

**Submitted by:**

Bo Wright, Executive Director  
Historic Kennett Square  
106 W. State Street,  
Kennett Square, PA 19348

**Submitted to the Kennett Township Supervisors:**

Dr. Richard L. Leff, Chair  
Whitney S. Hoffman, Vice-Chair  
Scudder G. Stevens, Supervisor

***Cover Letter for the Memorandum of Understanding between Historic Kennett Square, Kennett Township, and the Borough of Kennett Square***

Dear Kennett Township Supervisors,

I'm writing on behalf of Historic Kennett Square (HKS), our board of directors and staff, regarding the previously submitted MOU for the Office of Economic Development that describes the role and responsibilities of the Economic Development Director (EDD). As each of you know, both Kennett Township and HKS have been through significant transitions over the past two years. These transitions have made the work of economic development, and particularly the work of achieving the goals of the joint Strategic Plan between the Borough of Kennett Square and Kennett Township, more challenging. However, HKS believes that the EDD has added significant and material value to the community even during the period of transition and especially over the last six months. Moreover, we believe that HKS and the EDD, in particular, have recently begun to "hit our stride" and are capable of delivering greater value for Kennett Township over the next two years.

Below I briefly describe both the past and future work of the EDD with a view towards showing the value this position has to offer.

**Brief Description of Past Work****Small Business Support**

- The EDD offers direct support to existing and prospective small businesses in both the Borough and Township. This direct support covers all aspects of opening and operating a business. Examples of activities include helping small businesses understand the permitting process, identify sources of capital/funding, find new locations, expand their operations, and create business plans, as well as facilitating façade improvement grants and making introductions to possible customers/suppliers, etc.
- Through the Small Business Response Fund managed by the EDD, HKS raised and distributed over \$260,000 in grants to small businesses in both the Township and the Borough.

## **Comprehensive Planning Support**

- A key element of the EDD position is guiding and facilitating new development in the growth areas specified in the Borough's and Township's respective Comprehensive Plans. The EDD played a crucial role early on in several development projects that are currently in the development pipeline, including The Flats at Kennett, Kennett Gateway, Mitchell Homes, and the Parkside TND. Combined, these project total 495 new residential units and 20,000 square feet of new commercial space in the Township. The EDD's knowledge of TNDs, the rezoning process, and mixed-use development were instrumental in making these projects happen and happen well.

## **Brief Overview of Future Work**

The Kennett region, including both Kennett Township and the Borough of Kennett Square, is projected to experience continued demand for new housing (610–1,210 new housing units by 2030) and commercial real estate space (roughly 375,000 SF of additional commercial space by 2040), as well as strong growth in the number of jobs (1,493 new jobs in the Township and 995 new jobs in the Borough). With this kind of growth pressure, there is an increased need to ensure that new development is “smart growth” that will not bring negative environmental impact or put in jeopardy the long-term fiscal sustainability of the municipalities. Appendix II of the MOU describes the SMART Goals for Kennett Township with respect to the work of the EDD. Below is a brief description of the “Why” behind each of these goals.

### ***Goal #1***

The current zoning and ordinances in the Township create unnecessary hurdles to Smart Growth—to projects that are both environmentally and financially sustainable. The activities described in Appendix II under Goal #1 will seek to remove hurdles for those projects that are a win-win for the developer and for the surrounding community. Deliverables are likely to include revisions to regulations and codes, a revised Master Plan and Transportation Plan for the Township, and implementation of the newly developed TND option in the commercial zoning district.

### ***Goal #2***

The Kennett region has already experienced, and is expected to continue experiencing, significant growth in the coming years. HKS recognizes the desire on the part of the Township Supervisors—and HKS supports this position—to ensure that the Township doesn't experience the kind of haphazard growth that is environmentally compromising and/or that detracts from the sense of place. The EDD will seek to ensure that new projects in the Township benefit the community financially, environmentally, and socially.

### ***Goal #3***

Following on Goal #2, the EDD will prepare the Township to be proactive and at the forefront of best practice with regards to sustainable energy and affordable housing. The EDD will review regulations and zoning to ensure they allow for sustainable energy to be a component of existing and future development, and the EDD will also identify creative solutions to allow for affordable housing.

