Transportation Infrastructure Investment Fund Council

Meeting Minutes

April 2, 2024
11:00 p.m.
(Virtual via Zoom and In-Person, Delaware Room, DelDOT Admin. Bldg.)

Members Present:

Mr. Joe Westcott (CHAIR)
Mr. Robert Book
Representative Bill Bush
Dr. Martin Nunlee
Mr. Bill Strickland
Senator Jack Walsh

Guests:

Pamela Steinebach	Delaware Department of Transportation (DelDOT)
Susanne Laws	Delaware Department of Transportation
Todd Reavis	Delaware Department of Transportation
Liddy Campbell	Delaware Department of Transportation
Tami Venn	Delaware Department of Transportation
Jeanette Havel	Delaware Department of Transportation
George Lees	Delaware Department of Justice (DOJ) for DelDOT
Regina Mitchell	Delaware Division of Small Business (DSB)
Kristina Robinson	Delaware Division of Small Business
Mark Whitfield	City of Milford
Bruce Jones	City of Wilmington
Sean Park	City of Wilmington
Peter Weir	City of Wilmington
Rep. Frank Cooke, RD-16	Delaware General Assembly
Drew Boyce	Kleinfelder
Megan Glick	LH Construction
Mike Glick	LH Construction
Robert Wittig	DSM
Griffin Conaty	DSM
Mike Willey	Silicato Development
David Kuklish	Bohler Engineering
Mike Fiore	M.T. Fiore Consulting
James Taylor	Verdantas
Sal Leone	FDPN Management LLC
Frank DiMondi	FDPN Management LLC
Gregory Moore	Becker Morgan Group
AnnMarie Townshend	Rossi Group
Jim Weller	
Steve F	

Agenda Item # 1: Welcome and Introductions

Discussion: Quorum was confirmed.

Ms. Steinebach welcomed the Council, representatives from the Division of Small Business, the public and the applicants.

Agenda Item # 2: Approval of the November 16, 2023, Meeting Minutes

Discussion: Mr. Westcott acknowledged that the meeting materials were sent out on March 19, 2024, for the Council's review. A motion to approve the November 16, 2023, meeting minutes was made by Rep. Bush. The motion was seconded by Mr. Strickland. **Approved by the Council unanimously**.

Agenda Item # 3: Summary of TIIF Program Improvements

Discussion: Ms. Steinebach asked the Council, having reviewed the meeting materials, if any members needed to recuse themselves from voting on any of the applications. There were no recusals voiced.

Ms. Steinebach announced the new, improved TIIF website launched in February 2024. She explained that the next TIIF website enhancement will include adding the Salesforce software application in place of the existing fillable PDF form.

Agenda Item # 4: Status of Previous Approvals

Discussion: Ms. Steinebach reviewed the status of current projects. She stated the total amount awarded to date is $46,037,177.47, total jobs created/maintained are 13,259 and current amount available for awards is $8,129,919.85.

Ms. Steinebach mentioned that TIIF agreements with several past grantees (KSIP I Piccard LLC and PR-Stoltz Ventures LLC) have not yet been finalized, and that a potential program improvement would be to recommend an expiration for the award to encourage grantees to enter the grant agreements in a timely manner.

Agenda Item #5: Vote on Requests for Extensions and Progress Payments

City of Wilmington/Light Action/Challenge Program: Ms. Steinebach stated approval was granted in Round 3 as two awards. The applicant have requested a grant term extension of three years to expire November 2027 and a request for progress payments. Ms. Steinebach mentioned that representatives of the grantees are present at the meeting should anyone have any questions.

Ms. Steinebach reminded the Council that two other grantees have requested and received

progress payments for segments of completed and accepted transportation improvements.

Mr. Boyce (Kleinfelder) provided a current status of the project.

Ms. Steinebach provided DelDOT's and DSB's assessment of the progress payment request, noting that the level of oversight for progress payments as requested is beyond the intent of the statute, and that precedent-setting for other grantees and applicants is a concern. She also reminded the Council that Mr. Lees (DOJ) is present to discuss and answer questions regarding the TIIF statute.

Mr. Less informed the chair that public comment can be taken before or after discussion.

Mr. Strickland asked if a two-year extension versus a three-year extension is something that the applicant is able to work within. Mr. Boyce explained that the original grant expires November 2024. He further explained that construction will start in the spring 2025, and they are requesting a three-year extension due to the complexity and mechanics of the project.

