



## FY16 Council on Development Finance Summary

October 15, 2016



**DELAWARE**  
ECONOMIC DEVELOPMENT OFFICE  
Right Place. Right Size.





**Council on Development Finance Summary**

FY16 (07/01/15-06/30/16)

The Council on Development Finance (CDF) is a panel of nine members, appointed by the governor and state senate, to advise the director regarding business put forth to the Delaware Economic Development Office. During public meetings that are held on the fourth Monday of every month, with a minimum of five members present, the council will hear, evaluate, and recommend approval or disapproval of projects. These projects range from companies wanting to establish new facilities in the state, current businesses looking to expand, new companies wishing to grow, and the revision of contracts already held with the state. After reviewing the project, the council will make a recommendation to the director of the Delaware Economic Development Office.

**Delaware Strategic Fund**

The Delaware Strategic Fund provides customized financial assistance to businesses considering locating in the state of Delaware. Financial assistance may be provided in the form of low-interest loans and grants to support the attraction and expansion of businesses.

Through the Strategic Fund, DEDO is able to support innovative initiatives such as the Brownfield Assistance Program, Delaware Technical Innovation Program, Delaware Capital Access Program, and the Delaware Rural Irrigation Program. The Strategic Fund also provides loans and grants not affiliated with these specific programs.

**Delaware Strategic Fund Loans**

During FY16, the Council on Development Finance approved funding of two loans through the Delaware Strategic Fund.

Since the beginning of Fiscal Year 2016 to date, every Strategic Fund dollar spent in loans generated \$6.72 in private funding. The projects contribute over \$50.1 million to Delaware's GDP.

**Resource International:** With the assistance of a Strategic Fund loan, Resource International was able to open its second Delaware facility. Funds from this loan assisted the company with costs associated with the project including new equipment and recruitment costs for its new, 28,000-square-foot facility. Resource International projects it will create 24 new qualifying full-time permanent positions in the state of Delaware as part of this expansion project.

Delaware Strategic Fund Loans							
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	Jobs to be created	Total Jobs to be Created & Maintained	County
Resource International	2016	DSF	Loan	\$ 119,925.00	24	62	New Castle
Zenbanx Holding Ltd.	2016	DSF	Loan	\$ 2,490,000.00	209	275	New Castle

**Delaware Strategic Fund Grants**

During FY16, the Council on Development Finance approved funding of 17 grants through the Delaware Strategic Fund.

Since the beginning of Fiscal Year 2016, every one million Strategic Fund dollars spent in grants is matched by almost \$27 million in private funding. The projects contribute over \$852.6 billion to Delaware's GDP.

Examples of those grants include:

**EnviroKure:** In January 2016, EnviroKure, a manufacturer of highly-refined, premium liquid organic fertilizers, was approved for a Strategic Fund performance grant based on the creation of 12 new full-time positions. EnviroKure utilizes poultry waste by-product, turning it into an organic liquid fertilizer for agricultural, turf, and home and garden use. The company's new facility is located in Harrington, Delaware.

**JPMorgan Chase:** In October 2016, JPMorgan Chase was approved for a capital expenditure grant to upgrade and refurbish its existing facilities as well as the expansion of the Delaware Technology Center to make room for the 1,800 new positions that it plans to create by 2019. This investment generates millions of dollars in economic activity through capital projects while creating hundreds of construction jobs.

**NextFab:** Also in October, NextFab Studio, LLC was approved for a grant from the Delaware Strategic Fund to expand its operations and programs into Wilmington. Currently headquartered in Philadelphia, Pennsylvania, NextFab plans to open a 3,500 square-foot satellite facility in downtown Wilmington and hire five full-time, permanent staff members. The new facility will include a cooperative working space, private offices, training room, wood shop, electronics lab and digital fabrication tools.

**Techmer Engineered Solutions:** Techmer Engineered Solutions, a leading producer of engineered thermoplastic compounds, was approved for a Strategic Fund Performance grant in July 2015 for the relocation of 42 new full-time Delaware positions and the creation of 12 new full-time Delaware positions. Techmer was also approved for a Capital Expenditure grant to assist with outfitting its new compounding facility in New Castle. Techmer is planning to create over 75 positions, 54 of which are eligible for the incentive.

Delaware Strategic Fund Grants							
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	Jobs to be created	Total Jobs to be Created & Maintained	County
Alpha Technologies	2016	DSF	Grant	\$ 1,226,887.50	242	242	New Castle
Applied Control Engineering, Inc.	2016	DSF	Grant	\$ 206,662.00	25	75	New Castle
Chemours Company, The	2016	DSF	Grant	\$ 7,897,081.25	0	900	New Castle
Davey Tree	2016	DSF	Grant	\$ 50,050.00	25	51	New Castle
Delaware Hospice, Inc.	2016	DSF	Grant	\$ 124,312.50	21	182	New Castle
Delaware Manufacturing Extension	2016	DSF	Grant	\$ 330,099.00	0	11	Statewide
Dupont	2016	DSF	Grant	\$ 9,600,000.00	0	1700	New Castle
Envirokure	2016	DSF	Grant	\$ 310,921.00	12	12	Kent
First State Community Loan Fund	2016	DSF	Grant	\$ 20,000.00	N/A	N/A	New Castle
Frontier Scientific	2016	DSF	Grant	\$ 469,092.00	74	156	New Castle
Johnson Controls Battery Group	2016	DSF	Grant	\$ 1,635,395.00	83	430	New Castle
JP Morgan Chase	2016	DSF	Grant	\$10,500,000.00	1800	10456	New Castle
Kraft Heinz	2016	DSF	Grant	\$ 1,181,130.00	28	596	Kent
NextFab Studio	2016	DSF	Grant	\$ 350,000.00	0	0	New Castle
Perdue AgriBusiness LLC	2016	DSF	Grant	\$ 2,831,363.00	152	208	Sussex
Proximity Malt	2016	DSF	Grant	\$ 1,633,575.00	0	23	Sussex
Techmer Engineered Solutions	2016	DSF	Grant	\$ 375,879.00	54	54	New Castle

