Commission for review and then be brought back in front of Council. They would go through the revision process and it would be a public hearing with a decision in part. The hearing would be publicly noticed as being an amendment to the Comprehensive Plan. However, for the October public workshop for Focus Area 4, the Planning and Development Department notified every property owner, every property owner within 200 feet, and every property owner at the Kells Avenue neighborhood. They have received concerns from property owners asking as to why they were being notified. Her recommendation would be to notify every property owner. Mr. Markham agreed that every property owner should be notified because this could cause some concerns for people and some people have complained that they were not involved in the process.

Ms. Gray added that there could be another public workshop like the one for Focus Area 4 and add a large amount of advertising. They could possibly do one for all the focus areas or for every individual focus area in that area. Mr. Markham encouraged a workshop to have the discussions and then there should be a formal meeting once the decision has been made to move forward.

Mr. Hamilton preferred a notice to state the plan was something the City was “thinking” about for the areas and then have the public come in to discuss.

Mr. Hamilton was concerned about a comment made around how Dover and Newark want to grow. He was concerned because he believed there were a lot of people who do not want the City to grow. The City has traffic problems and housing needs to be changed if the University decides to grow. He did not want to start a meeting saying that it was communicated to the State that Newark wants to grow. If the City did grow, he would like it to be in a way Council and the current residents have more of a say.

Mr. Hamilton asked that if all the areas suggested were developed to their fullest potential, including density, how many people would be added to the City. He asked because he believed that once it has been added to the Comprehensive Plan there may be a mindset to fulfill all the recommended building. He thought that with recent Council conversations were focused on adding a couple thousand students. He did not believe there was a conversation about how to grow, if they wanted to grow and what type of growth. Mr. Hamilton felt that adding 12,000 people would cause problems to infrastructure, traffic, and in other areas. He was not willing to approve plans without being provided with a number to show how many people would be added in addition to how many officers would be needed and staff to support all the new people. He would rather see that if the City grows, to grow with a bigger plan that they can handle instead of in 5 years from now having 12,000 people added and then need to build a new municipal building for \$20 million to \$40 million. Mr. Hamilton stated that the taxpayers might not know that if the plan were to be approved that the City then would need to build a larger government, needing a larger building and other things that would fall into the need with a larger city.

Mr. Hamilton asked if there was a number to show what the population would be once all the pieces of property were developed to their maximum potential allowed under the suggested changes per the Comprehensive Plan. Ms. Gray stated staff was working on that analysis and that it would be difficult to estimate the number. Staff was working on the number of units because the Code goes by the number of units. Staff could make an estimate and an assumption of how many people that number of units could hold.

Mr. Hamilton asked what made the area a “non-student” area because it was not used in the other areas. It says, “Not targeted exclusively to students”. Ms. Gray stated this recommendation goes back to the “New Center Village Overlay” component that there was desire from Council back in Comprehensive Plan IV to encourage other types of non-student housing in that area. Mr. Hamilton asked how that could be accomplished. Ms. Gray stated staff was working on policy development that would incentivize and encourage smaller units. Staff has also reviewed the City’s parking regulations.

Mr. Hamilton questioned the Focus Area 4 outline where it was a small portion of property added the large properties. Ms. Gray stated that when the plan was submitted to the Office of State Planning, the small addition is private property not a University of Delaware property.

Mr. Lawhorn stated that one of the issues discussed over past years was around a heavy demand for student housing. He believed this was a high-level plan to address the issue residents had that was centered around students renting homes in neighborhoods. He felt this was an attempt to redefine the areas through amendments and to create a plan to document what has already been done. Mr. Lawhorn supported the idea of the workshop suggested because some the areas still have permanent residents as well as rental property owners who may have good input and may offer other suggestions.

Mr. Lawhorn asked if there was a way in the Comprehensive Development Plan to take specific historical sites to keep them from being listed as RM. Ms. Gray stated it was certainly something for them to look at.

