

COUNCIL ON DEVELOPMENT FINANCE

January 22, 2024

PUBLIC HEARING 485

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
Mr. Joe Zilcosky
Ms. Anastasia Jackson

ALSO PRESENT:

The Challenge Program, Inc.

Andrew McKnight

MCI Bayside Drive LLC

Troy Adams
Kim Adams

Delaware Prosperity Partnership

Becky Harrington
Susan Coulby
Kurt Foreman
Noah Olson
Charles Madden
Bryan Mack

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, 01/22/2024.

OLD BUSINESS:

Mr. Sears asked the Council if there were any comments, suggestions and/or recommendations regarding the December 2023 minutes for the Council on Development Finance meeting. Hearing none, he asked for a motion to approve.

Motion Made By: Rick Rowland

Seconded By: Representative Osienki

Approved By: Vote 7

Opposed By: Vote 0

NEW BUSINESS:

Applicant: The Challenge Program Inc.

The grantee is requesting an extension of their November 2020 Strategic Fund Agreement.

Joe Zilcosky introduced the Challenge Program, Inc. The company is asking for an extension of a previous strategic fund agreement, allowing them to draw on the grant until January 15, 2025. Andrew Mcknight provided the company overview. The challenge program is creating more jobs and looking to hire once moved into their new building. They have been able to get about \$600,000 in sales every year since starting their furniture-making business. The challenge program has faced issues because of the size of their existing building. The current building has also flooded twice. The new buildings will consist of three structures, one housing the show room and offices, and the others serving as the new shop. Approximately 200 applications are received every year and only 20 kids can be hired into the challenge program. These kids face serious barriers to employment. The challenge program is a six-month paid training program. A successful outcome is day one job placement upon program completion, which occurs for 80% of students. Following program exit, the challenge program tracks these students for six months, and has found a 69% retention rate.

Further questions included placement after training, financials, current customers, department of labor compliances, roles of new positions and timeline of fulfilling those positions. REDF Invest Fund was also discussed.

Motion Made By: Nicole Poore

Seconded By: Tarik Haskins

Approved By: Vote 8

Opposed By: Vote 0

Applicant: MCI Bayside Drive LLC

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

Bryan Mack introduced MCI Bayside Drive LLC, which will be located at 1180 Horsepond Dr., Dover, DE. The funds will be used for site preparation for a 13.38 acre industrial park including: engineering, road, sewer, water, construction, and water management. The plan includes

developing 100,000 sq ft with 10 proposed buildings that are 10,000 sq ft each. The project is expected to cost around \$4.5 million dollars. MCI Bayside also plans to apply for a TIIF Grant. The City of Dover provided the project support letter. The location will attract small and medium-size manufactures. Kim and Troy Adams provided the company background. They have been in business for about 19 years together and will be able to support the surroundings area with their new project, as they have no use for the additional land. The area is zoned for manufacturing and has been identified for economic development purposes.

Further questions included: surrounding areas; status of Kent County approval process and the timeline to get approved; commitment from lenders; financials; permits; use of funds; concerns over enough financing to cover project; and ideal future tenants.

Motion Made By: Nancy Cook
Seconded By: Tarik Haskins

Approved By: Vote 8
Opposed By: Vote 0

Site Readiness Presentation

DPP and DSB presentation regarding proposed modification to the Site Readiness Program.

Regina and Kurt presented the proposed Site Readiness Program changes. Regina gave an overview of the current project guidelines for TIIF and Site Readiness and how the program operates, she also gave current details of awardees and where the money has been allocated. There have been 17 total recipients of the program to date. Kurt Foreman revised the proposed future changes to the Site Readiness Program based on council's questions and concerns from December's CDF meeting. DPP has had a total of 323 different prospect inquires. 72 of those have had specific site requirements. Linda Parkowski and Bill Pfaff shared comments on how and why they support the changes proposed for the Site Readiness Program.

Further discussion included the differences between the approval and final draw date and major concerns on developers coming back for additional funds. Discussion also included concerns for other landowners who are not receiving the funds, and the sale of property once completed.

The Council held a vote to approve the proposed changes to the program as presented. The vote to allow previous awardees to come back for additional funds was tabled by the Council.

Motion Made By: Jack Riddle
Seconded By: Rick Rowland

Approved By: Vote 6
Opposed By: Vote 0
Abstained: 1

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, February 26, 2024, at 9:00 a.m., Buena Vista Conference Center, 661 South DuPont Highway, New Castle, Delaware 19720.