### Brownfield Assistance Program

The Strategic Fund also supports DEDO's Brownfield Assistance Program, which provides matching grants to owners and developers to encourage redevelopment of environmentally distressed sites within the state.

During FY16, the Council on Development Finance approved funding of three Brownfield grants. Following is a summary of a couple of those grants:

**1320 CBW:** In February, 1320 CBW was approved for a brownfield grant through the Strategic Fund to assist with the costs of environmental assessment and remediation of a site located at Clifford Brown Walk in Wilmington, Delaware. This project expands the supply of quality rental housing by providing 80 affordable units to the neighborhood.

**Proximity Malt:** Also in February, Proximity Malt, a regional malting company, was approved a brownfield grant to remediate the site for its new malthouse in Laurel, Delaware. The site, formally constructed as a grain mill in the 1950's, will be renovated and redeveloped, converting the regions' barley crop to a malted barley food product. The Laurel location will have barley origination, malting, roasting, packaging, warehousing, and trans-loading capabilities. At the same time, Proximity Malt was also approved for a Strategic Fund performance grant for the creation of 23 full-time jobs.

Brownfield Assistance Program							
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	Jobs to be created	Total Jobs to be Created & Maintained	County
1320 CBW LLC	2016	DSF	Brownfield	\$ 100,000.00	2	2	New Castle
New Castle County Government	2016	DSF	Brownfield	\$ 100,000.00	9	9	New Castle
Proximity Malt, LLC	2016	DSF	Brownfield	\$ 100,000.00	0	23	Sussex

#### **Delaware Technical Innovation Program** (Small Business Innovative Research [SBIR]/Small Business Technology Transfer [STTR])

The Delaware Strategic Fund also supports business research through funding transition grants that will bring innovative new products, jobs and revenue to Delaware. Companies involved in small business innovation—including research-and-development firms looking for the next scientific and technological breakthroughs—can apply for SBIR grants and STTR grants as a pathway to receiving grants through the Delaware Technical Innovation Program. These grants help promote the entrepreneurial spirit in Delaware. The Council on Development Finance approved five DTIP projects in FY16, two of which are described below:

**Compact Membrane Systems:** Compact Membrane Systems (CMS) was approved for an SBIR/STTR grant in March 2016. CMS has patented a process which removes water from lubricants and developed a new technology that separates olefins from paraffin, enabling clients to increase performance, utilize less energy, and lower costs. The process of olefin-paraffin

separation began at CMS during the SBIR Phase I research project and it is currently in the SBIR Phase IIB fast track with inevitable commercialization in order to provide the product to the industry. The approval of the SBIR/STTR funding will allow CMS to maintain its operations while it awaits an U.S. Department of Energy Phase IIB decision.

**STF Technologies:** In October 2015, DEDO presented, and the Council on Development Finance approved, a grant through the Delaware Technical Innovation Program to a STF Technologies. This company has the potential to have a great impact on the healthcare industry and beyond. Founded by two doctors from the University of Delaware, STF Technologies is involved in the research and development of shear thickening fluid or STF. Textiles that are treated with STF are flexible and comfortable; however, STF instantly reacts like a solid and protects against puncture, stab or ballistic threats. This technology will provide enhanced medical glove protection for the healthcare industry by preventing needle puncture accidents.

Delaware Technical Innovation Program (Small Business Innovative Research (SBIR)/Small Business Technology Transfer (STTR))							
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	Jobs to be created	Total Jobs to be Created & Maintained	County
AnCatt, Inc.	2016	DSF	SBIR	\$ 50,000.00	4	7	New Castle
Cimentum, LLC	2016	DSF	SBIR	\$ 50,000.00	5	6	New Castle
Compact Membrane Systems	2016	DSF	SBIR	\$ 40,000.00	10	35	New Castle
Composites Automation	2016	DSF	SBIR	\$ 100,000.00	12	14	New Castle
STF Technologies	2016	DSF	SBIR	\$ 50,000.00	6	8	New Castle

### Delaware Capital Access Program

The Delaware Capital Access Program (DCAP) private-public match program gives banks a flexible, transparent tool to expand small business lending. By using a small amount of public resources to generate a large amount of private bank financing, the program provides more Delaware businesses access to bank financing. Based on a risk-pooling concept, the DCAP gives banks more flexibility to stimulate small business growth in the state.

Since the beginning of the Fiscal Year 2016 to date, every Strategic Fund dollar spent through the Delaware Capital Access Program generated nearly \$7.10 in private funding.