Mr. Lawhorn thought something that could be discussed during one of the workshops would be to have more mixed-use areas on side streets downtown like those recommended in Focus Area 3 on Chapel Street. If there were areas where the City was planning in the future to approve student housing, then side streets may be an area to have mixed use. Some of areas maybe be RM where there could be a suggestion to possibly have more of the BB with the mixed, since there have been conversations about how rent on Main Street has become so expensive. The restaurant businesses have been so successful that it has driven out the shops. He did acknowledge that there would need to be parking restrictions or parking changes. With the idea of having a downtown parking district, parking minimums would be reduced or eliminated for certain types of buildings.

Mr. Lawhorn asked how they would determine the traffic impact. Ms. Gray stated there was a Traffic Improvement District Workgroup looking at the traffic impact all around Newark. They would be

looking at the impact for every development. Having it in the Comprehensive Plan would bring out the traffic impact for that development, how to integrate into the neighborhood, and any other things to mitigate the traffic. Ms. Gray stated they will review if there could be any policy changes to mitigate traffic in addition to parking. Planning already knows the roads downtown could not be widened but there were other things that could be to address the traffic policy-wise. Mr. Lawhorn thought it was more building into the City's future desire that it was part of the planning process to look at how they impact traffic.

Mr. Lawhorn clarified that if the individual projects were approved they would still come before Council, so the plan really is an effort to redefine the future use for what they think the City would want, but then as the process proceeds individual projects would still need to come back to Council for approval. He noted they want to take care of the student housing demand and it would work to have it downtown with the hope that students would walk to class, shops, and restaurants. But this would have to be done in a way a respectful way, in a way to preserve the historical buildings and in the taste of what the residents want. The idea would be to not turn downtown into a big city, but to maintain the character and increase density where it would make sense. Council would have the power to help control that.

Mr. Horning stated his biggest concern was giving the public notice and holding the workshop. However, he felt more confident now after hearing from his colleagues. He agreed with earlier comments and questions. Mr. Horning asked which codes in general pertain to the older housing stock in the New London community where some of the homes were not eligible for mortgages because they do not meet current building codes. Ms. Gray stated the building lots were smaller than what the code currently allows, and the size of the homes were not compliant. If someone were to do improvements to the homes, it would be under a grandfather provision which only allows a certain percentage of improvement. Beyond that a variance would be required or go through another unpredictable lengthy process.

Mr. Horning had a question regarding the New Center Village Overlay and the lack of interest from a market perspective and developing it accordingly perhaps because the student housing. People would pay very well to rent out to student housing which was one of the issues. He was not sure if anyone was in attendance to speak upon it, but the Newark Housing Authority would be involved, and the issues around affordable housing could be better addressed in some of the future workshops. Ms. Gray stated the Newark Housing Authority has been very involved in discussions and in subcommittee meetings regarding their Rental Workgroup.

Mr. Horning asked for clarification about the CDBG funding for Home Improvement Program. Ms. Gray stated it was the Community Development Block Grant Program. It is a home improvement program for certain targeted income areas to be eligible for a certain amount of grant money to improve the home if it does not meet code.

Ms. Hughes asked when staff developed the plan, in what respect did they consider the impact on traffic if all of the areas were developed to their maximum. Ms. Gray stated staff did not specifically look at the traffic impacts. The language in the proposed amendment for the Comprehensive Plan spoke about traffic consideration for each specific development. Staff looked toward Traffic Improvement Districts to look at all of Newark. Ms. Gray believed to get some of the land use numbers for final analysis of the potential number of units might help to see if there would be any additional impact. Ms. Hughes felt that seemed as if they were waiting until after the problem is in front of them to address it. The more residents, the more growth, the more density will impact traffic. Ms. Hughes could not imagine how that would not be a priority when planning any future density plans. Ms. Gray agreed with Ms. Hughes's statement and explained that one of the reasons for the four focus areas have been focused on was because of their walkability to the University and transit use. That was the policy driver to the areas to have developments which would not bring a large number of cars meaning less traffic.