Mr. Westcott stated concern about the proposed progress payment schedule, and asked if there has been any discussion of alternative payment plans. Ms. Steinebach asked Ms. Mitchell (DSB) to explain how the Strategic Fund Grant structures progress payments. Ms. Mitchell responded that annual payment draws are set up at the time of application approval. Grantees get one annual draw three times.

Mr. Lees advised the Council they may consider acceptable alternatives to the progress payment schedule proposed, and then vote on that. They can also provide guidance to DelDOT to review a new proposal.

Rep. Bush asked when the next meeting would be to consider another proposal, and what is DelDOT's recommendation. Ms. Steinebach reiterated DelDOT's and DSB's assessment.

Dr. Nunlee stated that he was concerned with the precedent of paying for engineering, that DelDOT would have to engineer the projects for the applicants. He also asked how it would be known that the preliminary engineering is complete. He suggested payment at utility relocation and final engineering as an alternative to the proposed progress payments.

Mr. Westcott expressed similar concerns. He stated that the Council needs to agree on how these payments will be handled.

Senator Walsh asked is there a schedule of values with the five progress payments that have been submitted. Ms. Steinebach answered no, they would always be actual cost incurred up to the amount listed in the estimate.

Public comment:

Mr. Jones (COW) stated the reason for the request is that the money currently being paid to the consultant comes out of the capital improvement funds which puts the city in a position of

financial burden. He stated that the city is committed to the project, and that there's high demand for redevelopment in this corridor.

Mr. Park (COW) stated there are 23 existing businesses and 250 jobs that rely on this road to access their properties. His office has funded an internal study of economic impacts for the TIIF Council's consideration.

Executive Session: None

Mr. Westcott asked for a motion to approve the request for a three-year grant term extension. A motion was made by Dr. Nunlee and seconded by Rep. Bush. **Approved by the Council unanimously.**

Mr. Westcott asked for a motion to approve the request for five progress payments as submitted. A motion was made by Dr. Nunlee and seconded by Mr. Strickland.

Roll call vote was taken:
Mr. Westcott: Against
Rep. Bush: For
Sen. Walsh: For
Mr. Book: Against
Dr. Nunlee: Against
Mr. Strickland: Against
The request was not approved for recommendation.

Mr. Westcott stated that the Council is open to a negotiated solution for progress payments, and that the two government agencies and the grantee should work together to create a favorable plan for the Council to consider in future.

Agenda Item #6: Review of Received TIIF Grant Applications

City of Milford (COM) Corporate Center Funding Increase Request: Ms. Steinebach introduced the request, noting this is the second request for a funding increase, the first being KSIP I Piccard LLC in Round Six who proposed additional jobs in their second request. COM proposed that additional funding in the amount of $2,283,730.37 is based on the final Traffic Impact Study (TIS) letter, in addition to the $2,766,799.89 approved in Round 6 for a total of $5,050,530.26. Ms. Steinebach also provided a summary of the current TIIF Scope of Work.

Ms. Steinebach then summarized the additional TIIF Scope of Work for this request, as identified in the final TIS: a 4-legged single lane roundabout at Canterbury Road/Church Hill Road north of the site, mill and overlay of Church Hill Road along the site frontage, and mill and overlay of Canterbury Road between Airport Road & Milford-Harrington Highway. The public endorser is Sen. Eric Buckson, 16th District.

Rep. Bush asked if this additional work is part of a new DelDOT requirement. Ms. Steinebach explained that this is a new request, since the TIS was not finalized at the time of the

first request. COM's first application for TIIF was submitted before their TIS was finalized.

Mr. Book asked if there is any concern with the proximity of the two proposed roundabouts. Ms. Steinebach explained that is not a concern, and by way of example mentioned there are five roundabouts planned along Kings Highway. She further explained that roundabouts are a preferred intersection improvement.

Dr. Nunlee stated the original application was approved based on the proposed economic impact and the requested funding is now almost doubled. He asked whether a cost benefit analysis would help define the economic impact to the community, since the transportation benefit is clear. Mr. Whitfield (COM) stated that they have done a study in terms of how many jobs per acre they are anticipating with this project. The focus is to keep the cost of the lots as low as possible, so that more businesses will want to come to the business park.

Mr. Westcott asked how many lots are currently designed for the site. Mr. Whitfield stated 27 and that they range in size from two to around ten acres so they can be set up for smaller businesses, offices, etc. Mr. Whitfield further stated that he assumes there will be 43 jobs by year three, but over time hundreds of jobs are expected due to the size of the park and availability of smaller lots. The business park will accommodate larger businesses as well.

