

COUNCIL ON DEVELOPMENT FINANCE

April 25, 2022

PUBLIC HEARING 469

THOSE PRESENT:

Hon. Nancy Cook
Mr. Kevin Kelley
Rep. Edward Osienki
Mr. Jack Riddle
Mr. Richard Rowland
Mr. Fred Sears II
Sen. Nicole Poore

Ms. Regina Mitchell, Chairperson, DEDA
Ms. Laura Gerard, DAG
Ms. Amy Reville, DSB
Ms. Patty Cannon, DSB
Ms. Joanna Murzyn, DSB
Ms. Jessica Welch, DSB
Ms. Holly Trudel, DSB
Ms. Anastasia Jackson, DSB
Mr. David Mathe, DSB

YMCA of Delaware

Silvia Shin, Saul Ewing Arnstein & Lehr LLP
Morgan Haas, Saul Ewing Arnstein & Lehr LLP
Tamisha Hopkins
ShaQuan Buffaloe
Chris Ryan
Emilie Ninan, TD Bank

Fujifilm Imaging Colorants, Inc.

Melissa Toledo
Frank Chalk

Blue Diamond Park LLC

Chris Galligan, Stoltz Real Estate Partners
Shawn Tucker, B&T
Jim Smith, B&T
Jeff Bross, Verdantas

KSIP Piccard

Chris Galligan, Stoltz Real Estate Partners
Shawn Tucker, B&T
Jim Smith, B&T
Jeff Bross, Verdantas

Delaware Prosperity Partnership

Kurt Foreman, President and CEO
Becky Harrington, Director of Business Development
Noah Olson, Director of Innovation
Chris Kelly, Senior Economic Researcher
Bryan Mack, Business Development Manager
Pat Larabee, Facility Logix – by phone

General Public

Jacob Owens, Delaware Business Times

LOCATION: Buena Vista Conference Center
661 South DuPont Highway
New Castle, Delaware 19720

TIME: 9:00 a.m.

CALL TO ORDER: The meeting was called to order at 9:01 a.m. by Council Chairman, Mr. Fred Sears II, Monday, April 25, 2022.

OLD BUSINESS:

Mr. Sears asked the Council if there were any comments, suggestions, or recommendations regarding the February minutes for the Council on Development Finance meeting. A correction was made for our March meeting; Fred Sears participated in the meeting virtually and not in person. Mr. Kelley motioned to approve the minutes. Mr. Riddle seconded the motion. The motion was adopted by a unanimous vote.

NEW BUSINESS:

Applicant: YMCA of Delaware

The YMCA of Delaware is requesting a bond not to exceed \$18,000,000.

Sylvia Shin, of Saul Ewing Arnstein & Lehr LLP representing the YMCA of Delaware, gave the project overview. The proceeds of the Bonds will be used to finance, among other things, the design, construction and equipping of an approximately 55,000 square foot two-story art, fitness and recreation center facility located in Middletown, which will include an indoor aquatics center, expanded health and wellness facilities and child and youth care center. The center will serve about 15,000 people and will create about 300 new local jobs.

Further discussion included the specifics on if the YMCA will be working with the disability populations through partnerships with other organizations and questions regarding the YMCA of Delaware's financial statement.

Chairman Sears asked if any members of the public would like to comment on this application. No public comments were made.

Motion Made By: Rep. Edward Osienski

Seconded By: Senator Nicole Poore

Approved By: Vote 7

Opposed By: Vote 0

Applicant: Fujifilm Imaging Colorants, Inc.

Fujifilm Imaging Colorants, Inc. is requesting a Delaware Strategic Fund grant in the amount of \$1,644,630 to expand operations in New Castle, Delaware.

David Mathe gave a brief overview on the funding request which includes a \$270,030 Performance

Grant to create 32 jobs and a Capital Expenditure grant in the amount of \$1,374,600. Melissa Toledo provided the project overview, which includes an expansion of the New Castle facility to allow for more production capacity. The overall investment by Fujifilm will total \$46 million.

Further discussion included if there will be any permitting issues with the Delaware Department of Natural Resources and Environmental Control, how the industry shift from desktop printers has impacted Fujifilm's gross profit, workforce recruitment, and the relationship with the parent company.

Chairman Sears asked if there were any members of the public that would like to comment on this application. No public comments were made.

Motion Made By: Kevin Kelley
Seconded By: Rep. Edward Osienki

Approved By: Vote 7
Opposed By: Vote 0

Applicant: Blue Diamond Park LLC

Blue Diamond Park LLC is requesting incentives from the Delaware Site Readiness Fund in the amount of One Million Dollars (\$1,000,000).

Patty Cannon gave a brief overview of the Site Readiness fund, and Shawn Tucker provided the project overview. Blue Diamond Park LLC plans to use the funds for site work and on-site infrastructure for proposed development (i.e., Phases 2, 2a, 3 and 4) of an industrial hub supporting 2,148,300 square feet of industrial and other permitted uses. The project is located at 780 South DuPont Highway, New Castle, DE 19720. The total project cost is \$163,072,800.

Further discussion included the planned use for the site and the potential impacts on the surrounding communities, traffic concerns, when work will begin on the site, and the structure of Blue Diamond Park LLC.

Motion Made By: Nancy Cook
Seconded By: Senator Nicole Poore

Approved By: Vote 7
Opposed By: Vote 0

Applicant: KSIP Piccard

KSIP Piccard is requesting incentives from the Delaware Site Readiness Fund in the amount of One Million Dollars (\$1,000,000).

Patty Cannon gave a brief overview of the project location and Shawn Tucker detailed the project which includes the proposed development of an 890,348 square foot industrial hub in New Castle County. The total project cost is \$61,807,648. The project location is 550 Churchmans Road, New Castle, DE 19720.

Further discussion included questions on how many trucks will be using the property, environmental concerns, restrictions due to the nearby airport, and the impact to local

communities.

Motion Made By: Richard Rowland
Seconded By: Rep. Edward Osienki

Approved By: Vote 7
Opposed By: Vote 0

Proposal: Delaware Prosperity Partnership – Graduated Lab Space Program

Kurt Foreman and Noah Olson from the Delaware Prosperity Partnership presented a progress update and request for modification for the Graduated Lab Space Program.

Noah Olson gave an overview of the program including the original grant concept and award levels. The original award level provides support at up to \$50 per sq ft (one-third of \$150/sq ft, estimate for base level space). Noah Olson and Kurt Foreman requested that the Council consider increasing the grant award amount to reflect the current market conditions. The requested increase was for up to \$80 per square foot on a maximum base cost of \$240 per square foot with the one-third share remaining as is. The increase was recommended to be in effect through FY23 with review and a report back to the Council in the spring of 2023 to determine market conditions at that time.

Further discussion included whether projects that have already received approval would be brought back for additional funds and concerns on the increase requested.

Rep. Osienki made a motion to increase the award level to \$70 per square foot. Further discussion on the motion included DPP's input on this increase and the reasoning for their original request.

Motion Made By: Rep. Edward Osienki
Seconded By: Nancy Cook

Approved By: Vote 7
Opposed By: Vote 0

ADJOURNMENT BY CONSENT
Meeting Adjourned 11:04 a.m.

Respectfully Submitted,
Jessica Welch, DSB
JW

cc: Members of the Council on Development Finance
Regina Mitchell, Chairperson, Delaware Economic Development Authority, DEDA
Laura Gerard, Deputy Attorney General

The next Council on Development Finance meeting is Monday, May 23, 2022, at 9:00 a.m. at Buena Vista Conference Center, 661 South DuPont Highway, New Castle, Delaware 19720.