



Transportation Infrastructure Investment Fund Council

Meeting Minutes

July 26, 2023

1:00pm

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

Members Present:

Mr. Joe Westcott (CHAIR)
Dr. Martin Nunlee
Representative Bill Bush
Senator Jack Walsh
Ms. Cornelia Johnson
Mr. Robert Book
Mr. Bill Strickland
Ms. Mona Parikh

Guests:

Pamela Steinebach	Delaware Department of Transportation
Susanne Laws	Delaware Department of Transportation
Todd Reavis	Delaware Department of Transportation
Liddy Campbell	Delaware Department of Transportation
Ken Feaster	Department of Justice/Delaware Department of Transportation
Joanna Colson	Delaware Division of Small Business
Andrew Harton	Delaware Division of Small Business
Regina Mitchell	Delaware Division of Small Business
Jeff Bross	Verdantas LLC
Mike Hagan	Stoltz USA
George Smiley	New Castle County Council
Scott Parker	Verdantas LLC
Mike Kaszyski	Verdantas LLC
Shawn Tucker	Barnes & Thornburg LLC
James Smith Jr.	Barnes & Thornburg LLC
Wali Rushdan	Barnes & Thornburg LLC
Michael Hackerdorn	Local 74
Kevin Davis	Incyte
Kristiana	
J Owens	Delaware Business Times
Brandon Holveck	
William Owen	
Megan Kopistecki	Delaware Prosperity Partnership
Bryan Mack	
Austin Weinman	
Becky Harrington	Delaware Prosperity Partnership



Agenda Item # 1: Welcome and Introductions Discussion: Quorum was confirmed.

Discussion: Ms. Steinebach announced that representatives of the applicants were present at the meeting to answer any questions regarding the current applications.

Agenda Item # 2: Approval of the May 18, 2023, 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 May 18, 2023, meeting minutes was made by Mr. Robert Book. The motion was seconded by Ms. Cornelia Johnson. **Approved by the Council.**

Agenda Item # 3: Summary of TIIF Program Improvements

Discussion: Ms. Steinebach presented a draft copy of the TIIF Employment Standards Guidelines. Ms. Steinebach stated the guidelines provide opportunity to help guide decision-making for Council and are intended to align with Division of Small Business' guidelines for economic development grants. Mr. Westcott stated the guidelines will help the Council focus on types of development to support jobs that are valued in the state. He then asked the Council if there were any comments, and none were offered. Mr. Westcott asked the Council members for a vote on the guidelines; a motion to approve the guidelines was made by Representative Bill Bush. The motion was seconded by Mr. Robert Book. **Approved by the Council.**

Discussion: Ms. Steinebach explained the TIIF website is currently being updated, and summarized some of the updates, which have an emphasis on a user-friendly design that will also showcase the Council's work of recommending funding for diverse project types. Ms. Steinebach stated the projected schedule for the website to "go live" is Fall 2023.

Agenda Item # 4: Status of Previous Approvals

Discussion: Ms. Steinebach reviewed the status of current Grantee projects. She stated the total amount awarded to date is \$30,622,661.57 and total jobs created is 9,258.

Agenda Item #5: Reviewed of Received TIIF Investment Grant Applications

Incyte: Ms. Steinebach provided award information on Round One Grantee, Incyte, who is requesting a grant term extension of two years to expire October 2025. Ms. Steinebach mentioned that Mr. Kevin Davis is present at the meeting virtually. Mr. Westcott asked the question if the two-year term was required because of the on-going situation with the Friends School and Ms. Steinebach acknowledged. Ms. Westcott asked the Council if there were any further questions, and no comments were offered.



KSIP I Piccard LLC: Ms. Steinebach stated the KSIP I Piccard LLC applicant originally came in under Round 3 and again in Round 6 as a new reassignment. She summarized the project description and history, highlighting in Round 3 they were awarded \$2.5 million with 90 jobs and also obtained a Site Readiness Fund award of \$1 million in May 2022. They were also approved for grant reassignment in March 2023. Ms. Steinebach mentioned two letters of support for the project were received from the Director of NCC Office of Economic Development as well as from Senator Poore, who was a previous TIIF Council member. Ms. Steinebach stated the applicant requested “Confidentiality of Financials” and if there were any discussions between the Council members, a Zoom breakout room as well as a separate conference room was available for further discussion. Mr. Andrew Harton from the Delaware Division of Small Business provided an overview of the financial stability of the proposed project, that the Applicant has no compliance issues with other state agencies and is in good standing. Mr. Harton stated the economic impact analysis was updated to reflect the 225 actual job types now proposed; previously the 90 proposed jobs impact analysis was run based on the NAICS code. The project will generate \$3,944,926.00 in annual taxes. Ms. Steinebach stated the applicant has applied for an increase in funding of \$2,900,855.00. She also stated the Applicant’s representatives were present for questions. Per Mr. Shawn Tucker, KSIP responded to an RFP from Amazon and is anticipating negotiations with Amazon.