Three of the 15 DCAP projects approved in FY16 are summarized below:

**Bouncer Boys, LLC:** Bouncer Boys, LLC, a party rental company, delivers high-quality inflatables to any Delaware location. Set up and take down at the event site is provided at no cost with

every rental. The company's three owners/operators run the business while they continue to serve as active duty service members of the Air Force at the Dover AFB.

**Cottage Industry:** (dba Merchant Bar) Restaurateurs Bryan and Andrea Sikora are helping to revitalize downtown Wilmington one business at a time. Located on Market Street, the casual eatery Merchant Bar is their latest endeavor which opened in 2016 and offers up a unique array of libations ranging from creative cocktails to beer, wine and other beverages alongside a global fusion menu. The 50-seat restaurant, with a 10-seat bar, sits directly across the street from La Fia Bistro—opened by the Sikora's in July 2013. Continuing their success, the Sikora's opened Cocina Lolo on King Street and later added Market Street Bread + Bagel just a few blocks down from the Merchant Bar.

**Seascope Health Alliance:** Located in Milford, Seascope Health Alliance is a full-service clinical laboratory dedicated to providing the highest quality testing to nursing homes, assisted living facilities, and walk-in labs in Delaware. This start-up laboratory filled an underserved niche in the area.

Delaware Capital Access Program					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Born to Game, LLC	2016	DSF	DE Access Program	\$ 4,500.00	Kent
Bouncer Boys, LLC	2016	DSF	DE Access Program	\$ 6,875.00	Kent
Candy Connections, Inc.	2016	DSF	DE Access Program	\$ 3,200.00	New Castle
Children's Place Child Development Center	2016	DSF	DE Access Program	\$ 3,750.00	Sussex
Cottage Industry, LLC	2016	DSF	DE Access Program	\$ 22,500.00	New Castle
Da-Nieces, LLC	2016	DSF	DE Access Program	\$ 26,250.00	New Castle
First State Manufacturing	2016	DSF	DE Access Program	\$ 30,000.00	Sussex
G and G Moving, LLC	2016	DSF	DE Access Program	\$ 2,500.00	New Castle
G.T. Fish Company	2016	DSF	DE Access Program	\$ 12,500.00	New Castle
KJM Markets, LLC	2016	DSF	DE Access Program	\$ 12,500.00	New Castle
Outlandish Food Truck, LLC	2016	DSF	DE Access Program	\$ 3,750.00	New Castle
Seascope Health Alliance, LLC	2016	DSF	DE Access Program	\$ 20,000.00	Kent
Swensen Trucking, LLC	2016	DSF	DE Access Program	\$ 4,375.00	Sussex
The Pets Room	2016	DSF	DE Access Program	\$ 2,950.00	New Castle
Tropicalia Restaurant, LLC	2016	DSF	DE Access Program	\$ 26,250.00	New Castle

### Delaware Rural Irrigation Program

The Delaware Rural Irrigation Program (DRIP) is a revolving loan fund administered collaboratively through the Delaware Department of Agriculture and DEDO. The program helps our state's farmers

irrigate more cropland with the assistance of a no-interest loan. The private-public investments have been successful in helping these farmers survive droughts. In fact, since the program's inception in 2011, yields have increased by nearly 75% and keep family farming thriving in Delaware.

Since the beginning of the Fiscal Year 2016 to date, every Strategic Fund dollar spent through the Delaware Rural Irrigation Program generated \$4.50 in private funding.

The following highlights one of the two DRIP loans approved in FY16:

**Justin Comegys:** Justin Comegys, a third-generation farmer with two parcels in Felton and Magnolia, increased his wheat, barley, corn and soybean yield thanks to new equipment that he purchased with the assistance of DRIP loans. On one parcel, he purchased and installed a well on land that previously relied solely on rain. The other parcel benefited from the purchase of a fixed irrigation system.

Delaware Rural Irrigation Program (DRIP)						
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County	Acreage
Justin Comegys	2016	DSF	DRIP	\$11,113.82	Kent	38
Ray Tull	2016	DSF	DRIP	\$17,619.25	Sussex	27

### Other Funding Options

#### Tax Exempt Bond Financing (IRB)

(IRB's do not utilize state funds and do not impact full-faith and credit of the State of Delaware.)

New or expanding businesses, governmental units and certain organizations exempt from federal income taxation can be eligible for statewide financial assistance in the form of tax-exempt bonds through the Delaware Economic Development Office. Tax-exempt financing may be cost-effective for projects involving the issuance of more than \$750,000. All applications are reviewed for impact on Delaware's economy. Eligible projects include the following major categories:

**Qualified 501(c)(3) Bonds:** Tax-exempt bonds can be issued for the benefit of organizations that are tax-exempt under Section 501(c)(3) of the Code, if 95 percent of the net proceeds of the bonds are used by the organization in furtherance of its exempt purpose. Depending on the project being financed, certain other limitations may apply.

**Exempt Facility Bonds:** Tax-exempt bonds can be issued to finance certain types of utility projects, including sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electricity and gas, and other types of facilities.



The following two IRB projects were approved by the Council on Development Finance during FY16:

**Newark Charter School:** The Newark Charter School (NCS) began operating in the 2000-2001 school year. NCS currently serves 2140 students in grades K-11 and is in the process of growing to its charter-authorized enrollment of 2,470 students. Once complete, the school will serve students from K-12. The mission of NCS is to provide a rigorous academic curriculum that promotes high levels of student effort and achievement while fostering self-esteem.

