

COUNCIL ON DEVELOPMENT FINANCE

08/26/2024

PUBLIC HEARING 491

THOSE PRESENT:

Mr. Fred Sears
Senator Nicole Poore - Virtual
Rep. Edward Osienski
Mr. Jack Riddle
Senator Nancy Cook

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

ALSO PRESENT:

INSITEHUB LLC

John Royer
Rob Brand

Parkway Gravel, Inc

Nick Ferrara
Joe A. deJuliis

Natural Dairy Products Corporation

Stephanie McVaugh

Delaware Prosperity Partnership

Susan Coulby
Kurt Foreman
Becky Harrington
Bryan Mack
Megan Kopistecki

General Public

Michael McConnell-OMB
Daniel Arndt-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 9:21 a.m., by Council Chairman, Mr.

Fred Sears II, on Monday, 08/26/2024.

OLD BUSINESS:

Mr. Sears asked the Council if there were any comments, suggestions, or recommendations regarding the 07/22/2024 minutes for the Council on Development Finance meeting. Hearing none, he asked for a motion to approve.

Motion Made By: Rep. Edward Osienski
Seconded By: Sen. Nicole Poore

Approved By: Vote 5
Opposed By: Vote 0

NEW BUSINESS:

Applicant: INSITEHUB LLC

The applicant is requesting \$50,000 from the Delaware Strategic Fund Delaware Technical Innovation Program (DTIP) for a Small Business Technology Transfer (STTR) grant. The business is located in Newark, Delaware.

David Mathe introduced INSITEHUB LLC. INSITEHUB submitted its Phase 1 progress report on May 31, 2024. John Royer provided an overview of the company, highlighting its role as a commercial learning technology firm specializing in e-learning, custom digital content, and app development. INSITEHUB is privately owned, with no external investors or funding raised to date. Its customer base includes clients in biopharma, clinical research, MedTech, and healthcare sectors. While the company has no full-time employees, it operates through a broad network of industry experts. Last year, INSITEHUB received a Phase I award from the NIH, with a period ending 7/31/24. The company aims to expand its presence and brand in Delaware, using the awarded funds to continue efforts between Phase 1 and Phase 2.

Further discussion included an award letter for Phase II and John Royer's background.

No public comments were made.

Motion Made By: Jack Riddle
Seconded By: Sen. Rep. Edward Osienski

Approved By: Vote 5
Opposed By: Vote 0

Applicant: Parkway Gravel, Inc.

The applicant is requesting a Strategic Level I Site Readiness Fund Grant of \$100,000 for their project in Middletown, Delaware.

Bryan Mack introduced Parkway Gravel, Inc. and gave a project overview. Parkway Gravel, Inc. is requesting up to \$100,000 in Level 1 matching funds for the reimbursement of site preparation activities, including site surveys and engineering design. The company plans to develop 1,101

acres at 1870 DuPont Parkway in Middletown, located in the BP Business Park. The site plan includes approximately 2.56 million square feet of industrial space across three proposed buildings, sized 1,488,000 square feet, 651,000 square feet, and 420,000 square feet, on the northern part of the property. The total projected cost for Phase 1 activities is \$315,500.

The property was previously approved for a Level 1 Site Readiness Grant in 2022, the developers did not proceed with the grant or draw any funds. New Castle County has provided a letter of support for Level 1 funding to conduct exploratory studies and refine the concept plan through survey work. The location is expected to attract medium and large manufacturers seeking to expand in northern Delaware.

Further discussion included parcel size, possible prospects, details about the property such as access points, concerns for communities that are close by, potential growth, and traffic entering the site such as tractor-trailers.

Motion Made By: Jack Riddle
Seconded By: Sen. Nicole Poore

Approved By: Vote 5
Opposed By: Vote 0

Applicant: Natural Dairy Products Corporation

The applicant is requesting a Delaware Strategic Fund Grant under the Facility Modernization and Investment Initiative (MISI) of \$858,400 to modernize its operations in Newark, Delaware.

Charles Madden and Megan Kopistecki introduced Natural Dairy Products Corporation and Stephanie McVaugh gave the company background. Natural Dairy, a plant-based food and beverage manufacturer based in Newark, Delaware, is a woman-owned business led by Stephanie McVaugh, who has been with the company since 1999 and now owns 100% of the business. Founded in 1994 by Ned MacArthur and his father, the company initially partnered with organic dairy farmers in Lancaster County, Pennsylvania, to create a sustainable, independent process for grass-fed organic milk production. Over the past decade, Stephanie has expanded the company's product line to include organic dairy and plant-based products, as well as contract manufacturing for private-label clients.

Recently, Natural Dairy has faced challenges due to outdated filling equipment, which has led to lost business and difficulties securing new contracts. As a result, production was reduced from seven days to four, and three employees were laid off. The company seeks to upgrade its pint and half-gallon filling machines with new hygienic technology to extend product shelf life from weeks to months. This upgrade would improve distribution efficiency, reduce costs, and minimize product returns, benefiting both Natural Dairy and its clients.

The cost of the new equipment and installation is projected at \$4.29 million. If granted funding, the company expects to return to a seven-day production, rehire the three eliminated positions within a year, and potentially grow its workforce in the future. Natural Dairy currently employs 21 full-time workers.

Further discussion included product shelf life, expiration date determination, machine lead times, packaging, competitors, other products being produced, project financing and the timeline and

types of future contracts.

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

Approved By: Vote 5
Opposed By: Vote 0

Executive Session

The Council may enter Executive Session pursuant to 29 Delaware Code. §10004(b) including conducting 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 10:05 am

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 September 23, 2024, at 9:00 a.m., Buena Vista Conference Center, 661 South DuPont Highway, New Castle, Delaware 19720.