Public Comment: None

Executive Session: None

Mr. Westcott asked for a motion to vote on the application for the funding increase of $2,283,730.37. A motion was made by Mr. Strickland and seconded by Mr. Book.

Roll call vote was taken:
Mr. Westcott: For
Rep. Bush: For
Sen. Walsh: For
Mr. Book: For
Dr. Nunlee: Abstain
Mr. Strickland: For
The application was approved for recommendation.

FDPN Management LLC: Ms. Steinebach provided a review of the project, which includes warehouse-style buildings for flexible workspace units and a manufacturing/warehouse distribution building, similar in business model to the Camden Business Center. Ms. Steinebach also provided highlights of the TIIF Scope of Work which includes a limited movement site entrance with right turn lane, bike lane, crossover modifications, and pedestrian facilities. Ms. Steinebach stated the applicant has requested $974,505.59. Ms. Mitchell provided an overview of the financial stability of the proposed project, stating that the company provided three years of tax returns, three years of the owners' personal tax returns and signed personal financial statements. The company appears to be validly organized and in good standing in the state, had no major labor law violations or other compliance issues. With the creation of 140 jobs at an average annual wage

of $63,771.42, it is estimated the project would increase state and local taxes collected by $1,289,537.37.

Dr. Nunlee asked if there were projections on jobs and have any tenants been identified. Mr. DiMondi (FDPN Management LLC) stated that per the economic benefit explanation provided in the application, the Camden Business Center is a good example since it's basically the same size as the proposed project. This business model will allow jobs to be created organically, catering to small businesses.

Public Comment: None

Executive Session: None

Mr. Westcott asked for a motion to vote on the application for $974,505.59. A motion was made by Rep. Bush and seconded by Sen. Walsh. **Approved by the Council unanimously.**

Georgetown Business Plaza LLC: Ms. Steinebach provided a review of the project, which includes two professional office buildings to be partially occupied by a relocated medical office anchor, with the vision of attracting complimentary cross-specialty medical services in one location. Ms. Steinebach also provided highlights of the TIIF Scope of Work which includes road widening and restriping protected turn lanes, utility relocation, and pedestrian and transit facilities. Ms. Steinebach stated the applicant has requested $1,979,089.00. Ms. Mitchell provided an overview of the financial stability of the proposed project, stating the company provided three years of the owners' personal tax returns and signed personal financial statements. The company appears to be validly organized and in good standing in the state, had no major labor law violations or other compliance issues. With the creation of 24 jobs at an average annual wage of $68,646.00, it is estimated the project would increase state and local taxes collected by $189,614.64.

Mr. Westcott asked if the 24 maintained jobs would be in the relocated medical office. Mr. Glick (LH Construction) stated the anchor tenant is doubling in size with this relocation, for a total of 48 jobs. It's anticipated that an additional 200 jobs will be created as the park builds out.

Mr. Westcott asked what percentage of the space the relocated primary care office is. Mr. Glick replied they will be occupying about 25 percent.

Dr. Nunlee asked what type of tenants, wages and salaries they are planning on having at these other facilities~~,~~.

Mr. Fiore (MT Fiore Consulting) stated that it benefits the local community, since primary care will be doubled. The remaining space will be for other specialties that go with referral patterns, i.e., specialists, ancillary services, labs, and diagnostics.

Mr. Westcott asked for a motion to vote on the application for $1,979,089.00. A motion was made by Dr. Nunlee and seconded by Mr. Strickland. **Approved by the Council unanimously.**

WitSil Lincoln Associates LLC: Ms. Steinebach provided a review of the project, which includes a convenience store with fueling station to be leased by Wawa for an initial 20-year period. Ms. Steinebach provided highlights of the traffic impact study performed for this project, which determined the level of service (LOS) for the intersection adjacent to the project. She also provided highlights of the TIIF Scope of Work which includes widening of intersection approach roadways, utility relocations, traffic signal modifications and pedestrian crossings. Ms. Steinebach stated the applicant has requested $1,795,300.00.

Ms. Steinebach stated that per the Council's adopted Employment Standard Guidelines, convenience stores are generally excluded from consideration for TIIF. This applicant was advised of the guidelines, consistent with another similar convenience store application received previously, which application was not considered by the Council. This current applicant requested the Council review their application. Ms. Steinebach further stated that both DelDOT and DSB reviewed the application and provided the usual documentation in the Council's digital binder. She explained that the TIIF program is not established solely to fund improvements but is also intended to incentivize economic development by bringing a significant number of permanent, quality full-time jobs to the state.