In April 2016, NCS requested that the Delaware Economic Development Authority (DEDA) act as a conduit issuer of tax-exempt bonds. A portion of the proceeds of the bonds will be used to refinance the costs associated with the design, construction, equipping and furnishing of an elementary and a middle school facility.

**Las Americas ASPIRA Academy:** Las Americas ASPIRA Academy, located in Newark, Delaware, opened in August 2011 with over 300 students in grades K-5. Each year the school added another grade and completed its expansion in the 2014-2015 school year with grades K-8. ASPIRA had 639 students enrolled in the 2015-2016 school year and it expects enrollment to exceed 800 in grades K-8 by the 2019-2020 school year.

In May 2016, CDF approved ASPIRA Academy's request that DEDA act as a conduit issuer of tax exempt bonds. A portion of the loan proceeds will allow ASPIRA to finance the conversion and equipping of approximately 38,004-square-feet of space into a cafeteria equipped with a full kitchen, school auditorium, gymnasium, classrooms, support areas, and various instructional spaces. Additional proceeds will assist with renovations and improvements throughout the school's facility.

Industrial Revenue Bond					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
ASPIRA of Delaware Charter Operations, Inc.	2016	DSF	N/A	\$25,000,000	New Castle
The Newark Charter School, Inc.	2016	DSF	N/A	\$15,000,000	New Castle

#### State Small Business Credit Initiative

The State Small Business Credit Initiative was established by the federal government in 2011 and is funded through the U.S. Department of Treasury. This initiative enabled DEDO to create a loan

participation program. The program is a partnership between DEDO and lending institutions and is designed to increase access to capital at lower interest rates.

Since the beginning of the Fiscal Year 2016 to date, every dollar invested through the SSBCI program generated almost \$3.68 in private funding.

During FY16, six SSBCI loans were approved. Following is an example of one of these loans:

**Alpha Technologies:** In October 2015, DEDO partnered with TD Bank to provide Alpha Technologies with a SSBCI participation loan for a project that is expected to create more than 240 full-time jobs in Delaware, as well as accomplish the company's mission of bringing off-shore IT jobs back to the United States.

State Small Business Credit Initiative (SSBCI)					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Alpha Technologies	2016	SSBCI	Loan	\$ 500,000.00	New Castle
Be Inspired, LLC	2016	SSBCI	Loan	\$ 141,750.00	New Castle
Integrated Health Associates, LLC	2016	SSBCI	Loan	\$ 20,000.00	Kent County
Old Bay, LLC	2016	SSBCI	Loan	\$ 100,000.00	Sussex County
Real Global Group LLC	2016	SSBCI	Loan	\$ 54,000.00	New Castle
Waves Car Wash Holdings, LLC	2016	SSBCI	Loan	\$ 491,750.00	Sussex County





## FY16 Council on Development Finance Summary

# FY16 Summary of Strategic Fund Allocations







SPONSOR: Sen. Sokola & Rep. Q. Johnson  
Bushweller Potter  
Hall-Long Mulrooney  
Marshall Mitchell  
Hocker Wilson

DELAWARE STATE SENATE  
148th GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1

FOR

SENATE BILL NO. 160

A BOND AND CAPITAL IMPROVEMENTS ACT OF THE STATE OF DELAWARE AND CERTAIN OF ITS AUTHORITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2016; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE; APPROPRIATING FUNDS FROM THE TRANSPORTATION TRUST FUND; AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE DELAWARE TRANSPORTATION AUTHORITY; APPROPRIATING SPECIAL FUNDS OF THE DELAWARE TRANSPORTATION AUTHORITY; APPROPRIATING SPECIAL FUNDS OF THE STATE; REVERTING AND REPROGRAMMING CERTAIN FUNDS OF THE STATE; DIRECTING THE DEPOSIT OF CERTAIN FUNDS TO THE GENERAL FUND; SPECIFYING CERTAIN PROCEDURES, CONDITIONS AND LIMITATIONS FOR THE EXPENDITURE OF SUCH FUNDS; AND AMENDING CERTAIN STATUTORY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fourths of all members elected to each house thereof concurring therein):

- 1 **Section 1. Fiscal Year ~~2015~~ 2016 Capital Improvements Project Schedule Addendum.** The General
- 2 Assembly hereby authorizes the following projects in the following amounts for the purposes set forth in this Section and as
- 3 described in the Fiscal Year ~~2015~~ 2016 Governor's Recommended Capital Budget and Project Information document. Any
- 4 authorization balance (excluding Transportation Trust Fund balances) remaining unexpended or unencumbered by June 30,
- 5 ~~2017~~ 2018, shall be subject to reversion or reauthorization.