Mr. Westcott summarized the major changes from Round 6 are construction cost increases and total number of estimated jobs increased, and while progressing toward a lease, there is still no lease yet. Mr. Shawn Tucker with Barnes & Thornburg acknowledged. Senator Jack Walsh asked how many jobs approximately the construction site will provide and is there a commitment to utilize local Delaware workers. Mr. Tucker and Mr. Hagan with Stoltz USA provided answers to Senator Walsh’s questions. Senator Walsh asked about maximizing opportunity to make rent at this site competitive. Mr. Tucker stated his client’s ability to know how low his rent can go is essential to his client’s rent negotiation. Mr. Westcott asked if the remaining award was made contingent upon executing a lease, could that not be modeled into the rent calculation. Mr. Tucker replied that they’re trying to settle how competitive they can be.

Mr. Westcott asked if the jobs created here are going to meet the \$35,000 salary floor. Mr. Tucker replied salaries range from \$33,000/year to \$179,000/year and stated the information can also be found in the application packet that was provided to the TIIF Council.

Dr. Martin Nunlee asked if there are currently no tenants in place, but there is a request for proposal, what if the deal is not accepted, what happens then to the additional funding. Mr. Tucker stated that there are existing roadway improvements that are needed so the additional funding will be utilized regardless. Mr. Jeff Bross with Verdantes stated the improvements were to enhance capacity and safety. Ms. Steinebach stated that DelDOT’s current Capital Transportation Plan does not address any of the upgrades associated with the development project.



Mr. Nunlee asked about the possibility of other tenants, and if there's any multimodal benefit so close to the airport. Mr. Tucker replied other entities are looking for similar sized warehouse space. Mr. Hagan mentioned that another prospect toured the site yesterday. Mr. Tucker re-stated that negotiating competitively will land a tenant in Delaware.

PR Stoltz Venture LLC: Ms. Steinebach provided a review of the project, that this is a redevelopment of a former borrow pit into an industrial/logistics/warehousing hub (Blue Diamond Park). Ms. Steinebach also stated the TIIF Scope of Work includes entrance and widening improvements, turn lanes, signalization, and pedestrian crossings. Ms. Joanna Colson with Delaware Division of Small Business provided an overview of the financial stability of the proposed project, stating there were no items of concern found the Applicant is validly organized, is in good standing, has no labor law violations, proposes 210 new positions [over and above the 400 created with Amazon] with \$38,000 annual salary, and the project will generate an additional \$3,391,106.00 in annual taxes. Ms. Steinebach stated the Applicant has requested \$4,028,130.00.

Agenda Item # 6: Executive Session to Discuss Applications

Discussion: Mr. Westcott asked the Council members if there was a need for an executive session and there were no comments made by the Council.

Agenda Item # 7: Vote on Received TIIF Grant Applications

Incyte (Grant Extension): Mr. Westcott asked for a motion to vote on the two-year extension of their previously approved grant. A motion was made by Representative Bill Bush and the motion was seconded by Dr. Martin Nunlee. **Approved by the Council unanimously.**

KSIP I Piccard: Mr. Westcott asked for a motion to vote on the \$2.9 million increase, with the same contingency regarding the lease execution as in past, that the money be set aside for one year, pending execution of a lease. A motion was made by Mr. Westcott and the motion was seconded by Representative Bill Bush.

Discussion: Ms. Parikh asked about the need to keep the contingency, since these improvements need to happen, and that the Applicant will have to pay for and will result in a higher lease. Mr. Westcott stated that per his understanding, the commitment of the dollars, contingent or otherwise, is important to the negotiations. The contingency is consistent with the Council's prior decision, this is still a speculative project. Mr. Nunlee stated that they'll still have a cost of financing. Mr. Westcott noted. **Approved by the Council unanimously.**



PR-Stoltz Venture LLC: Mr. Westcott asked for a motion to vote on the application for \$4,028,130.00. A motion was made by Representative Bill Bush and the motion was seconded by Ms. Mona Parikh. **Approved by the Council unanimously.**

Agenda Item # 8: Future Meetings

Discussion: Ms. Steinebach stated that the next deadline for TIIF application submissions is September 5, 2023. The next Council meeting is scheduled for November 16, 2023, to review applications received by the September 5, 2023, deadline.

Agenda Item # 9: Public Comment

Discussion: Mr. George Smiley, 7th District, New Castle County Council, praised the TIIF Council for all their efforts on the projects. Mr. Michael Hagan thanked the Council for their time.

Adjournment

A motion to adjourn the meeting was made by Ms. Parikh. The motion was seconded by Senator Walsh. The meeting was adjourned at 2:30 p.m.

Minutes Prepared by: Liddy Campbell, DelDOT Planning

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