Mr. Coleman added that one of unique things about the growth driving the discussion is that the University has decided to grow. One of the other reasons for the discussion was where to put the students where they are not going to drive if they can be placed near campus and not live in neighboring cities and drive in. Ms. Gray stated it was a balance to have students live in an area, have multi-family housing to encourage bikeability and walkability with the density where people would use transit as well in addition to the University of Delaware bus system then that would be a positive.

Mr. Clifton thought it was clear that there were a lot of intertwined issues and a lot of people have had concerns with over the years. Even though it makes for a longer process for the Planning and Development Department there seems to be a number of subsets that needed to be discussed prior to making a decision. He thought that around the time when the Springhill Suites was approved, there was a number which did not fall under any state jurisdiction because it generated less than 500 trips per hour. It would generate potential at certain times and certain days of the week a lot of trips that do impact

traffic. He believed the City needed to do something better than the State if they want to seriously talk about making denser development and what impact would be and do something to make it work for Newark and not just a generic state type of regulatory issue. Mr. Coleman stated that staff is working with the Transportation Improvement District.

Mr. Clifton hoped that as the Comprehensive Plan progressed the only way to have the equity would be to have a very defined and dependable plan.

Mr. Clifton has heard a lot during the months prior to the Main Street construction about what is allowed in terms of height and thought that if Council was to consider student apartments in close proximity to Main Street he thought it would need to be done in conjunction with what neighboring residents envision Main Street to become. He also felt that keeping the character of Main Street was important.

Mr. Clifton stated that he has had some conversations with some board members of the Newark Housing Authority regarding affordable housing. He did not remember any conversations about tax credits to build affordable housing. He believed it was time to have that conversation because affordable housing can bring full time residents. There needed to be blend of ideas heard during this meeting. He thought this would be the opportunity to bring the ideas together in a more holistic view of the direction everyone would want the City to go in going forward. Mr. Clifton stated this should be one of the City's larger priorities to get this accomplished.

Mr. Clifton opened the discussion to the public.

Edgar Small, District 5, had two issues. The first was with the definition of Focus Areas specifically Focus Area 1. As he understood it, Focus Area 1 bridged two different existing planning areas. Planning Area A which is Newark University Court with a set of objectives and Planning Area B which has a different objective to prioritize low-density housing specifically mentioning in the future land use some of the lots along an area with larger lot sizes and preserving the historical value. He thought defining it in that way was going against the future land use of the areas. He stated when he purchased his home on West Main Street, he did not have any indication that there would be any changes to the area other than to maintain low-density in that area. He would encourage Council not to move it forward without more studies and involvement of the public. He believed that there was no public involvement, which was recognized in the May minutes for the Planning Commission meeting. That supposedly was the opportunity for the public to make the comments. He did not believe it to be appropriate to develop because the remaining lots are very small lot sizes.

Mr. Small said that he did not attend the meeting to debate the meaning of "text amendment" versus "amended text" but he thought that it was very important because if the plans were to move forward with the "amended text" means that focus areas could be established and "text amendment" means a rezoning could be fast tracked. He felt that would set a bad precedent and would not give people the opportunity to comment on decisions that directly affect them because by a "text amendment" during a planning meeting it could be moved forward with the development and a rezoning at the same point which would then be brought back in front of Council to make a decision. Mr. Small thought it would be a very dangerous thing and would encourage Council to not move forward with that particular provision.

Mr. Coleman asked Ms. Gray for clarification on Focus Area 1. He wanted to know if the parcels along West Main Street were still recommended to be residential low-density as they currently are. Ms. Gray stated yes. Mr. Coleman added that the outcome to review that focus areas was generally to leave it as is as well as the west side of Corbit Street, Terry Lane, and Kennard Drive. Ms. Gray stated yes.

