



City of Seat Pleasant

Director of Economic Development

A SMART CITY OF EXCELLENCE

“Seat Pleasant offers Smart City Services that are better, faster and personalized making it a City for Me using information and communication technology, with the internet of things”

Department Name Economic Development

Date of Report July 7, 2017

Reporting Period June 2017

Summarize significant department progress for the reporting period that is indicative of providing services that are better, faster and personalized.

The Director, serving as the Compliance Officer for the USDA Smart City Project renovations of City Hall and Public Works Building, coordinated the continued submission of documents to the USDA Loan Program representative and discussed the status of the review of the City’s design drawings. The USDA representatives finally sent a letter on June 12, confirming the approval of the plans and specifications for the project and the authorization to proceed with the advertisement of the bid. The bid advertisement has been placed in the Prince George’s Post and the Washington Post, per USDA requirements, which will start on July 10, 2017, and appear once a week for three consecutive weeks. The draft closing documents for the loan have been approved by USDA’s attorneys as presented by the City’s attorneys. The bond counsel, Lindsey Rader, has started the interim financing process by developing documents to attract appropriate bank financiers for the project.

The Economic Development Department has hired a new Grants Manager, Ms. Kyrthlyn Rhoda, formerly the Executive Assistant for the Mayor. Ms. Rhoda and her team, including the Department’s legal intern and a volunteer grants writer, submitted two grants on June 8, 2017, for the Community Legacy and Strategic Demolition Fund grants. This was particularly impressive because the team completed both grants within 10 days. This required the participation of the team from early morning to midnight on three consecutive days to get the job done. The team is to be commended for their efforts.

The Department has been researching the availability of vacant housing stock to begin purchasing through the protocols of the Housing Trust Fund. The goal is to purchase, renovate and sell eligible properties within the City in order to eliminate blight and restore non-performing assets, such as property taxes, back to the City. The funds made through the sale of the properties will be returned to the Fund to continue the process of purchasing properties. However, the Department has found in its research that a large number of homes have been bought up by various investors who have made handsome profits on purchasing and selling houses in Seat Pleasant. properties have been purchased within the past year (2016) for between \$30,000 to \$105,000 and sold within months for \$210,000 to \$280,000. This is characteristic of a community that will soon have a tremendous spike in property values, which increases the need for the Department to act swiftly and diligently toward acquiring appropriate properties.

The Department has been working closely with Public Engagement on the development of the Seat Pleasant Smart Buy program. The Departments have met with representatives from the Maryland DHCD, Wells Fargo, and M&T Banks, to secure financing options to place minorities, low to moderate income persons, and millennials into houses secured and sold by the City. Multiple meetings have been held regarding this topic and the State of Maryland has agreed to market and promote the Seat Pleasant program across the country.

The Department participate with the rest of the City staff and elected officials in working the booths at the Maryland Municipal League Convention in Ocean City, Maryland. The department liaisons worked with staff to man the booths and explain the participation of IBM and Apple in developing the Smart Cities initiative through the development of the Intelligent Operations Center (IOC). The Department assisted with the Mayor's TEDx Talk and the Silent Party held on June 26, 2017.

The City is working through the Department of Economic Development to conduct a feasibility study on the application of Smart City technology as well as the capacity of the City to build its Innovation Village. This project is conducted by the Mount Royal Community Development Corporation.

The Director had commissioned Polish'd Creative to produce a video on the economic development efforts of the City and the proposed effect of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund. The project is near completion.

The Director attended the training for the National Development Council's Economic Development Finance Professional Certification ED 201 course during the first week in May and found out that he passed the course on June 12, 2017. Because the Director successfully passed this training, it qualifies the Director to continue taking the remaining training sessions, which will occur in July and December. The Director is scheduled to participate in the next course, which is ED202 – Real Estate Finance, on July 24, 2017 through July 28, 2017. This course will assist the ED Department with managing the \$1.5 Million for the Housing Trust Fund and Revolving Loan Fund.

Analyze department improvements that are needed and/or achieved based on the Smart City model.

The Department has secured a Legal Intern for the summer, who is currently a student at the University of Baltimore School of Law. His mid-internship evaluation was scored at 4.7 out of a possible 5.0 points. The Intern has been dutifully assisting the Department in developing economic policies for the benefit of the City, assisting with the compliance requirements of the USDA Loan Program, and performing other general duties related to promoting Smart City and economic development.

The major improvement needed in the department is still personnel, which the Department will propose to solve in the budget for fiscal year 2018. The proposed new positions are an Administrative Assistant and a Fund Administrator and a Grants Writing Consultant. However, after new developments in the potential to secure more results with the Funds program, there may no longer be a need to hire a Fund Administrator, saving money in the FY2018 budget.

Regarding the Grants Writing Consultant position, the Department has secured the voluntary services of a seasoned attorney who has agreed to write grants for the City as a learning experience. She recently passed Montgomery Community College's Grants Writing Program and is willing to bring the skills learned in this class in a volunteer capacity with the City.

Indicate problems identified, barriers encountered and solutions reached.

The major problem and barrier is the lack of resources in the Department. We have declined to renew the current grants manager’s contract and hired a Grants Manager (Ms. Rhoda). The Department has proposed adding on more consultants to assist her in creating a Grants Management Division under the supervision of the Department in the next fiscal year. The Department has already secured the assistance of a volunteer grants writer who is interested in continuing her role within the Department.

Identify goals for the next reporting period.

The Department’s primary goal for the next reporting period is to purchase at least two properties within the City through the Housing Trust Fund and Revolving Loan Fund. The Department intends to maximize the profitability of the fund to not only benefit the City financially in developing its portfolio, but to create 50 quality FTE jobs over the next five (5) years.

Another goal is to improve the timeline for the Smart City redevelopment project for City Hall and the Public Works facility by 30%. This percentage is higher than last month’s projection as the USDA has stated that the process should move more smoothly since the “hard part” has been completed. As the Compliance Officer, we believe the current process is not moving at a speed to accomplish the Mayor’s goal of having this project complete in late summer/early fall of 2018. We have stayed in consistent communication with the staff who are administering the Loan program for the USDA and we have been recognized for providing requested documentation with a “quick turnaround” time.

The Department has established a goal of achieving an 236% increase in the number of grants awarded to the City by going after more grants through the Grants Management office with additional persons and resources. This office is now under the purview of the Economic Development Department. At this current juncture, we have been awarded \$155,000 in the past year. We would like to raise that number to \$525,000 or approximately 10% of the City budget. We have already gone after two grants in one month that would total \$600,000 if awarded to the City. We are also seeking to go after 200% more grants or twice as many than we currently go after.

Supporting Documentation: Source: Office of the City Treasurer

Revenue

Line Item Unknown

FY2016 Budget (Previous Year)	FY 2017 Budget (Current Year)	FY 2017 Actual (Current Year)
\$0.00	\$70,000.00	\$0.00

Expenditures

Line Item **6-5100 – 6-6602**

FY2016 Budget (Previous Year)	FY 2017 Budget (Current Year)	FY 2017 Actual (Current Year)
\$35,000.00	\$121,907.00	\$55,148.33

Attachments: Finance Report for Economic Development