



Transportation Infrastructure Investment Fund Council

Meeting Minutes

July 30, 2024

11:00 am

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

Members Present:

Rep. Bill Bush, Acting Chair
Martin Nunlee
William Strickland
Sen. Jack Walsh
Mona Parikh
Cornelia Johnson
Robert Book

Guests:

Pamela Steinebach	Delaware Department of Transportation
Shanté Hastings	Delaware Department of Transportation
Susanne Laws	Delaware Department of Transportation
Liddy Campbell	Delaware Department of Transportation
Tami Venn	Delaware Department of Transportation
Ken Feaster	Delaware Department of Justice - DAG for DelDOT
Sanyee Barjogar Sr	Delaware Department of Transportation
Regina Mitchell	Delaware Division of Small Business (DSB)
Kristina Robinson	Delaware Division of Small Business (DSB)
Andrew Harton	Delaware Division of Small Business (DSB)
Joanna Colson	Delaware Division of Small Business (DSB)
Scott Parker	Verdantas LLC
Shawn Tucker	Barnes & Thornburg LLC
James Smith Jr	Barnes & Thornburg LLC
Wali Rushdan	Barnes & Thornburg LLC
Chris Galligan	Stoltz
Mike Hagan	Stoltz
Mike Willey	Silicato Development
Megan Glick	LH Construction
Mike Glick	LH Construction
Robert Wittig	DSM
Fred Wittig	DSM
Marc Coté	Rossi Group
David Kuklish	Bohler Engineering
Laurie Lucinski	Beebe Healthcare
Pam Scott	CGO
Julie Fedele	
Michael Hackendorn	Local 74



Agenda Item # 1: Welcome and Introductions

Discussion: Ms. Steinebach welcomed everyone and provided housekeeping information. Rep. Bill Bush is serving as the Acting Chair in Joe Westcott's absence. Ken Feaster is filling in for George Lees as legal representation for the Council. Rep. Bush led the roll call for the Council. **Quorum was confirmed.**

Agenda Item # 2: Approval of the April 2, 2024, Meeting Minutes

Discussion: Rep. Bush acknowledged that the meeting materials were sent out for the Council's review. Mr. Strickland made a motion to approve the April 2, 2024, meeting minutes, which was seconded by Sen. Walsh. **Approved by the Council unanimously.**

Agenda Item # 3: Status of Previous Approvals

Discussion: Ms. Steinebach reviewed the current DelDOT fatality statistics, noting a significant increase in incidents involving vulnerable road users. She informed the Council of DelDOT's "Hero Toward Zero" safety campaign, launched to raise awareness.

Ms. Steinebach reviewed the status of current grantee projects. She stated there have been 29 awards totaling \$50,182,348.43 with over 11,000 jobs created/maintained. An additional \$10 million from DelDOT and the Department of the State combined has been budgeted for fiscal year 2025.

Agenda Item #4: Review of and Vote on Requests for Extensions and Progress Payments

KSIP I Piccard LLC (Rounds 3/6/8) Extension and Progress Payment Request:

Discussion: Ms. Steinebach introduced the request by stating that KSIP I Piccard LLC originally requested funding in Round 3, requested reassignment in Round 6, asked for additional funding in Round 8, and has returned this round for two requests: a one-year extension on their first amendment and progress payments. She described the economic development project as a speculative warehouse located at the intersection of US 13 and SR 273, adjacent to the New Castle airport, and summarized the TIIF scope of work. Representatives from KSIP I Piccard LLC were present and they introduced themselves as: Shawn Tucker, James Smith, Chris Galligan, Scott Parker, Wally Rushdan, and Mike Hagan.

Ms. Steinebach explained that the extension was requested because construction progress has been hindered due to delays in a water line relocation and FAA approval. The construction on Old Churchman's Rd and Piccard Road is expected to be completed end of August. The remainder of the work is anticipated to be completed by end of 2024.

Ms. Steinebach summarized that two votes would be needed by the Council: one for the extension and one for progress payments. She further explained that the TIIF reimbursement request is normally triggered after DelDOT accepts the newly constructed work into state maintenance. To align the development projects with DelDOT capital projects, a safety inspection is conducted to



open the newly constructed work to the traveling public. Potentially, if the developer project achieves safety inspection, or the utility relocation work is signed off on, then a 50 percent payment could be considered for TIIF reimbursement, with full reimbursement at final acceptance. For larger, more complex projects, progress payments make sense versus smaller projects with only entrance and pedestrian facilities, for example.

Rep. Bush opened the floor for the Council to discuss, comment, or ask questions.

Sen. Walsh stated that he has been observing quite a lot of activity at the site over the past two years. He does not personally have an issue with the progress payments. He inquired as to when they would submit for those payments and are there any scheduled milestones the team looks at for progress payments.

