

COUNCIL ON DEVELOPMENT FINANCE

09/23/2024

PUBLIC HEARING 492

THOSE PRESENT:

Senator Nancy Cook
Hon. Joshua Martin
Rep. Edward Osienski
Mr. Jack Riddle
Senator Nicole Poore
Mr. Kevin Kelly
Mr. Tarik Haskins
Mr. Richard Rowland

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

ALSO PRESENT:

Hanover Foods Corporation

Will Choi
Dave Shaqfeh
Justin Prystajko

PR-Stoltz Venture, LLC

Chris Galligan
Jim Smith
Shawn Tucker

Delaware Prosperity Partners

Megan Kopistecki
Becky Harrington
Charles Madden
Susan Coulby
Kurt Foreman

Kent County Economic Partnership (KEP)

Linda Parkowski

General Public

Katie Tabelins
Ben Scaglietti
J.T. Fleming
Kehinde Ahn
Kehinde Akani
Wasiu Akuas

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

TIME: 9:03 a.m.

CALL TO ORDER: The meeting was called to order at 9:03 am., by Council Chairman, Mr. Jack Riddle on Monday, 09/23/2024.

OLD BUSINESS:

Mr. Riddle asked the Council if there were any comments, suggestions, and/or recommendations regarding the 08/26/2024 minutes for the Council on Development Finance meeting. Mr. Kevin Kelly commented that meeting minutes needed to reflect that he was not in attendance.

Motion Made By: Rep. Ed Osinski

Seconded By: Sen. Nancy Cook

Approved By: Vote 8

Opposed By: Vote 0

NEW BUSINESS:

Applicant: Hanover Foods Corporation

The applicant is requesting a Delaware Strategic Fund grant under the Facility Modernization and Investment Support Initiative (MISI) of \$1,000,000 to modernize its operations in Clayton, Delaware.

Linda Parkowski introduced Hanover Foods, which operates 10 facilities in the tri-state region. Founded in 1924, the company is a leader in growing, processing, packaging, marketing, and distributing a variety of products, with lima beans as their top seller. However, the Delaware facility faces challenges due to the need for new equipment and facilities, which could lead to its closure. Megan Kopistecki explained the purpose of the Modernization Grant, emphasizing the need for Hanover Foods to update its harvesting equipment, improve washing and sorting operations, and modernize its drying and freezing processes. The projected cost for these upgrades is \$8,675,000. The company employs 55 full-time workers and 110 seasonal employees, and it supports 41 farmers in Delaware and 38 in Maryland, making the potential closure significant. Justin and Will from Hanover provided company background, noting that Hanover Foods is currently in its fifth generation, with the fourth generation in leadership. The company has made significant investments in other plants and is considering consolidating some facilities. The Clayton facility is vital for maintaining operations in Delaware and supporting regional farmers.

Further discussion included investment in other plants, consolidation of facilities, use of bank loans and USDA loans, the need for new cold storage, and insurance recovery.

Motion Made By: Sen. Nancy Cook

Seconded By: Sen. Nicole Poore

Approved By: Vote 8
Opposed By: Vote 0

Applicant: PR-Stoltz Venture, LLC

The applicant is requesting a Level II Site Readiness Fund grant of \$2,400,000 for their project in New Castle, Delaware.

Becky Harrington introduced PR-Stoltz Venture LLC, which is undertaking site readiness activities on 246 acres at Blue Diamond Park in New Castle. The site can accommodate 2.1 million square feet of industrial space, with a total project cost exceeding \$390 million. On April 25, 2022, the applicant was awarded a Phase II Site Readiness grant of \$1,000,000 as the entity Blue Diamond Park, LLC. The grant agreement for Blue Diamond Park, LLC was never fully executed, and the CDF approval of that application expired on April 25, 2023. The funds will be allocated for engineering, bulk grading, permanent wastewater, water, and stormwater management.

Further discussion focused on traffic and parking issues related to the project. Sen. Nicole Poore voiced her concerns regarding the potential impact of construction on neighboring communities, truck traffic, the anticipated construction start date, and the salaries for the positions.

Motion Made By: Kevin Kelly
Seconded By: Tarik Haskins

Approved By: Vote 7
Opposed By: Vote 1

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).

Executive Session Start Time: 9:56

Motion Made By: Sen Nicole Poore
Seconded By: Kevin Kelly

Approved By: Vote 8
Opposed By: Vote 0

Executive Session End Time: 10:16

Motion Made By: Joshua Martin
Seconded By: Tarik Haskins

ADJOURNMENT BY CONSENT
Meeting Adjourned: 10:16

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 December 9, 2024, at 9:30 a.m., in the Delaware Room at the Delaware Public Archives located at 121 Martin Luther King Jr. Blvd N, Dover, DE 19901.