**SECTION 1 ADDENDUM**  
**FISCAL YEAR 2016 CAPITAL IMPROVEMENT PROJECT SCHEDULE**

AGENCY/PROJECT	INTERNAL PROGRAM UNIT	BOND AUTHOR- IZATIONS	REAUTHORIZA- TION AND			TOTAL
			GRAMMING	TRUST FUNDS	ONE-TIME SPECIAL FUNDS	
DELAWARE ECONOMIC DEVELOPMENT OFFICE						
Delaware Strategic Fund	10-03-03	\$	- \$	7,500,000 \$	- \$	2,500,000 \$
Infrastructure Fund	10-03-03		7,500,000	-	-	10,000,000
Delaware Clinical and Translational Research (CTR)	10-03-03		-	-	-	7,500,000
IDeA Network of Biomedical Research Excellence (INBRE)	10-03-03		-	-	-	1,000,000
	10-03-03		-	-	-	1,000,000
Fraunhofer Vaccine Development	10-03-03		-	-	-	1,000,000
Diamond State Port Corporation	10-03-03		13,500,000	-	-	1,000,000
Delaware Stadium Corporation	10-03-03		-	-	-	13,500,000
Riverfront Development Corporation	10-03-03		-	-	-	1,000,000
Bioscience Center for Advanced Technology (CAT)	10-03-03		-	-	-	3,150,000
Kent County Regional Sports Complex	10-03-03		-	-	-	3,150,000
			3,246,550	-	-	1,000,000
Subtotal:		\$	24,246,550 \$	7,500,000 \$	- \$	3,246,550
						42,396,550
DELAWARE STATE HOUSING AUTHORITY						
Housing Development Fund - Affordable Rental Housing Program	10-08-01	\$	6,000,000 \$	- \$	- \$	6,000,000
Urban Redevelopment	10-08-01		8,210,000	290,000	-	8,500,000
Subtotal:		\$	14,210,000 \$	290,000 \$	- \$	14,500,000
STATE						
Museum Maintenance	20-06-01	\$	550,000 \$	- \$	- \$	550,000
Delaware Veterans Memorial Cemetery Expansion - Bear	20-01-02		-	310,000	-	310,000
Delaware Veterans Memorial Cemetery Expansion - Millsboro	20-01-02		-	122,000	-	122,000
Lewes Public Library	20-08-01		2,000,000	-	-	2,000,000
Delmar Public Library	20-08-01		875,000	-	-	2,000,000
Rt. 9/13 (Garfield Park) Public Library	20-08-01		2,000,000	-	-	875,000
Harrington Public Library	20-08-01		100,000	-	-	2,000,000
Subtotal:		\$	5,525,000 \$	432,000 \$	- \$	100,000
						5,957,000

1 **DELAWARE ECONOMIC DEVELOPMENT OFFICE**

2 **Section 43. Composites Research.** The Delaware Economic Development Office (DEDO) is authorized to  
3 provide a match of up to \$100,000 to the University of Delaware Center for Composite Materials for federal research  
4 grants received that support the development and application of composite manufacturing technology for the benefit  
5 of Delaware companies. Such match shall be disbursed from the Delaware Strategic Fund upon documentation of the  
6 receipt of federal funds allocated to the center during the fiscal year for these purposes and upon documentation of  
7 the relevance of these research projects to Delaware industries' needs and their participation within said projects.

8 **Section 44. Kalmar Nyckel.** The scheduling of the Kalmar Nyckel by non-state entities shall require the  
9 approval of the Riverfront Development Corporation. Further, the Riverfront Development Corporation is encouraged  
10 to enter into negotiations with interested parties to review the disposition of loans to the Kalmar Nyckel.

11 **Section 45. Transportation Property Disposition.** The proceeds from the future sale of parcels of land the  
12 Department of Transportation acquired on Beech Street in the City of Wilmington and Delmarva Properties located in  
13 the Wilmington Riverfront area shall be deposited to the Transportation Trust Fund.

14 **Section 46. Council on Development Finance.** If DEDO makes an award not in agreement with the  
15 recommendations of the Council on Development Finance, the Director of DEDO shall notify the Co-Chairs of the  
16 Joint Legislative Committee on the Capital Improvement Program within 10 business days. The notification shall  
17 include details of the actual award, the Council recommendations on the proposal and a justification for why DEDO  
18 did not follow the recommendations of the Council.

19 **Section 47. New Markets Tax Credit Program.** In the event that the Director of DEDO and the Secretary  
20 of Finance determine that it is advisable to apply for participation in the New Markets Tax Credit Program under the  
21 U.S. Treasury Department, the Director is authorized to form a business entity or organization to apply for and manage  
22 this program on behalf of the State, as required by applicable federal legislation and regulations. Any such application  
23 for said program shall be subject to the approval of the Co-Chairs of the Joint Legislative Committee on the Capital  
24 Improvement Program and the Delaware State Clearinghouse Committee. Should such application receive final  
25 approval by the U.S. Treasury Department or other federal governmental entity charged with such authority, at least  
26 one public hearing shall be held for the purpose of presenting the program, the availability of financial assistance and  
27 the selection process.

1           **Section 48. Delaware Cyber Initiative.** The Section 1 Addendum of 79 Del. Laws, c. 292 makes an  
2 ~~appropriation this Act appropriates~~ \$3,000,000 for the Delaware Cyber Initiative (DCI). This funding will accelerate  
3 the establishment of the DCI, provide a much needed workforce for the many available jobs in this area, as well as  
4 provide a research location to attract top talent to support the expansion of the State's current businesses. This  
5 funding will assist in the planning and design of the DCI facility on the STAR campus, as well as other start-up costs.  
6 The DCI will be a continued partnership between the State's higher education institutions (Delaware State University,  
7 Delaware Technical and Community College and the University of Delaware), private sector partners and the State.  
8 Funding shall be transferred to the University of Delaware.