Mr. Small attempted to comment, and Mr. Clifton reminded Mr. Small that comments could not be made from the floor, that he had his time, and this was not a debate. Mr. Clifton stated Mr. Small could discuss this additionally with himself or Mr. Coleman after the meeting.

Joe Charma, Design Committee member, appreciated Council taking an active role to look at the future and do serious planning. He believed development was being directed to locations where it would make sense with an existing infrastructure. To create a walkable community, there needs to be high-density and it has been made clear. High densities promote mass transit opportunities which goes along with what the City has been working on, the Transportation Improvement District. Mr. Charma felt that transportation was a difficult issue for Newark because all the roads meet in the center. Mr. Charma stated as he has served on the committee and it was noted that there was a large portion of traffic which comes through the City. That traffic is considered "pass through" which is traffic coming from Maryland and from Pennsylvania. He was not sure how that could be fixed. To look at the plan all the development

discussed would probably not happen within the next 5 to 10 years but it would come eventually. He commended Council and the Planning and Development Department for taking a serious look at the plan.

Joseph Word, District 6, commented on Focus Area 1. He stated there were three churches and a cemetery. The majority of the neighborhood and his family are buried there. He believed it should be reviewed to preserve those areas. As he reviewed the plan, he believed the area was recommended for high-density buildings. He thought why a mix could not be there of low-density and high-density. Mr. Word believed that the intention to make the area walkable would not happen because people would still bring cars and drive as he has experienced similar changes near his place of employment in northern New Jersey. He explained the City needs to understand its location is a center portion of the Eisenhower Interstate Highway. There are three large intersection at that part of the system. Mr. Word felt it needed some consideration because to him there was a large portion of the Black community that would be gone forever because of all of the new development. He thought these areas were just as important to the community as the places on West Main Street and other roads not considered for non-development.

Mr. Clifton stated Council was working with community groups to do the School Hill reunion which would occur on the August 31st, 2019. Even if the community changes, the fabric of the community would be celebrated each year.

Bob Anderson, St. John's Church representative, was proud of City Council. He has heard conversations that took place that have not happened in many years. He believed Council was on target with the good mindsets. Mr. Anderson stated that Mr. Hamilton brought up an interesting comment about having a study to determine how many people come to town. He believed it should always be asked of what the impact would be to bring more people into the City. He was also concerned about the three churches as they have spoken to the State and National organizations about the possibility to declare the site a national site. Mr. Anderson had another concern about the meetings to discuss the plans was around the terms "multi-family", "targeted" and "non-targeted" as he believed many people may not understand those terms. He said it also seemed as though the terms were being used to "sell" the project but when meetings are being held to discuss the projects, those terms need to be defined.

Pastor Hackett, St. John's Church, wanted to commend the Council members for making the assessment about historic value and what it would be. He questioned if with the new zoning would it go from RM and make the area go commercial, how would it affect them. The Church just did major renovations where they were required by the City to add commercial fixtures to bring the building up to Code. To take away all the work done, Pastor Hackett felt would be an injustice. He understood the rezoning and revitalization of the community, but he wanted to know when University of Delaware would take on some of the responsibility to house students especially since the University has chosen to close the Towers and some of their other dormitories. He believed the City has taken on more of the responsibility and has packed students in into the once historic Black community. He felt it unfair and would ask to have the community included in the conversation.

Pastor Hackett stated St. John's Church has been at its current location for 170 years. It is the oldest institution in the City of Newark, they deserve to be a part of the conversation and to stay at their current location. He did not know the future plan, it may not be immediate but could foresee something that he did not like. Especially with the developments now bordering the church and wanted Council to consider the church's historic value. He was unsure if the rezoning would make the church have to change its aesthetics or if the community development grants would be available for the church to make those changes. Mr. Clifton recommended Pastor Hackett speak with Ms. Gray to talk about some of the CBDG grants that may be available to the church. Mr. Coleman added that the three churches are zoned RM which means that the change to the Comprehensive Plan would not affect their zoning.