Ms. Steinebach stated that based on the proposed jobs creation for this standalone convenience store application, DelDOT and DSB staff did not note any compelling reason why this project would qualify for an exception to the Employment Standard Guidelines. Additionally, the staffs noted concern that this application would set a precedent for other similar businesses to apply for and potentially receive TIIF funds, limiting the funds available for applications which meet the jobs creation objective of the program.

Ms. Mitchell provided an overview of the financial stability of the proposed project, stating the company provided three years of the owners' personal tax returns and signed personal financial statements. The company appears to be validly organized and in good standing in the state, had no major labor law violations or other compliance issues. With the creation of 34 jobs at an average annual wage of $36,771.52, it is estimated the project would increase state and local taxes collected by $291,548.77.

Mr. Strickland requested that the Council enter an executive session.

Mr. Lees stated that the actual debate of the application should be done in a public forum, including the merits of the application.

Dr. Nunlee asked for a definition of level of service at an intersection.

Ms. Steinebach explained level of service is a rating of the intersection capacity and performance. The current generally accepted standard is that intersections meet LOS D.

Mr. Strickland withdrew his request for executive session. He then asked if the employment standard focused on the convenience store or the jobs creation.

Ms. Steinebach stated that DelDOT and DSB are referring to the employment standard definition in the guidelines.

Mr. Westcott read the definition from the adopted Employment Standard Guidelines.

Mr. Strickland stated the community benefit warrants consideration to the employment standard criteria.

Dr. Nunlee stated that other developments have potential for increased employment, and asked if left alone, would these improvements be made. He further stated concern that this project is not going to spur growth.

Mr. Westcott reminded Council that it is being asked to review an application that does not have the support of DelDOT and DSB and was declined to be considered a year ago. Another convenience store was also declined due to this same situation. He then asked for other questions from Council.

Senator Walsh asked if other Wawa's have petitioned Council in the past for these types of funds.

Ms. Steinebach responded no, however Royal Farms previously tried to apply, but a determination was made to decline their application based on the guidelines.

Senator Walsh asked if this applicant fits the guidelines set forth by DelDOT and DSB.

Ms. Steinebach stated that DelDOT and DSB do not believe this applicant meets the criteria.

Mr. Strickland stated the number of jobs seems a bit inconsistent.

Mr. Westcott stated he is concerned with precedent-setting if this application is approved, considering the convenience store land use in the state.

Public Comment:

Mr. Wittig (DSM) stated concern that these jobs are considered less important than the jobs being proposed by other applicants, and that this project may be a better community builder than the other applicants. He further stated that the intersection is sorely in failure, and that he's proposing $12 million of site improvements at this intersection. Mr. Wittig expressed distress that his project is considered a lesser use than others.

Dr. Nunlee suggested that the applicant re-file the application with evidence that other new jobs are expected from the approval of this application.

Mr. Kuklish (Bohler) stated that 34 jobs on day one meet the minimum in the employment standard. He further stated that as part of the TIS, seven surrounding developments were included in the study, and his understanding is that DelDOT has no plan to update this intersection. Mr. Kuklish also stated that Bayhealth supports the intersection improvements.

Mr. Westcott closed public comment and asked if there was any further discussion from the Council. He further stated that no value judgments about this applicant's jobs creation is being offered, however DelDOT and DSB do not support the jobs creation of this applicant. Mr. Westcott noted that the Council reserves the right to make exceptions.

Mr. Lees asked if there were any unresolved legal questions and none were voiced.

Executive Session: None

Mr. Westcott asked for a motion to vote on the application for $1,795,300. A motion was made by Mr. Strickland and seconded by Mr. Book.

Roll call vote was taken:
Mr. Westcott: Against
Rep. Bush: Abstain
Sen. Walsh: Against
Mr. Book: For
Dr. Nunlee: Against
Mr. Strickland: For
The application was not approved for recommendation.

Agenda Item # 7: Future Meetings

Discussion: Ms. Steinebach stated that the next deadline for TIIF application submissions is Monday, May 13, 2024. The next Council meeting is scheduled for Tuesday, July 30, 2024.

Adjournment

A motion to adjourn the meeting was made by Mr. Westcott. The motion was seconded by Rep. Bush. The meeting was adjourned at 1:00 p.m.

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