9           **Section 49. Federal Research and Development Matching Grant Program.** The Section 1 Addendum  
10 of 79 Del. Laws, c. 292 makes an ~~appropriation this Act appropriates~~ \$2,000,000 to support federal research and  
11 development grants to Delaware institutions. The program will be administered through DEDO. Funding requests  
12 will be solicited yearly from the University of Delaware, Delaware State University, Delaware Technical and  
13 Community College and Wesley College and reviewed by a committee consisting of two representatives from each  
14 public institution and three representatives of Delaware-based companies appointed by the Governor. The proposed  
15 work must complement and extend an on-going federally funded project or assist with start-up costs. Allowable  
16 budget categories include salaries and benefits for new graduate students and post-doctoral students, supplies and  
17 expenses to support the research of these individuals including infrastructure and capital purchases for equipment  
18 necessary to launch, support and sustain the research activities. Requests are capped at \$100,000 per year.

19           **Section 50. Emerging Technology Center.** Notwithstanding any other law to the contrary, funds  
20 appropriated to DEDO for the Delaware Emerging Technology Center (ETC), pursuant to 74 Del. Laws, c. 308 §  
21 36(c), shall be expended by DEDO for the purpose of operating the ETC. Operating expenses may include, but are  
22 not limited to: ETC software licensing agreements; Delaware sponsored ETC investor forums, businesses plan  
23 competitions and conferences and marketing campaigns; and Intellectual Property Business Creation program  
24 implementation initiatives.

25           **Section 51. Riverfront Development Corporation.** (a) Funds appropriated for the Riverfront  
26 Development Corporation of Delaware (RDC) shall be disbursed to a special fund to be known as the Riverfront  
27 Development Corporation Fund hereinafter referred to as the Fund.

(b) The Fund shall be invested by the State Treasurer in securities consistent with the policies established by the Cash Management Policy Board. All monies generated by the Fund shall be deposited in the Fund.

(c) Funds appropriated to DEDO for RDC shall be expended only with the approval of the Board of Directors of RDC. Funds may only be expended for activities related to the redevelopment of the Brandywine and Christina riverfront areas, including: planning and design studies; the acquisition, construction and improvement of real property; environmental remediation; costs of operations and administration; conversion of the Chase Center on the Riverfront to a conference center; debt service; and other expenses in furtherance of the mission of RDC.

**Section 52. Limited Investment for Financial Traction (LIFT) and Delaware Rural Irrigation Program (DRIP) Initiatives.** Notwithstanding any other law to the contrary, DEDO is hereby authorized to pay administrative fees associated with LIFT and DRIP Initiatives from the Delaware Strategic Fund not to exceed 2 percent of the program total.

**Section 53. Diamond State Port Corporation.** The Section 1 Addendum of this Act appropriates ~~\$10,250,000~~ \$13,500,000 to the Diamond State Port Corporation (DSPC). It is the intent of the General Assembly and the Administration that said funds represent funding for the following projects:

	Amount
(a) Container Crane	<del>\$7,200,000</del> <u>\$1,200,000</u>
(b) Infrastructure Improvements	<del>\$2,800,000</del> <u>\$12,100,000</u>
(c) <del>Permitting for the Delaware River</del> <u>Strategic Plan</u>	<del>\$250,000</del> <u>\$200,000</u>

No funds may be expended from this appropriation without the approval of the Board of Directors of the Port Corporation. In addition, DSPC may borrow, on an interest-free basis, \$2,000,000 of this authorization to meet its short-term operating expenses during Fiscal Year 2015 2016.

**Section 54. Delaware Civic Center Corporation.** DEDO is directed to renew the corporate status of the Delaware Civic Center Corporation (DCCC) pursuant to the General Corporation Law of this State. Following renewal, the Board of Directors of DCCC shall meet to dissolve the corporation pursuant to the General Corporation Law of this State and shall transfer all of its assets pursuant to Article 14 of its Certificate of Incorporation. DEDO shall pay all reasonable and necessary expenses related to the renewal and dissolution of DCCC, subject to approval by the Director of the Office of Management and Budget and the Controller General.



1       **Section 55. Kent County Regional Sports Complex.** The Section 1 Addendum of this Act appropriates  
2       \$3,246,550 for the Kent County Regional Sports Complex. These funds shall be subject to the applicable terms and  
3       conditions outlined in the original application and subsequent approval by the Infrastructure Committee.

4       **Section 56. Croda Project.** The implementation of projects by Croda Inc., in partnership with DEDO, as it  
5       relates to subdivision, land development, construction, permitting, and code enforcement upon New Castle County  
6       parcel numbers 10-016.00-002, 10-016.00-007, 10-016.00-008, and 10-050.00-020, shall not be subject to the  
7       jurisdiction of New Castle County to the extent any such permits and/or approvals are not issued/granted on or before  
8       July 30, 2015. If such permits and/or approvals are not issued/granted on or before July 30, 2015, the Office of State  
9       Planning shall ensure that all applicable subdivision, land development, construction, permitting and code enforcement  
10      provisions of the New Castle County Code in effect as of June 26, 2015 are adhered to by Croda Inc.