Ms. Steinebach noted that there are cost breakdowns for each of the road segments, and that DelDOT would verify that the work was actually completed prior to authorizing reimbursement. The grantee cannot receive reimbursement that exceeds the total amount of the award. She further stated that the interim payments would be contingent on extending the term of the first amendment because part of the funding for the completed work, including a water line relocation, was included in the Round 8 funding increase.

Sen. Walsh asked if PFAS contamination due to proximity to the airport could be causing a delay as well.

Mr. Shawn Tucker confirmed that although no PFAS have been found on the property, there have been reports of PFAS in the area surrounding the airport. A major tenant is conducting additional due diligence in response to this, leading to a temporary delay in their decision-making process.

Sen. Walsh asked if there is a particular tenant interested in this project.

Mr. Tucker mentioned that a large e-commerce tenant, specifically Amazon, has shown interest in the property, another potential tenant is Pepsi-Cola. The tenant is being cautious due to PFAS concerns in general. Mr. Tucker explained that FAA has granted final approval on some easements that were approved over 10 years ago, allowing work to start in certain areas. Mr. Tucker thanks DelDOT for its assistance with making concessions regarding the road improvements. Negotiations are ongoing with DRBA to lease additional tractor-trailer parking next to Piccard Road in response to increased market demand.

Sen. Walsh stated that a significant amount of funding has been invested in the site, and considering delays with regulatory bodies like FAA or railroads it's encouraging to see things moving in the right direction.

Mr. Tucker mentioned that all the work is under contract and expected to be finished by December or January.

Dr. Nunlee asked for clarification on a few points: first, is the developer looking at Amazon and Pepsi as sole tenants. Second, which branch of Pepsi is being targeted. Lastly, how close is the developer to securing these tenants, especially if multiple tenants are being considered.



Mr. Tucker replied that they are negotiating with Pepsi and Amazon for a single-user location. He further stated that per their broker, CRBE, 80% of the market is built on speculation, since this sector of the market is heavily dependent on built space. Mr. Tucker emphasized that the grantee has taken risk to build the site on speculation and is about to enter an interest-carry mode in the eight to nine percent range. He stated that the grantee is asking the Council that considering the infrastructure needing repair with or without the grantee's economic development project, would the Council consider lifting the tenant condition for the one-year extension. Mr. Tucker reminded the Council that the original grant was not conditioned on a tenant, however the additional \$2.9 million was because it was not clear that the work would continue. However, the grantee has built the building, and has continued site and transportation improvements. He further stated that the grantee is part of a larger entity that has resources to make these investments. Mr. Tucker then explained that Pepsi Bottling is the potential tenant the grantee is negotiating with for the project.

Public Comment: None

Executive Session: None

Rep. Bush outlined two items for voting: the motion to extend the funding increase term by one year and the applicant's request for interim progress payments.

Rep. Bush called for a motion to vote on the request to extend the funding increase term for one year. Sen. Walsh made the motion, which was seconded by Ms. Parikh.

Roll call vote was taken:

Rep. Bush: For
Sen. Walsh: For
Dr. Johnson: For
Dr. Nunlee: For
Ms. Parikh: For
Mr. Strickland: For
Mr. Book: not present (left the meeting)

The application was approved to recommend a one-year term extension for the Round 8 funding increase.

Rep. Bush then asked for the Council's consideration on the second part of this application, which deals with a request for progress payments.

Ms. Steinebach mentioned that historically for TIIF, progress payments have only been approved for separate roadways, and at final acceptance. Ms. Steinebach confirmed that this grantee provided cost breakdowns for each road segment, which are in-the-ground improvement costs. A progress payment amount, for example 50 or 75 percent of the total amount for the segment, can be determined by DelDOT, and an outline of disbursement amounts can be provided for the next meeting.



Rep. Bush mentioned that certain limitations must be considered when deciding on the payment process. He proposed implementing progress payments with limitations determined by DelDOT and asked for a motion from the Council to move forward with this proposal. Mr. Strickland made a motion.

Before the motion was seconded, Dr. Nunlee stated he would like to add the provision that it does not exceed the original funding amount. Ms. Steinebach confirmed the original grant amount was \$2.5 million.

Rep. Bush stated a motion is on the floor from Mr. Strickland and called for a second. The motion concerns progress payments with limitations as determined by DelDOT. Ms. Parikh then seconded the motion.

Rep. Bush asked Dr. Nunlee if he was okay with proceeding with the vote. Dr. Nunlee suggested discussing it further before making a motion and proposed amending the motion.

Rep. Bush stated that there was a motion and a second but can allow for discussion. There were no additional comments from the Council on additional limitations, so he proceeded with the motion for interim progress payments determined by DelDOT.

Roll call vote was taken:

Rep. Bush: For
Sen. Walsh: For
Dr. Johnson: For
Dr. Nunlee: For
Ms. Parikh: For
Mr. Strickland: For
Mr. Book: not present (left the meeting)

The application was approved to recommend progress payments, the amounts and timings of which to be determined at DelDOT's discretion.