Alan Silverman, Planning Commission Chair, noted that the identification of the Focus Areas 1, 2, 3, 4 and at one time 5 was an early working designation. The Planning Commission found that often times it was confusing. He asked that in the future that Council and staff to start identifying the areas with the street identifiers so when they discuss Cleveland Avenue, Chapel Street, and New London Road the public does not have to wonder which area was being discussed. Also, with respect to density and Ms. Holland, he believed there to be another issue with the City's Comprehensive Plan that does not exist in any other Comprehensive Plan in the State. The City specifies density in the Comprehensive Plan so when the discussion is around changing the plan, Ms. Holland on one hand says, "We do not like to change the Comprehensive Plan often", yet the way the Code is written and the way the Comprehensive Plan has been adopted to allow the number of units permitted in the zoning district controlling. It also has a density overlay of low, medium, and high density that also controls the number of units. He believed it was difficult for the public to understand what 6 units to an acre would look like versus a garden apartment versus a townhouse zoning. Also with respect to automobile trip generation as it has been stated they

need to think outside of the box in the sense that today they think of automobile immediately as the transportation use, part of the things being done in the focus areas are trying to get away from the automobile and the trips generated as was discussed earlier the emphasis here was it was the driving force behind the Comprehensive Development Plan which did identify the need for focus areas with the help of Ms. Gray it has been brought into the picture.

Nick Wasileski, District 3, was glad to hear the comments from Mr. Hamilton and Ms. Hughes about traffic concerns. When he hears the words “high-density”, it means more traffic. He understood that there was a discussion about walkability and bikeability, but people drive cars. When a low-density area is turned into high-density, he believed it was obvious that there would be more cars. Mr. Wasileski felt that most students can afford cars and those cars will be on campus. They may walk to class, but they will be driving in the evening. His other concern was that in New Castle County, traffic mitigation has been talked about over the years and the issue just keeps getting worse. He was unsure of how to solve the problem. The project between Library Avenue and Marrows Road was a perfect example of hundreds of more cars and very low level of service of traffic lights. Mr. Wasileski was concerned that with the move to have more high-density areas for the purpose to provide housing for students, it could be viewed by the University as an incentive to shut down more dormitories.

Mr. Wasileski stated a topic not covered was that Newark has a flooding problem. He wanted to know if high-density would increase rain runoff. He was also bothered by conversations about West Main Street that it would remain low-density and yet Church Street would be converted to high-density.

Jean White, District 1, believed that she had attended all of the Planning Commission meetings for the last two years including the workshop in November. She stated that traffic increases incrementally with each project and collectively it adds to the issue. With the discussions around walkability and bikeability for students, she believed most students have cars as well. Ms. White stated cars will be added and used as examples Campus Walk, Campus Walk II and Cleveland Station. Ms. White was totally opposed to changing Focus Area 1 from low-density to high-density. It would be unfair to not bring forward the three African American churches that exist in the area historically and to others who live in the district. She thought it was interesting that Church Street would be proposed be high-density but then West Main Street was not reviewed because at a time that was considered the “white” area and because everyone there would very upset. Ms. White believed workshops were fine but some of the areas, not just Focus Area 1, but maybe Focus Area 3 have owner occupied or rentals. There are a significant amount owned by landlords. Some of the landlords might even be developers, so if talking about how many people were for change and how many were not she could not see how they would be against changing the focus area to high-density. A resident who is also a property owner may not want that to happen.

Ms. White asked if the City’s Planning Department was directed to create the four focus areas to put specifically more students there. She wanted to know who directed the Planning Department and how will property owners who are owner occupant groups learn that this was going to be discussed. Even at this meeting she believed there would be more people there if they knew about it.