11      **Section 57. Infrastructure Investment Committee.** The Section 1 Addendum of this Act appropriates  
12      \$7,500,000 for the Infrastructure Investment Committee. The Infrastructure Investment Committee shall meet as  
13      established per Del. Laws, c. 76 and may allocate said funds. Upon the full allocation of funding to projects from said  
14      appropriation code, the Infrastructure Investment Committee shall no longer disburse funding from the New Jobs  
15      Infrastructure account.

16      **Section 58. Frawley Stadium Improvements.** The Section 1 Addendum of this Act appropriates  
17      \$1,000,000 to the Delaware Stadium Corporation to be used to make initial immediate repairs to Daniel Frawley  
18      Stadium, which is 23 years old. Prior to the expenditure of said funding, the Delaware Stadium Corporation shall  
19      receive approval from the Director of the Office of Management and Budget and Co-Chairs of the Joint Legislative  
20      Committee on the Capital Improvement Program on how funding is to be allocated.

21      **Section 59. Frawley Stadium.** The Joint Legislative Committee on the Capital Improvement Program  
22      directs the Delaware Stadium Corporation (DSC) to prepare a list of immediate repairs and upgrades necessary to  
23      ensure the long-term future of Frawley Stadium and minor league baseball in Delaware. The DSC shall submit such a  
24      list to the Co-Chairs of the Joint Legislative Committee on the Capital Improvement Program and the Director of the  
25      Office of Management and Budget. Further, the General Assembly directs the DSC to engage in negotiations for a  
26      new lease with the Wilmington Blue Rocks, that may include utilizing Frawley Stadium to generate new revenue  
27      streams, to be shared with the Wilmington Blue Rocks, with any portion of such new revenue that goes to the DSC to  
28      be used to fund and/or offset the cost of future and/or additional required repairs and/or upgrades.



SPONSOR: Rep. M. Smith & Sen. McDowell  
Carson Bushweller  
Heffernan Ennis  
J. Johnson Peterson  
Kenton Cloutier  
Miro

HOUSE OF REPRESENTATIVES  
148th GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1

FOR

HOUSE BILL NO. 225

AN ACT MAKING APPROPRIATIONS FOR THE EXPENSE OF THE STATE GOVERNMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2016; SPECIFYING CERTAIN PROCEDURES, CONDITIONS AND LIMITATIONS FOR THE EXPENDITURE OF SUCH FUNDS; AND AMENDING CERTAIN PERTINENT STATUTORY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1           Section 1. The several amounts named in this Act, or such part thereof as may be necessary and 1 essential to the  
2   proper conduct of the business of the agencies named herein, during the fiscal year ending June 30, ~~2015~~ 2016, are hereby  
3   appropriated and authorized to be paid out of the Treasury of the State by the respective departments and divisions of State  
4   Government, and other specified spending agencies, subject to the limitations of this Act and to the provisions of Title 29,  
5   Part VI, Delaware Code, as amended or qualified by this Act, all other provisions of the Delaware Code notwithstanding.  
6   All parts or portions of the several sums appropriated by this Act which, on the last day of June ~~2015~~ 2016, shall not have  
7   been paid out of the State Treasury, shall revert to the General Fund; provided, however, that no funds shall revert which  
8   are encumbered pursuant to 29 Del. C. § 6521.

9           The several amounts hereby appropriated are as follows:

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3

5,976.4	2,861.7
---------	---------

**Section 81.** The Delaware Economic Development Office, Delaware Economic Development Authority (10-03-03) will continue to use revenue from the Blue Collar Training Fund for the Workforce Development Grant. Funding for this grant shall be maintained at current levels.

**Section 82.** Section 1 of this Act appropriates \$2,149.7 \$2,418.6 ASF to Executive, Delaware Economic Development Office, Delaware Tourism Office (10-03-02). Of this amount, \$640.3 \$909.2 shall be allocated to "Other Items" as designated in Section 1 of this Act and payable by the Delaware Tourism Office in quarterly allotments. The first installment shall be paid by September 30 of each fiscal year or as otherwise approved by the Director of OMB and the Controller General.

**Section 83.** Notwithstanding the provisions of any other law, for the fiscal year ending June 30, 2015 2016, interest earnings of the Delaware Strategic Fund as provided for in 29 Del. C. § 5027, shall to the extent of such interest earnings, be used in the following order and manner, not to exceed the amounts so noted:

(a) The first \$446.1 shall be used for the general operating expenses of the Delaware Economic Development Office, as determined by the Director of the Delaware Economic Development Office. Should interest earnings not be available by September 1, funding shall be made available directly from the Strategic Fund.

(b) The second \$150.0 shall be allocated as follows: \$125.0 to the New Castle County Chamber of Commerce's business incubator, the Emerging Enterprise Center and \$25.0 to the Middletown Chamber of Commerce business incubator.

(c) The third \$400.0 shall be used for the general operating expenses of the Small Business Development Center. Should interest earnings not be available by December 31, 2014 2015, the center shall receive funding directly from the Strategic Fund for said expenses and shall waive further interest earnings for that period.