Mr. Shawn Tucker (KSIP Piccard LLC) asked for clarification on whether DelDOT would have discretion over the \$2.5 million and \$2.9 million amounts. Rep. Bush affirmed this.

Agenda Item #5: Review of Received TIIF Grant Applications

SCMC Long Neck, LLC: Ms. Steinebach provided a review of the project, which includes medical office space to be occupied by Beebe Family Practice as a primary care facility with teaching space for family medicine residency. Ms. Steinebach also provided a summary of the TIIF Scope of Work, which includes full movement site entrance modifications, widening and restriping of Long Neck Road to create a protected left turn lane and right turn lane into the site entrance, sidewalk across the site frontage, and bus shelter pad.

Ms. Colson provided an overview of the financial stability of the proposed project, stating the company provided three years of audited financial statements from Beebe Medical Center, as well as the personal tax returns of the owners. No items of concern were noted. The applicant



provided a business license and a certificate of good standing, and DSB's comprehensive search found no major violations of labor laws. After reviewing the financials and using the Implan software, the successful implementation of this project would increase state and local tax revenue by approximately \$540,557 annually.

Ms. Steinebach stated that the applicant is requesting \$544,462.60. She reviewed the performance measures and highlighted the estimated job creation of 44 jobs by year 3. She stated that representatives of the applicant are available for any questions or concerns.

Dr. Nunlee stated that he has no concerns with the application.

Public Comment: None

Executive Session: None

Rep. Bush called for a motion to recommend award to SCMC Long Neck, LLC. Dr. Johnson made the motion, which was seconded by Dr. Nunlee.

Roll call vote was taken:

Rep. Bush: For
Sen. Walsh: For
Dr. Johnson: For
Dr. Nunlee: For
Ms. Parikh: For
Mr. Strickland: For
Mr. Book: not present (left the meeting)

The application was approved to recommend award to SCMC Long Neck LLC.

Agenda Item #6: Summary of TIIF Program Improvements (Employment Standard Guidelines)

Ms. Steinebach reminded the Council that the Employment Standard Guidelines were adopted in July 2023, and that at its last meeting the Council previously discussed revisiting the guidelines. She also mentioned discussion of possibly adding an expiration timeframe on grant awards to speed up the execution of TIIF agreements since they're templated documents that have a three-year term. Any proposed changes will be brought up for a vote at the next meeting.

Mr. Strickland stated that the last round received a compelling proposal for a project in Lincoln. He believes the Council should have more discretion and not exclude submissions automatically based on industry or type.

Sen. Walsh asked what that process of consideration would look like.

Mr. Strickland proposed that each project be considered on a case-by-case basis.

Rep. Bush emphasized that in rural areas like western Kent County, the significance of commercial businesses in these areas, such as farms and convenience stores, create job



opportunities and improve residents' access. Rep. Bush acknowledged the uniqueness of each area and its impact on the community.

Dr. Nunlee stated he favored restrictions but there should be exceptions if activities will bring future development. The Council should avoid funding projects that won't create quality jobs.

Rep. Bush recalled that a Wawa application was brought to Council previously, and that a Royal Farms application never made it to Council for consideration. There has to be a uniqueness or a provision of more economic development.

Mr. Strickland stated that the staff is "handcuffed" in their ability to recommend a project in the generally excluded classification, a way to discern how to review these projects is necessary. He expressed the need to allow exceptions for recommended projects outside the generally excluded classification. He highlighted the Wawa Lincoln project's importance for the intersection and economy in south Milford.

Ms. Steinebach expressed willingness to assist with refining the application process and supporting future development. She asked if the Council wanted to revisit the \$35,000 minimum salary to qualify for TIIF, since TIIF tries to align as much as possible with the Strategic Fund because as an economic development fund as well.

Dr. Nunlee agreed with the \$35,000 minimum for providing living wages.

Agenda Item # 7: Public Comment

Mr. Robert Wittig of DSM Commercial Real Estate thanked the Council for looking at the applicability of the standards. He stated that some applications do not blatantly meet the standards, but all warranted the money. He would be broader in his application of the standards, because ultimately the program helps. Mr. Wittig mentioned that the intersection improvements will be a shared effort with public and private funds. He has tenants who are interested if the intersection gets fixed. He stated that Wawa brings business, the number of jobs created is significant. He further emphasized that if this intersection gets improved in Lincoln, the intersection will thrive. Mr. Wittig then thanked the Council for their time.

Agenda Item # 8: Future Meetings

Discussion: Ms. Steinebach stated that the next deadline for TIIF application submissions is Tuesday, September 3, 2024. The next Council meeting is scheduled for Thursday, November 14, 2024.

Adjournment

A motion to adjourn the meeting was made by Mr. Strickland. The motion was seconded by Sen. Walsh. The meeting was adjourned at 12:18 p.m.

Minutes prepared by Tami Venn, DelDOT Planning

Minutes reviewed by Susanne K. Laws, P.E., DelDOT Planning