Mr. Clifton brought the discussion back to the dais.

Mr. Clifton thought that Center Street Overlay was an expanded upon concept but clearly it was discussed at Council last year. Ms. Gray stated that in November 2016 she was asked by Council to put together a set of recommendations on a path forward to address student growth. One of the recommendations was to identify areas where it made sense to encourage redevelopment for multi-family housing specifically to encourage student housing.

Mr. Hamilton directed a question to Ms. Olsen which could be answered at a later time about the delay or decision to not build the proposed South College Dorm. He stated it would be interesting to know if that was an actual thought from University of Delaware.

Mr. Hamilton stated that this was focused on the students primarily and he thought if they were going to do the Comprehensive Plan, it has to be done in a holistic approach. Mr. Hamilton asked when Council would be provided feedback from the Rental Housing Groups. Ms. Gray stated that the target is to conclude by October with a presentation of recommendations to Council in October or November. Mr. Hamilton understood that it would not be simply focused on students. Ms. Gray explained that there were three subcommittees: Affordable Non-student Housing, Rowhome Ordinance and Related Issues and University of Delaware Student Growth. Mr. Hamilton stated there was some Traffic Improvement District process. Ms. Gray added that it was a regulatory process by DelDOT. Staff has worked directly with the group, but it would be a minimum of a year and a half process because it has a lot of steps.

Mr. Hamilton recommended having a series of meeting that as best as staff could to when possible, have related topics to be discussed together that have been thought out of how it would affect the community and students. However, he did not want one topic to delay another if it were ready to be discussed. He believed that there were other areas of the City which needed improvement to potentially attract and improve the housing stock. He was looking forward to hearing information from the rental housing groups before he would be comfortable making hard decisions on changing the density of the community. Mr. Hamilton felt that there needed to be better communication with the long-term residents, although it had improved. Ms. Gray stated the Rental Workgroup was working on having a public forum to get a half-time status of the committee meetings it would be an evening meeting in July. There were a couple other tracks going such as the Sustainable Newark Grant which should end at the same time as the Rental Workgroup and that would be another set of recommendations to Council. Also, the Parking Work Plan that was approved, and the bid opening would be at the end of this month.

Mr. Markham knew of several long-term residents on Prospect Avenue and Center Street area who may have good ideas of how to attract other people to become long-term residents. He also believed it was important to make sure the designation for the historic black churches is clear that they are protected as historic. On New Center Village, the idea was to find a way to balance students with families and professors. Mr. Markham stated that from his experience it has not been successful to have BB on side streets as the businesses do not get the traffic to survive so there would have to be something additional to go with that process.

Mr. Markham believed that North College would not be able to sustain the traffic and the Transportation Improvement District. There had been 15 people plus DeIDOT on the Cleveland Avenue Task Force for over a year making improvements to Cleveland Avenue and DeIDOT is not going to fix North College. They would have to condemn. He did not believe the area would work for high-density because the traffic would fail. His path forward would be to have more public conversations on how to do the Comprehensive Plan.

Mr. Horning wanted to acknowledge the University's active participation in the Rental Housing Workgroup, staff and the volunteer Planning Commissioners who have put in many hours.

Mr. Clifton mentioned that when it came down to communication, he has been congratulated by people who have stated that they did not know about the election. To him, he did not know if there was a perfect way to communicate because everyone expects something different. For the election, postcards were sent out to residences, it was posted on electric bills and the Newark Post did a great job with election coverage. He felt that maybe the public should be asked as to what their preferred form of communication would be.