These goals and activities do not comprise an exhaustive description of the role of the EDD—rather, they seek to describe at a high level the unique value that the EDD can offer to Kennett Township over these next critical years of development. HKS and the EDD will remain focused on these larger goals while maintaining flexibility to pivot to new challenges and opportunities.

HKS is seeking a financial commitment of \$55,847 annually from Kennett Township to cover 50% of the cost of HKS maintaining the Office of Economic Development. Under the current MOU, this agreement shall remain in place for two years, from January 1<sup>st</sup>, 2021 through December 31<sup>st</sup>, 2023. HKS will be responsible for ensuring that the EDD delivers on the goals and expectations described in the MOU and will deliver a comprehensive report at least quarterly.

Thank you for your past support and partnership. We look forward to building on what we have learned and hope to offer increased value in the coming years. Please reach out to me if you have any questions. I can be reached via email at [Bo@HistoricKennettSquare.com](mailto:Bo@HistoricKennettSquare.com) or by phone (cell) at 770-713-4397.

All my best,

**Bo Wright**  
*Executive Director*  
Historic Kennett Square

**DRAFT**

**MEMORANDUM OF UNDERSTANDING**

**BY AND AMONG**

**HISTORIC KENNETT SQUARE, INC., OFFICE OF ECONOMIC DEVELOPMENT**

**THE BOROUGH OF KENNETT SQUARE, and**

**KENNETT TOWNSHIP**

This Memorandum of Understanding (The Memorandum) is dated this x day of, 2020 by and among the following organization and municipalities, hereinafter referred to as the Partners:

**PARTNERS**

Historic Kennett Square, Inc., a Pennsylvania non-profit corporation, located at 106 W State St, Kennett Square, PA 19348, hereinafter referred to as "HKS," and

The Borough of Kennett Square, a Pennsylvania municipal entity, located at 120 Marshall Street, Kennett Square, PA 19348, hereinafter referred to as the "Borough," and

Kennett Township, a Pennsylvania municipal entity, located at 801 Burrows Run Road, Chadds Ford, PA 19317, hereinafter referred to as the "Township,"

**PURPOSE**

Created for the purpose of continuing to pursue the aims and objectives of each of these Partners relating to the ongoing interest of all Partners in the continued economic development programs and projects within the corporate boundaries of the Borough and Township hereinafter the Program Area.

WHEREAS HKS, the Borough and the Township desire to enter into an understanding in which HKS, the Borough and the Township will endeavor to work together to create an ongoing and sustainable relationship resulting in long-term improvements to both the quality of life of all its residents, businesses and visitors, and economic viability of the Program Area; and

WHEREAS HKS, the Borough and the Township are desirous to reenter into a new and modified Memorandum of Understanding (hereinafter referred to as the Memorandum) among them, setting out the working relationships and arrangements necessary to facilitate long-term improvements to the economic viability of the Program Area; and

WHEREAS HKS possesses certain skills and capabilities in the area of economic viability improvement; and

WHEREAS the Borough and the Township acknowledge that HKS continues as a viable and effective partner, capable of providing skills and capabilities in the area of economic viability improvement for the Program Area.

**ROLES AND RESPONSIBILITIES**

The purpose of this Memorandum is to provide a suggested framework for the continued roles and responsibilities of the Partners.

**Obligation of the Partners**

To develop and maintain an open collaborative relationship to facilitate the long-term improvements to the economic viability of the Program Area. This is in addition to other mutually beneficial programs and support that the Partners give to each other.

## Cooperation Between the Partners

The activities and services to be pursued by each Partner in furthering the shared goal of improving and enhancing the economic viability of all within the Program Area, may include:

### A. By HKS:

- i. Serving as the economic development organization for both the Borough and the Township.
- ii. Communicating the benefits of locating in the Program Area to potential investors on behalf of the Borough and the Township.
- iii. Being responsible for the continuation of a Main Street type effort throughout Kennett Township and Kennett Square Borough.
- iv. Directing, tracking, and marketing specific loan, grant and/or tax incentive programs as may be requested or authorized by the Borough and/or the Township
- v. Maintaining an adequately educated board and staff, including a Director of Economic Development, capable of rendering services to the Borough and the Township including information related to current and future funding opportunities.
- vi. Reviewing the economic impact of projects of interest to the Township and Borough.
- vii. Reporting progress on objectives, not less than quarterly, to the Borough and the Township in a manner and method determined by the Borough and Township.
- viii. Providing independent, third party input to the Borough and the Township on ordinances, regulations and practices as it relates to community and economic development.
- ix. Identifying, coordinating, and securing grant and funding opportunities for both Borough and Township from public and private-sector sources.

