

**COUNCIL ON DEVELOPMENT FINANCE**

**December 11, 2023**

**PUBLIC HEARING 484**

**THOSE PRESENT:**

Senator Nancy Cook  
Mr. Tarik Haskins  
Mr. Kevin Kelly  
Mr. Fred Sears II  
Rep. Edward Osienski  
Mr. Jack Riddle  
Mr. Rick Rowland  
Senator Nicole Poore

Ms. Regina Mitchell, Chairperson, DEDA  
Ms. Caroline McDonough, DOJ DAG  
Ms. Laura Wisler, DSB  
Mr. Andrew Harton, DSB  
Ms. Kristiana Robinson  
Ms. Joanna Colson, DSB  
Ms. Gemini Cornish  
Ms. Andrea Wojcik, DSB  
Ms. Linda Hetteroth

**ALSO PRESENT:**

**High-Tech Machine Company, Inc.**

Neal Crosley

**Industrial Partners V Heald LLC**

Mike Hane  
Michael Soves

**Delaware Prosperity Partnership**

Becky Harrington  
Susan Coulby  
Kurt Foreman  
Joe Lewis  
Charles Madden

**Public**

Jake Owens - Delaware Business Times  
Adrian Branch – OMB

**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 9:01a.m., by Council Chairman, Mr. Fred Sears II, Monday, 12/11/2023.

**OLD BUSINESS:**

Mr. Sears notified DSB of an incorrect date identified on the October 2023 meeting minutes that needed correction. Mr. Sears asked the Council if there were any additional comments, suggestions and/or recommendations regarding the October 2023 minutes for the Council on Development Finance meeting. Hearing none, he asked for a motion to approve.

**Motion Made By: Representative Osienski**  
**Seconded By: Jack Riddle**

**Approved By: Vote 8**  
**Opposed By: Vote 0**

**NEW BUSINESS:**

**Applicant: High-Tech Machine Company**

The applicant is requesting a MISI Grant in the amount of \$219,525.00 for their project in Newark, Delaware.

Kurt Foreman introduced High-Tech Machine Company, a family owned and operated business with a rich 30-year history. Specializing in machining, furnace, braising painting and more, High-Tech serves a diverse range of industries. Most of their revenue is derived from contracts with out-of-state customers. The company faces challenges, including the recent loss of a \$290,000/annual contract and being removed from a defense-based contract list because of not having modernized five-axis equipment. This company is the first applicant for the MISI grant pilot program. The five-axis machines enhance the production of intricate parts and improves overall efficiency. Presently, High-Tech relies on mostly outdated four-axis equipment, some dating back 15-20 years. High-Tech has 17 full-time employees earning salaries ranging from \$50,000 to \$100,000 annually, and an employee recently left the company but, High-Tech opted not to fill the vacant position due to anticipated business needs for competitiveness. To address this, the company has identified five new pieces of equipment, including vertical and horizontal machining centers, to replace older ones and enhance technological capabilities. The total investment for this modernization project, including attachments and software, amounts to nearly \$1.1 million. Recognizing the crucial role such businesses play in the state, supply chains, and industries like aerospace, medical devices, and defense, the company seeks support for the modernization investment.

Further discussion included company competitors, leasing of equipment versus purchase, financials, equipment investment, partnership with Vo-tech schools, training, future contracts, anticipated delivery date of equipment, longevity of employees and end-products produced by the equipment.

**Motion Made By: Tarik Haskins**  
**Seconded By: Senator Nicole Poore**

**Approved By: Vote 8**  
**Opposed By: Vote 0**

**Applicant: Industrial Partners V Heald LLC**

The applicant is requesting a Level II Site Readiness Fund grant of \$1,000,000 for their project in Wilmington, Delaware.

Beck Harrington introduced Industrial Partners V Heald LLC, seeking \$1 million in Level II matching funds for site readiness to redevelop 1101 South Heald St., Wilmington, Delaware. The total project cost is estimated at over \$25 million, with site work expected to be around \$4.2 million. The 11-acre remediated site is zoned for commercial and heavy industrial use. All utilities are in place, and the project received support from New Castle County. The development, contributing 137,500 sq. ft. of industrial space, aims to enhance the city's gateway and meet the strong demand for industrial space near the port of Wilmington and along the I-95 corridors. The initiative will revive an obsolete property, creating new jobs and investment opportunities for Delaware. Mike gave site and project details, discussing the excellent transportation connections and corridor opportunities, and that the environmental complications are minimal. There are currently no direct prospects for this property. An expected minimum 50 full-time employers are projected once the project is completed.

Further discussion included direct prospects, ideal usage of the building, DelDOT issues, road improvements, brownfield money involved, and rezoning.

**Motion Made By: Senator Nicole Poore**

**Seconded By: Kevin Kelly**

**Approved By: Vote 7**

**Opposed By: Vote 0**

**Recused: Richard Rowland**

**Site Readiness Presentation**

DPP presentation regarding proposed modification to the Site Readiness program.

Kurt foreman presented possible modifications to the Site Readiness program discussing the expansion of tools to support Delaware's growth, and the need for a diverse portfolio of options across the state to attract potential projects. The program aims to create product offerings and encourage land development before securing customers. Currently, the program supports sites with a 50% match on preparation costs and requires a minimum of 10 acres. The proposal consisted of creating different funding bands based on parcel size to accommodate various projects and reduce development time, ultimately making Delaware a more attractive choice for companies.

Further discussion included previous project tenants, current requirements for the program, the combination of different grant opportunities, and inventory of previous Site Readiness property.

The council requested more information on the status of the current Site Readiness Program and to rehear the proposal at the next meeting.

**Motion Made By: Tarik Haskins**

**Seconded By: Representative Jack Riddle**

**Approved By: Vote 8**

**Opposed By: Vote 0**

**Executive Session**

The Council may enter Executive Session pursuant to 29 Delaware Code §10004(b) including to conduct a strategy session for the purpose of obtaining legal advice or opinion from an attorney-at-law, with respect to pending or potential litigation related to collection issues, which if conducted in an open meeting, would have an adverse effect on the bargaining or litigation position of the Authority, which do not constitute public records within the meaning of 29 Delaware Code, § 10002(l).

**ADJOURNMENT BY CONSENT**

**Meeting Adjourned 10:32 a.m.**

Respectfully Submitted,  
Gemini Cornish, DSB  
GLC

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

The next Council on Development Finance meeting is Monday, January 22, 2024, at 9:00 a.m., Buena Vista Conference Center, 661 South DuPont Highway, New Castle, Delaware 19720.