



## Transportation Infrastructure Investment Fund Council

### Meeting Minutes

November 16, 2022

1:00 p.m.

Virtual via Zoom and In-Person (Delaware Room, DelDOT Admin. Bldg.)

#### Members Present:

Mr. Joe Westcott (CHAIR)

Senator Nicole Poore

Delaware Senate District 12

Representative Bill Bush

Delaware House of Representatives District 29

Mr. John Riley

Dr. Martin Nunlee

Mr. Bill Strickland (departed prior to any votes taken)

#### Members Absent:

Ms. Mona Parikh

Mr. Rob Book

Dr. Cornelia Johnson

#### Guests:

Pamela Steinebach

Delaware Department of Transportation

Susanne Laws

Delaware Department of Transportation

Todd Reavis

Delaware Department of Transportation

Omar Noor

Delaware Department of Transportation

Meghan Niddrie

Delaware Department of Transportation

George Lees

Department of Justice/Delaware Department of Transportation

Regina Mitchell

Delaware Division of Small Business

Kristiana Robinson

Delaware Division of Small Business

Joanna Murzyn

Delaware Division of Small Business

Clayton Snead

Snead Property Management, LLC

Lasonya Snead

Snead Property Management, LLC

Chris Galligan

Stoltz Family Office, CFO

Shawn Tucker

Barnes & Thornburg, LLP

Sara Bluhm

City of Milford

Rob Pierce

City of Milford

Mike Riemann

Becker Morgan Group, Inc.

James Smith

Barnes & Thornburg, LLP

Jacob Owens

Jeff Patti

Carlton Savage

Zach Prebula

Linda Parkowski

Kent Economic Partnership

**Agenda Item # 1: Welcome and Introductions**

**Discussion:** Quorum was confirmed.

**Agenda Item # 2: Approval of the July 20, 2022, Meeting Minutes**

**Discussion:** Mr. Westcott acknowledged that the meeting materials were sent out last week for the Council's review. A motion to approve the July 20, 2022, meeting minutes was made by Rep. Bush. The motion was seconded by Senator Poore. **Approved by the Council.**

**Agenda Item # 3: Summary of TIIF Program Improvements**

**Discussion:** Ms. Steinebach presented a year-to-date summary of Delaware traffic fatalities. She then presented a summary of the upcoming TIIF program improvements with a focus on increasing the quality and quantity of applications. Efforts will include a TIIF marketing video, an improved TIIF website, building TIIF awareness with DelDOT Development Coordination staff, continuing coordination with Delaware Prosperity Partnership, and a code change to authorize the Secretaries of Transportation and State to approve grant reassignments between parent companies to subsidiaries of the same corporate parent, and between subsidiaries of the same parent company. Mr. Westcott asked if the Council needed to take any action at this time. Ms. Steinebach responded that no action is required by the Council at this time. She explained that action from the Council would be needed should the grantee sell the economic development project to another entity.

**Agenda Item # 4: Status of Previous Approvals**

**Discussion:** Ms. Steinebach reviewed the status of current Grantee projects.

**Agenda Item # 5: Review and Approval of Received TIIF Grant Applications**

**Discussion:** Ms. Steinebach introduced the first of three received applications for the Council's consideration, KSIP I Piccard LLC. She summarized the project description highlighting that this project was previously approved in Round 3 as Churchmans 273 LLC, and that the warehouse footprint is somewhat different from the previous since the site tenant would be different than anticipated originally. Ms. Steinebach mentioned that a Site Readiness grant was awarded to this Applicant for the internal site and not for transportation improvements. Ms. Steinebach also reviewed the previous recommendations for this project from Round 3 and noted that due to proximity to the New Castle Airport, Federal Aviation Administration (FAA) restrictions imposed site limitations resulting in some redesign and DelDOT reapproval of the entrance plans. Ms. Steinebach presented a review of the employment standards, and the public endorser. She described performance measures that were analyzed for this applicant. She also noted that two votes would be required for KSIP I Piccard LLC: one vote for the reassignment and one vote for the requested additional \$2.5 million.

Ms. Mitchell summarized her office's review of the financial stability of KSIP I Piccard LLC and no items of concern were noted. They provided a certificate of good standing and there were no compliance issues found with other state agencies.

Ms. Steinebach explained that the total construction cost is \$6.3 million and the overall project cost is \$95 million. Mr. Shawn Tucker, representing the applicant, confirmed that the overall cost is correct assuming the \$5 million is awarded.

Ms. Steinebach introduced the second application for the Council's consideration, City of Milford Industrial Park. She summarized the project description, the TIIF scope of work, employment standards, and the public endorser. Ms. Steinebach also described performance measures that were analyzed for this applicant. Ms. Mitchell explained that City of Milford was recently approved for a \$1 million Site Readiness Fund grant in addition to the \$100,000 Site Readiness Level 1 grant previously approved. Ms. Mitchell summarized her office's review of the financial stability of City of Milford and no items of concern were noted. They provided a certificate of good standing and there were no compliance issues found with other state agencies.

Rep. Bush asked about the number of jobs, were they expecting more than 43 jobs under full build-out. Ms. Sara Bluhm of City of Milford responded that the 10-year build-out is estimated at 1,300 jobs, the 43 jobs is the Year 3 employment standard.