### B. By the Borough and the Township:

- i. Provide specific economic goals and responsibilities to HKS as defined in Appendix I. and II. These may be changed and amended as the Borough and/or Township from time to time as they see fit for their respective municipality, and will be formally reviewed and updated by all partners by January 31 of each year.
- ii. The Borough and Township will each provide annual support for HKS to assist the Municipalities in achieving their economic objectives in the amount of \$55,847.50 as further defined in Appendix III. with an annual cost of living increase as determine by the all urban Northeast region consumer price index as published by the US Bureau of Labor Statistics per year.
- iii. The term of this begins January 1, 2021 and continues until December, 31, 2023 or until any Partner gives each of the other 2 Partners at least 6 months' notice of their intention not to continue this Memorandum of Understanding. This term may be extended by mutual agreement of all 3 partners.
- iv. Prompt action, after due consideration, of any resolutions and/or cooperation agreements and/or contracts required by HKS to effectuate the submission of funding applications.
- v. Providing municipal support to the overall effort by making elected and appointed officials available to serve on such board and committees of HKS as may be deemed appropriate.
- vi. Regular and cooperative interaction between HKS and the Planning Commissions and Historic Architectural Review Boards of either the Borough and/or the Township.
- vii. Regular and cooperative interaction between HKS, Zoning Officer, and the Municipal Engineer of either the Borough and the Township.

It is expressly understood by the Partners that not all program funding may be applicable to all Partners that are party to this Memorandum. As such, contracts between any two of the Partners, that exclude the third Partner due to specific program guidelines beyond the control or needs of all of the Partners, shall not be considered a breach of this Memorandum.

#### Specific Project Financing

The Partners will endeavor to secure any specific project financing necessary to fulfill their individual financial obligations at the start of any planning and/or implementation necessary to complete any program or project consistent with the Partners' shared goal of improving the quality of life of all or enhancing the economic viability of the Program Area, or both.

#### COMMUNICATION

Marketing of the overall vision related to the goals of improving the economic viability of the Program Area, or both, and any other media or public relations should always be consistent with the aims of putting forth a unified and consistent message compatible with the aims of any individual program or project undertaken. Where it does not breach any confidentiality protocols, a spirit of open and transparent communication should be adhered to. Coordinated communication should be made with external organizations to elicit their support and further the aims of the goal of either improving the quality of life or enhancing the economic viability of the Program Area, or both. The Partners acknowledge that the Borough and Township are subject to and shall adhere to any and all applicable laws including, but not limited to the Right-to-Know Law and the Sunshine Act.

#### LIABILITY

No liability or obligation will arise or be assumed between or among the Partners as a result of this Memorandum. No Partner shall have the right to compel or enforce any provision of this Memorandum. The only remedy shall be a Partner's right to terminate its participation.

#### TERM

The arrangements made by the Partners by this Memorandum shall remain in place from January 1, 2021 through December 31, 2023 unless any Partner gives each of the other 2 Partners at least 180 days' notice of their intention not to continue this Memorandum of Understanding, or each of the Partners agrees to extend the Memorandum for a longer period of time.

#### NOTICE

Any notice or communication required or permitted under this Memorandum shall be sufficiently given if delivered in person or by certified mail, return receipt requested to the address set forth in the opening paragraph, or to such other address as one party may have furnished to the other in writing.

#### GOVERNING LAW

This Memorandum shall be construed in accordance with the laws of the Commonwealth of Pennsylvania. The Partners acknowledge the regulations governing municipal contracts contained in The Borough Code and The Second-Class Township Code.

#### AMENDMENT

This Memorandum may be amended or supplemented in writing if agreed and signed by all of the Partners.

#### PRIOR MEMORANDUM SUPERSEDED

This Memorandum constitutes the entire Memorandum among the Partners relating to this subject matter and supersedes all prior or simultaneous representations, discussions, and negotiations, whether written or oral.

#### UNDERSTANDINGS

It is mutually agreed and understood by and among the Partners to this Memorandum that:

- a. Each Partner will work closely together in a coordinated fashion toward the fulfillment of the goals of either improving or enhancing the economic viability of the Program Area.