(d) The fourth \$300.0 shall be used to continue the Delaware Business Marketing Program within the Delaware Economic Development Authority (10-03-03). Should interest earnings not be available by September 1, funding shall be made directly from the Strategic Fund. It is the intent of the General Assembly that these funds shall be used for business marketing and recruitment. These funds may be used together with non-state contributions to the Delaware Business Marketing Program. However, in the event that non-state contributions are not available, or in the event such contributions are insufficient to fully access the resources of the Delaware Business Marketing Program, it is the intent of the General Assembly that the Delaware Business Marketing



1 Program shall continue to fully operate using only the interest earnings on the Delaware Strategic Fund as provided  
2 for in 29 Del. C. § 5027.

3 In the event that non-state contributions are available, they may be made in cash or in-kind. Non-state cash  
4 contributions shall be deposited in a special fund for business marketing and recruitment purposes only. Non-state  
5 in-kind contributions shall be valued at their fair market value and documented by the Delaware Economic  
6 Development Authority in connection with the Delaware Business Marketing Program.

7 When non-state contributions are used, expenditures of the program shall be divided between non-state  
8 contributions and state funds for any fiscal year's appropriations such that non-state contributions are not less than  
9 50 percent of total expenditures. Of the 50 percent non-state contributions, up to 25 percent shall be cash  
10 contributions, and up to 25 percent shall be in-kind contributions. These funds shall not be used for hiring full-time  
11 employees. Allocations shall be made by the Director of the Delaware Economic Development Office with the  
12 approval of the Director of OMB and the Controller General.

13 On or before April 1, ~~2015~~ 2016, the Director of the Delaware Economic Development Office shall provide  
14 to the Director of OMB and the Controller General a report on the Delaware Business Marketing Program. The  
15 report shall include an itemized list of all non-state cash and in-kind contributions received, total expenditures and  
16 an assessment of the program to date.

17 (e) The fifth \$150.0 shall be used to provide customized information technology training to small and  
18 medium-sized businesses through grants made by Delaware Technical and Community College I.T. Learning  
19 Center.

20 (f) Any remaining funds shall be used for the purposes of the Delaware Strategic Fund.

21 **Section 84.** Of the ASF allocated to the Delaware Tourism Office (10-03-02) pursuant to 30 Del. C. §  
22 6102(b) contained in Section 1 of this Act, ~~\$100.0~~ 95.0 is authorized for the Kalmar Nyckel. During the period  
23 beginning July 1, ~~2014~~ 2015, and ending on June 30, ~~2015~~ 2016, the State of Delaware, through the Delaware  
24 Tourism Office, and the Riverfront Development Corporation, shall be entitled to charter the Kalmar Nyckel. Said  
25 use is to include docked guest entertaining privileges and/or day sails at no cost for as many State of Delaware  
26 guests as is consistent with Kalmar Nyckel safety policies. Scheduling for State and Riverfront Development  
27 Corporation use of the Kalmar Nyckel shall be at mutually agreeable times and locations to the Kalmar Nyckel, the  
28 Delaware Tourism Office on behalf of the State of Delaware and the Riverfront Development Corporation.

1           **Section 85.** The Kalmar Nyckel Foundation shall provide to the Delaware Economic Development Office,  
2   OMB and the Controller General's Office financial reports detailing year to date expenditures and revenues as well  
3   as projected expenditures and revenues for the remainder of the fiscal year. Such reports shall be due October 1 and  
4   March 1 of each fiscal year.

5           **Section 86.** Section 1 of this Act appropriates funding for 1.0 FTE Senior Secretary in Executive, Criminal  
6   Justice, Criminal Justice Council (10-07-01) to be used as dedicated secretarial support for the Executive Director of  
7   the Domestic Violence Coordinating Council. This position shall be an exempt position and shall be excluded from  
8   classified service as defined under 29 Del. C. § 5903.

9           **Section 87.** (a) Section 1 of this Act includes NSF positions funded through grants administered by the  
10   Criminal Justice Council (10-07-01). Further, the Delaware State Clearinghouse Committee may, during the fiscal  
11   year, approve additional NSF positions supported by Criminal Justice Council administered grants. By virtue of  
12   said positions being included in the Annual Appropriations Act and/or approved by the Clearinghouse Committee  
13   does not guarantee future state funding upon expiration of federal grants supporting the positions. Any requests for  
14   state funding for said positions shall be prioritized by the affected department in its budget request for Fiscal Year  
15   ~~2016~~ 2017.

16           (b) The Criminal Justice Council shall submit a report to the Director of OMB and the Controller General  
17   on May 1 of each year. This report shall forecast to the extent possible the number of federal grants and position  
18   requests that may be presented as requests to the Delaware State Clearinghouse Committee during the course of the  
19   upcoming fiscal year.

20           **Section 88.** Section 1 of this Act appropriates ~~\$244.01~~ 71.0 and 1.0 FTE to the Criminal Justice Council  
21   (10-07-01) for the Board of Parole. While the Criminal Justice Council shall provide administrative support and  
22   fiscal oversight, the Board of Parole shall otherwise operate independently of the Criminal Justice Council. The  
23   Criminal Justice Council shall develop reporting requirements for the Board of Parole; reports shall be submitted by  
24   the Board of Parole to the Criminal Justice Council, the Office of Management and Budget and the Office of the  
25   Controller General.

26           **Section 89.** The Criminal Justice Council, Statistical Analysis Center (10-07-03), shall submit by July 15  
27   an annual project schedule for the fiscal year that details the staff workload and time allocation. Requests for  
28   (special) projects to be included in this schedule should be made in advance to the Statistical Analysis Center. This