Ms. Steinebach introduced the third application for the Council's consideration, Snead Property Management LLC. She summarized the project description, the TIIF scope of work, employment standards, and the public endorser. Ms. Steinebach also described performance measures that were analyzed for this applicant. Ms. Mitchell summarized her office's review of the financial stability of Snead Property Management LLC and no items of concern were noted. They provided a certificate of good standing and there were no compliance issues found with other state agencies

Ms. Steinebach next presented a comparison of all TIIF grants awards/applications as a function of dollars per job, based on the Year 3 jobs standard.

Ms. Steinebach asked for questions regarding any of the information she presented.

Mr. Westcott questioned the increased engineering fees and decreased scope of work for KSIP I Piccard LLC and if the \$6.3 million cost includes the reduction. Mr. Tucker responded by explaining that the reduction was included in the updated estimates that were in the package that was sent to the Council and that the total for off-site construction work is just shy of \$6 million. They were able to save money because of Churchmans Road scope of work being modified, but there are increased engineering fees due to the FAA side of the site. Mr. Westcott asked if the previously mentioned code change was made, would this reassignment need to come before the Council. Mr. Tucker answered yes, because the new LLC has a new partner outside of the original parent company. Mr. Chris Galligan, representing the applicant, explained the new LLC partnership.

Mr. Riley had no questions but commented regarding the request for additional funding by KSIP I Piccard LLC and the proposed land use for the site, as compared to the other two applicants.

Senator Poore expressed that the revitalization the proposed project could provide is of interest. She also asked for clarification of the increase in taxes projected by Division of Small Business' analysis and the proposed 90 jobs.

Ms. Steinebach explained that the proposed 90 jobs are in Years 2 and 3; Mr. Tucker confirmed. Senator Poore asked about the number of construction jobs the development project would provide. Mr. Jeff Bross, representing the applicant, responded that the construction workforce varies between 50 to 150 jobs.

Ms. Mitchell explained that the projected tax increase includes more than personal income taxes.

Dr. Nunlee asked how the residential and commercial are proposed for Snead Property Management LLC. Mr. Clayton Snead, representing the applicant, responded that the residential part provides an offset to financial liabilities on the commercial part, creating opportunity for the property to be self-sufficient. Commercial will be on first floor, residential leased space on second floor.

#### **Agenda Item # 6: Executive Session**

Dr. Nunlee made a motion to enter Executive Session. The motion was seconded by Mr. Riley. **Approved by the Council unanimously at 1:49 p.m.**

Executive session held; minutes of session maintained separately as public disclosure would defeat the lawful purpose of the executive session. Council sought legal advice from DAG George Lees.

Rep. Bush made a motion to leave Executive Session. The motion was seconded by Mr. Riley. **Approved by the Council unanimously at 2:12 p.m.**

#### **Agenda Item #7: Vote on Received TIIF Grant Applications**

**Snead Property Management LLC:** Dr. Nunlee made a motion to vote on a grant award to Snead Property Management LLC in the amount of \$128,005.36. The motion was seconded by Sen. Poore. **Approved by the Council unanimously.**

**City of Milford Industrial Park:** Rep. Bush made a motion to vote on a grant award to City of Milford Industrial Park in the amount of \$2,766,799.89. The motion was seconded by Sen. Poore. **Approved by the Council unanimously.**

**KSIP I Piccard LLC:** Mr. Westcott read the motion from the July 20, 2021, Council meeting for the Churchmans 273 LLC application.

Dr. Nunlee made a motion to vote on the reassignment of the previously awarded Churchmans 273 LLC grant to KSIP I Piccard LLC. The motion was seconded by Sen. Poore. **Approved by the Council unanimously.**

Sen. Poore made a motion to vote on the application of KSIP I Piccard LLC for an additional \$2.5 million in funding to KSIP I Piccard LLC. The motion was seconded by Rep. Bush. A vote roll call was taken:

Rep. Bush – For

Sen. Poore – For

Dr. Nunlee – Against

Mr. Riley – Against

Mr. Westcott – Against

Mr. Westcott noted that his vote reflected that the conditions of prior approval were not met. Dr. Nunlee and Mr. Riley also noted similar reasoning as the basis for their votes.

Mr. Tucker asked for opportunity to provide comments after the vote and was given time to comment.

Mr. Westcott reiterated that his concern was the certainty of jobs for the economic development project. Ms. Steinebach noted that the one-year stipulation was less of a concern than securing the jobs.

#### **Agenda Item # 8: Future Meetings**

**Discussion:** Ms. Steinebach explained that the next submission deadline is January 9, 2023. The next Council meeting is scheduled for March 22, 2023

#### **Agenda Item # 9: Public Comment**

**Discussion:** No public comment was offered.

#### **Adjournment**

A motion to adjourn the meeting was made by Mr. Riley. The motion was seconded by Rep. Bush. The meeting was adjourned at 2:26 p.m.

*Minutes Prepared by: Meghan Niddrie, DelDOT Planning*

*Minutes Reviewed by: Susanne Laws, P.E., DelDOT Planning*