- b. This Memorandum does not restrict the involved Partners from considering or participating in similar agreements with other public or private agencies, organizations, and individuals.
- c. To the extent possible, each Partner will participate in the development of the programs and projects necessary to meet the goals of either improving the quality of life or enhancing the economic viability of the Program Area, or both.
- d. Nothing in this Memorandum shall obligate any Partner to the transfer of funds. Any endeavor involving either the reimbursement or the contribution of funds between any two of the Partners, or among all three of the Partners of this Memorandum will be handled in accordance with applicable laws, regulations, and procedures. Such endeavors will be outlined in separate contractual agreements that shall be made in writing by representatives of the Partners involved and shall be independently authorized by appropriate statutory authority. This Memorandum does not provide or supersede such authority.
- e. The Memorandum is not intended to, and does not, create or impose any right, obligation, benefit, or trust responsibility.
- f. This Memorandum will be effective upon signature of all three Partners.
- g. Any Partners may terminate its participation in this Memorandum by providing written 180 days' written notice to the other two Partners. The termination of one Partner will result in the termination of this Memorandum between all Partners.

Attest

**Borough of Kennett Square**

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Name, Title	Date
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**Kennett Township**

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Name, Title	Date
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**Historic Kennett Square**

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Name, Title	Date
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## **APPENDIX I. Kennett Square Borough 2021 GOALS and EXPECTATIONS**

### **2021 Goals for HKS Office of Economic Development**

#### 1. Business Retention and Identification:

Provide a document addressing the following goals within 6 months from the date of execution or June 30, whichever is later, and present quarterly with updates thereafter.

- a. Create and maintain a list of businesses looking to relocate to the Borough;
- b. Proactively survey and pursue businesses identified as those which would be desired by the community, i.e. local grocery store, active recreation, hotel, etc.;
- c. Actively analyze/survey existing businesses to determine stability and turnover possibilities;
- d. Assist in filling vacancies;

#### 2. Recommendations to Existing Zoning

Using indicators such as vacancy rates, business retention, parking revenues, etc. to determine whether zoning ordinances and laws are providing a diverse and thriving business district and whether amendments should be considered to achieve a more stable environment and desirable outcome. Existing ordinances should be analyzed and recommendations to be analyzed and presented at least annually.

#### 3. Development Analysis

Evaluate and analyze Financial Impact Analysis submissions requested by the Planning Commission or Borough Staff including key takeaways, source confirmation, and other considerations. Distribute the report within 30 days of submission to Planning Commission, Staff and Borough Council.

#### 4. Communications with Key Individuals

Foster and grow relationships with Borough Staff, Council, developers, business owners and other key stakeholders. Meet quarterly, or more frequently with key partners in the community and a minimum of monthly with Borough staff.

#### 5. Determine Borough Council Economic Development Priorities

At least annually coordinate with Borough Council to determine their economic development initiatives and priorities. Provide a report on key Borough Council initiatives and recommend best practices to implement. Areas may be derived by the Economic Development Study, Comprehensive Plan or other areas of interest to the Council, such as Green Energy, Affordable Housing, Workforce Development, etc. Report and update based on timelines given by Borough Council.

#### 6. Chester County Economic Development Council Coordination

Coordinate with Chester County Economic Development Council and the Borough a path forward to develop Borough owned underutilized parcels and provide a plan to Borough Council by August 31, 2021 denoting the prime parcels and targeted end uses and their long- and short-term impacts.

#### 7. Attend and Offer Development Expertise in Borough Meetings

Attend and participate in Planning Commission, Borough Council and other committee meetings when economic development topics are on the agenda or as requested by the Borough Manager or Borough Council.

#### 8. Small Business Support

Provide direct support to small businesses through educational programs, relocation support, or as needed at the time (e.g. the Small Business Response Fund).

Continue to manage the Revolving Loan Fund (RLF) by coordinating the RLF committee and assisting small businesses.



Provide direct support to minority owned businesses by ensuring minority entrepreneurs and business owners access local, state, and federal grants, and that relevant resources are translated into Spanish.

9. Secure and Manage Grants

Secure and manage State and Federal Grants at the direction of the Borough Manager.

Manage the Transportation and Community Development Initiative (TCDI) grant awarded to the Borough and Kennett Township in April of 2020.

