

COUNCIL ON DEVELOPMENT FINANCE

04/22/2024

PUBLIC HEARING 488

THOSE PRESENT:

Mr. Fred Sears
Hon. Joshua Martin
Rep. Edward Osienski
Mr. Jack Riddle
Senator Nicole Poore
Mr. Kevin Kelly
Mr. Tarik Haskins
Sen. Nancy Cook

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
Ms. Linda Hetteroth

ALSO PRESENT:

CMT, Inc

Chris Coviello
Debbie Coviello

Phase Sensitive Innovations, Inc

Dennis Prather, CEO
Ahmed Sharkawy, COO

Prelude Therapeutics Incorporated

Bryant Limb

Kent Economic Partnership

Zach Prebula

Delaware Prosperity Partnership

Susan Coulby
Kurt Foreman
Becky Harrington
Erica Crell
Joseph Lewis

General Public

Michael McConnell-OMB
Katie Tabelaing-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 9:07 am., by Council Chairman, Mr. Fred Sears II, Monday, 04/22/2024.

OLD BUSINESS:

Mr. Sears asked the Council if there were any comments, suggestions and/or recommendations regarding the 03/25/2024 minutes for the Council on Development Finance meeting. Hearing none, he asked for a motion to approve.

Motion Made By: Sen. Nicole Poore
Seconded By: Hon. Joshua Martin

Approved By: Vote 8
Opposed By: Vote 0

NEW BUSINESS:

Applicant: CMT, INC.

The applicant is requesting a Level II Site Readiness Fund grant of \$700,000 for their project in Harrington, Delaware.

Becky Harrington introduced CMT, Inc. The funds will be used to assist with the redevelopment of their project in Harrington, Delaware, including engineering, construction of roads, sewer, and stormwater management. The total project cost is estimated to be over \$6.9 million. This is a 13-acre site. The new owners plan to build a business park approximately 76,000 sq ft with three buildings. The site plan has been approved by the City of Harrington and is waiting for approvals from local and state agencies. Construction is likely to happen in the next 12 months. This project will attract new jobs and investment to the city of Harrington. CMT is financing approximately half of the total investment and will use private and grant funding to fund the rest.

Further discussion included a commitment from banks, financials, funds used for building, cost estimates, and Del-DOT review process.

A public comment was made by Zach Prebula, giving the Kent County Economic Partnership's support for this project.

Motion Made By: Sen. Nicole Poore
Seconded By: Sen. Nancy Cook

Approved By: Vote 8
Opposed By: Vote 0

Applicant: Phase Sensitive Innovations, Inc.

The applicant is requesting a Graduated Lab Space Grant in the amount of \$566,090, and a Strategic Fund Grant in the amount of \$139,800 for their project in Newark, Delaware.

Noah Olson introduced Phase Sensitive Innovations, Inc. This project will retain existing jobs, create new jobs, and build lab space. This company was founded in Newark in 2007. PSI is a high-technology company specializing in radiofrequency with a special focus on millimeter wave regions of electromagnetic spectrums. The company has grown since its founding due in large part to its funding from federal grants and projects with the Department of Defense. With these partnerships, the company has expanded over 85% in the past 5 years. This project in Newark includes a state-of-the-art manufacturing facility for TFLM wafers and devices and will add 54 new employees, allowing the company to reach 100 employees. These jobs are highly technical positions and require a high degree of on-the-job training. To accommodate growth, PSI will expand a total of 234,000 sq ft. Dr. Dennis gave the company background and project overview.

Further questions included the recruiting process with the level of expertise required, salary levels, local firms involved in the patent process, long-term plans, commercial opportunities, and financials.

Motion Made By: Senator Nicole Poore
Seconded By: Hon. Joshua Martin

Approved By: Vote 8
Opposed By: Vote 0

Grantee: Prelude Therapeutics Incorporated

The Grantee is requesting an extension and modification of their January 2022 Strategic Fund Grant Agreement.

Kurt Foreman introduced Prelude Therapeutics Inc., founded in 2016 as a clinical-stage oncology company. Previously in front of the council in January 2022, Prelude asked for an extension to their current agreement for two additional years to continue working towards their job creation targets. In addition, Prelude requested disbursement of the remaining funds from the current contract, so that Prelude could deploy these funds directly into their R&D efforts. Bryant gave an update and provided details related to their request.

Executive Session

The council went into executive session at 10:14am

Motion Made By: Keven Kelly
Seconded By: Sen. Nancy Cook

Approved By: Vote 8
Opposed By: Vote 0

The council came out of executive session at 10:24am and returned to public session at 10:26am.

Motion Made By: Sen. Nicole Poore
Seconded By: Sen. Cook

Approved By: Vote 8
Opposed By: Vote 0

Grantee: Prelude Therapeutics Incorporated - Continued

A motion was made to provide a three-year agreement extension through 2027, and to amend the agreement to allow Prelude to submit draw requests on a quarterly basis instead of an annual basis, based on the number of employees hired.

The Council emphasized that this amendment is an exception, and not a rule or regulation that will be used in the future.

Motion Made By: Senator Nicole Poore
Seconded By: Hon. Joshua Martin

Approved By: Vote 8
Opposed By: Vote 0

ADJOURNMENT BY CONSENT
Meeting Adjourned 10:31am

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 May 20, 2024, at 9:30 a.m., Delaware Public Archives 121 Martin Luther King Jr Blvd N, Dover, De 19901