Ms. Gray wanted to clarification on direction. As she understood the general direction was to not move forward, gather information on the number of units analysis, deeper inspection on protection of properties in Focus Area 1, and generate a Future Land Use Map for recommendations for future discussions. She asked if there was interest to move forward with public workshops on those areas or wait until they gather the other information in the fall regarding the Rental Housing, the Sustainable Newark and other efforts that are ongoing. Mr. Clifton stated that he would like to discuss as many topics as possible efficiently. He understood that not everything would be covered in two or three meetings. Mr. Lawhorn stated one consistent complaint he hears is the concern of students moving into neighborhoods. He asked if staff could prioritize the parts of the plan did have some validity. He did not want to lose where a lot of work has been done to identify a solution to a problem that a large portion of the City's concerns. They need to keep some focus on revising the presented plan with the feedback provided to continue to work towards that issue. Mr. Lawhorn expressed support for the other thoughts and concerns, but they attack a different problem.

Mr. Hamilton asked if anyone had heard objections to Focus Area 4. He believed there were appropriate areas for students and density in those areas was good. He would not object to a large building there because if there was to be walkable space for students it would be there. To place people down near White Clay Creek State Park they would have to cross Cleveland Avenue, Main Street and Delaware Avenue to get to many classes. Mr. Hamilton suggested that maybe it could be recommended to increase the density in Focus Area 4 since as of now, no objections have been raised. This might alleviate some of the housing problem especially in his district with Kells Avenue, Park Place, and in those neighborhoods. To not consider the residents on those areas or hearing from them would be premature. He did not believe it needed to take two years, but there needed to be more discussion.

Mr. Clifton added that he has received requests for the installation of a traffic light at Wyoming Road and South Chapel Street. To his understanding the reason was that the University is to take over the University Courtyard and not provide parking. They were going to use it for employee parking.

Ms. Gray liked Mr. Lawhorn's and Mr. Hamilton's thoughts to take the discussion to pull out the elements pertaining to students renting in neighborhoods to reformulate the recommendations.

5. Mr. Markham requested a break. Mr. Clifton announced a five-minute break.

6. Patty Cannon stated that the City of Newark has a qualifying opportunity zone. An opportunity zone is a census tract. Federal law passed, and Governors had to nominate census tracts which had to be selected based off of criteria provided by the Federal law. Ms. Cannon explained the difference between "Opportunity Zone" and "Opportunity Zone Fund". She provided the example that if a person sells some stock, imagine those dollars turn purple, place those dollars in an account to mix with regular dollars earned through a paycheck a person is allowed to mix those funds, but they would only get the tax benefit from the purple dollars. The tax credit potential follows the capital gain dollars. The money would have to be put into a fund in order to qualify. If someone were to purchase a parcel in an Opportunity Zone but did not put it through a fund, then the tax credit would not be available.

Ms. Cannon stated the most important thing to focus on is that no matter what this is a Federal tax credit, but it does nothing at the Federal level to take away the control of the local community. When it comes to zoning or permitting, if someone wanted to do something in the Opportunity Zone parcel they would still need to get permission from the City.

There are 25 Opportunity Zone census tracts in Delaware which was the maximum number the Governor could select. This law was passed to encourage investors to invest within the United States. The census tract number tells the Federal Government the state, the county, and then down to the census tract level.

A report was released in December of 2018 by Smart Growth America. She stated that when most people think about equity, they think about the financial world but this public policy suggestion from Smart Growth Group they use the term to ask if there is equity in the community that everyone in the community has been spoken to. The public, residents, students, small and large businesses would in this instance be considered the "stakeholders" and does the public body make sure they all have an equitable seat at the table when setting policy. The high opportunity in a term is to say to a potential investor is there an opportunity to be able to have a high opportunity to get a good return on an investment.

Estimates based on several studies show that about 10% to 15% of the investors are social impact investors. They want to make a difference. 85% to 90% of the people investing want to make money. The challenge for the public body would be to find the nexus of what would be the best for the community long-term.