## **APPENDIX II. Kennett Township 2021 GOALS and EXPECTATIONS**

August 26, 2020

### **SMART Goals for Economic Development Director**

**1/1/2021 – 12/31/2022**

The Economic Development Director was founded after the adoption of the 2016 Economic Development study adopted by Kennett Township and the Borough of Kennett Square. The goals and activities of the EDD are too vast to list in a single document. Included below are three strategic SMART Goals with accompanying activities to focus the position. Significant progress is possible with collaborative efforts and steadfast focus.

**Goal #1:** Enhance local government regulations to allow for progressive and cohesive development in defined target development area.

**Activities:** Complete substantive reviews of regulations governing development including zoning, subdivision and land development, and other secondary regulations for the purpose of testing development outcomes and consequences. Propose a comprehensive plan of enhancements to achieve stated goal.

Engage content experts and special interest groups to solicit input on development interests. Incorporate interests into plan for regulation enhancements. Example: Kennett Greenway, trails, transportation improvements, traffic enhancements, open space, sustainable energy.

Identify priorities of the governing bodies that can be accomplished through development regulation enhancement. Incorporate findings into plan for enhancements. Example: Open space, environment preservation, sustainable energy, economic diversity, promotion of woman and minority owned businesses.

**Goal #2:** Identify and cultivate infrastructure improvements to promote smart growth and sustainable development.

**Activities:** Generate a community supported plan that identifies improvement opportunities as it relates to infrastructure including transportation, public transportation, parking, signage, and sustainable energy. Plan should provide a pathway to development solutions to identified improvement opportunities.

Advocate for execution of plan where appropriate including meetings of the governing body, planning commission, special interest groups, development meetings, and review committees.

Goal #3: Pioneer initiatives to enable sustainable energy and affordable housing as components of existing and future development.

Activities: Identify progressive solutions to incorporate into development opportunities to address the under supply of affordable housing. Comprehensive solutions will include incentives, regulation changes, public-private-partnerships, and other creative solutions.

Identify and develop similar plans to entice sustainable energy to be components of existing and future development. Plans should include positioning the community to be prime for infrastructure upgrades for sustainable energy.

While accomplishing strategic initiatives through focus on SMART goals is imperative, the EDD should be engaging in other activities to aid the Township in its operations as it relates to economic development, planning, and delivery of government services. Some of those activities include:

- Attending and participating in meetings of the Board of Supervisors (twice monthly)
- Attending and participating in meetings of the Planning Commission (twice monthly)
- Attending and testifying in proceedings of the Zoning Hearing Board (Irregularly)
- Attending and participating in meetings of the Kennett Township leadership team (Irregularly)
- Attending and participating in meetings of various committees, task forces, and sub committees including, but not limited to (Irregularly):
  - Sustainable Energy Task Force
  - Environmental Advisory Commission
  - Historical Architecture Review Board
  - Sub Committees of the Planning Commission
- Providing an analysis of, and opinion on, economic impact studies received from developers
- Providing an analysis of, and opinion on, traffic impact studies received from developers

A brief summary of the role of the EDD is to evaluate and identify insufficiencies in how the municipalities handle economic development, whether by code or procedures, identify solutions and improvements, and aid in the execution accordingly. Follow through on plans is a required ingredient for success of the Office of Economic Development.

For the EDD to be successful they must maintain situational awareness about activities that impact planning, zoning, building, and development throughout the community. The activities described within are not an exhaustive mandate rather a high-level focus on expectations necessary to be met for success to be achievable.

Prepared by Eden R. Ratliff, Township Manager Kennett Township, for the development of a Memorandum of Understanding with Historic Kennett Square and the Borough of Kennett Square to enumerate the duties of the Economic Development Director in the Office of Economic Development.

**APPENDIX III.**

**2021 BUDGETED ECONOMIC DEVELOPMENT COSTS TO HKS**

<b>Staff Costs (includes taxes and benefits)</b>	<b>\$101,165</b>
<b>Professional Memberships</b>	<b>\$875</b>
<b>Meeting Supplies</b>	<b>\$1,000</b>
<b>Conferences and Events</b>	<b>\$3,000</b>
Travel	\$2,000
<b>Materials/Printing</b>	<b>\$500</b>
<b>Façade Grants</b>	<b>\$4,000</b>
<b>Total</b>	<b>\$111,695</b>
<b>Per Municipality</b>	<b>\$55,847.50</b>