It is important to know that when the investors with capital gains look for opportunity zones as a way to reduce some of their tax liability in the United States, a class of investment is student housing. There are 159 universities with a student enrollment over 20,000 that are within opportunity zones. Once a fund has been created and money has been placed in it, they have 180 days to deploy the funds. Student housing is a targeted investment opportunity for several reasons. First because there are a lot of universities with a need. Second student housing is a market they know and understand. A third thing to be aware of when discussing planning is that President Trump before the furlough passed an executive order to challenge all the Federal agencies to come together to find a way to target some of that money into Opportunity Zones. Ms. Cannon stated it was also important that when writing a plan to at least mention the Opportunity Zone as a footnote because the Federal agencies have said in previous RFPs under review and selection criteria to say whether or not the project was in an Opportunity Zone. If yes, it would give the City extra points on the rubric.

Ms. Cannon said that when her group speaks to potential investors it is to point out that Delaware knows how to stack financial incentives and stack tax credits. A reason for an investor to place money into an Opportunity Zone within the State of Delaware would be because Delaware conforms. Because the State of Delaware starts with a person's Federal Adjusted Gross Income, the investor gets to automatically "piggy back" off it. They would get the Federal and State tax benefits.

The Clifford Brown Walkway was a decrepit almost empty warehouse and sat in that condition for a long time. It qualified for State and Federal low income housing tax credits as well as historical tax credits and brownfield remediation. This project may not have happened without the stacked tax credits.

Mr. Clifton opened the discussion at the dais.

Mr. Hamilton stated Council was involved in some of the conversations at the beginning of the project. He felt Newark's economic development zone is a little different than most because it is student driven. He did not believe if this would be the best thing. However, if the Federal government could speak with Amtrak about building another bridge over one of their railroads that would be great for the City.

Mr. Markham asked if the mention of bridges was for a specific type. He asked if the funds were preexisting that have already been established. Ms. Cannon stated that it could happen both ways. Earlier on several people tried to setup funds and collect money such as PNC Bank. They look for projects and they specifically only want to real estate deals. Mr. Markham asked if would still be a financial institution that would do the funds. Ms. Cannon stated correct and that Discovery Bank and PNC Financial are the two that they are aware of that have funds.

Mr. Hamilton asked of this presentation was also given to the University of Delaware. Ms. Cannon stated it was in part. She was not allowed to present the information. She was on a panel and was able to answer questions posed to her.

Mr. Horning asked for clarification pertaining to the 180 days to award the funds. Ms. Cannon stated the second set of Treasury Regulations were released in April which allows for construction projects have up to 31 months to deploy all of the funds. Mr. Horning questioned that if the City were interested in this type of funding, was there a good way to market an Opportunity Zone. Ms. Cannon stated that her office has tried to work with the University to best help. The University has driven it on the STAR Campus. Now, they have looked to find a way to have the piece outside of the STAR Campus to help promote that section of Newark.

Mr. Lawhorn reiterated the process and asked if it was as simple as to purchase any property in the zone or would it have to be a project. Ms. Cannon said there would have to be a substantial improvement. If someone were to purchase a home in distress, they would have to invest the value of the building plus \$1 minus the value of the land. The example provided was if someone were to purchase a house in distress for \$80,000 with the land estimated at \$50,000, then the investor would have to spend \$30,000 plus \$1 to renovate the building to make a substantial improvement.

Mr. Coleman clarified with Ms. Cannon that investments into businesses also qualify. She believed that was where the University is trying to target at the STAR Campus. It was not clear in the first set of regulations but has since been clarified in the second set of regulations. Mr. Coleman added another thing to think about when discussing Opportunity Zones in coordination with focus area, there is a large residential area with single-family homes within Newark's Opportunity Zone. Essentially everything outside of STAR Campus in the zone would be subject to potential investment from Opportunity Funds. This would be something to keep in mind when discussing the focus areas and addressing the student housing issues. Because for a house in that area, there could be potentially a large amount of capital gains available to have a house be bought out to be renovated or put a new house.

7. The meeting adjourned at 10:24 p.m.

Tara Schiano
Acting City Secretary

/dmp