

Council on Development Finance Summary

FY17 (07/01/16-06/30/17)

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 hears, evaluates, and recommends 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 makes 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 supports 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 FY17, the Council on Development Finance approved the modification of four loans through the Delaware Strategic Fund.

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
Delaware Technology Park	2017	DSF	Loan Modification				New Castle
RLDP	2017	DSF	Loan Modification				Sussex
Nanticoke Memorial Hospital	2017	DSF	Loan Modification				Sussex
Coastal Brewing Company	2017		Loan Modification				Kent

Delaware Strategic Fund Grants

During FY17, the Council on Development Finance approved funding of 11 grants through the Delaware Strategic Fund.

Since the beginning of FY17, every one million Strategic Fund dollars spent in grants is matched by almost \$19 million in private funding. The projects contribute over \$130 million to Delaware’s GDP.

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
SUN Behavioral Health	2017	DSF	Grant	\$708,367	130	130	Sussex
Datwyler Pharma	2017	DSF	Grant	\$3,128,715	108	108	New Castle
United Parcel Service	2017	DSF	Grant	\$465,000	0	104	New Castle
The Center at Eden Hill	2017	DSF	Grant	\$319,590	123	123	Kent
Cohesive Strategies	2017	DSF	Grant	\$763,775	28	95	New Castle
M Cubed Technologies	2017	DSF	Grant	\$1,245,714	155	217	New Castle
Del Monte	2017	DSF	Grant	\$913,000	27	27	New Castle
Fair Square Financial	2017	DSF	Grant	\$779,025	64	64	New Castle
First State Community Loan Fund	2017	DSF	Grant	\$40,000	0	0	New Castle
DEMEP	2017	DSF	Grant	\$328,714	0	9	New Castle
Delaware Innovation Space	2017	DSF	Grant	\$5,000,000	9	9	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.

There were no Brownfield projects presented to the Council on Development Finance during FY17.

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.

There were no Technical Innovation projects presented to the Council on Development Finance during FY17.

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 FY17 to date, every Strategic Fund dollar spent through the Delaware Capital Access Program generated nearly \$7.56 in private funding.

During FY17, 16 DCAP projects were approved.

Delaware Capital Access Program					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Jamaican Cafe Cuisine, LLC	2017	DSF	DE Access Program	\$12,500.00	New Castle
Tadpole Academy, LLC	2017	DSF	DE Access Program	\$22,000.00	New Castle
Fowled Up Farms, LLC	2017	DSF	DE Access Program	\$30,000.00	Sussex
C P Transport	2017	DSF	DE Access Program	\$6,250.00	New Castle
Joseli, Inc.	2017	DSF	DE Access Program	\$14,900.00	New Castle
Peruchos Inc.	2017	DSF	DE Access Program	\$21,250.00	New Castle
MB PPF 2, LLC	2017	DSF	DE Access Program	\$12,500.00	New Castle
Seascape Health Alliance, LLC	2017	DSF	DE Access Program	\$12,500.00	Kent
G.T. Fish Company	2017	DSF	DE Access Program	\$12,500.00	New Castle
Without Borders Landscaping, LLC	2017	DSF	DE Access Program	\$14,000.00	New Castle
Twice Baked, LLC	2017	DSF	DE Access Program	\$12,250.00	Sussex
NERDiT Now, LLC	2017	DSF	DE Access Program	\$7,500.00	New Castle
Precious Little Hands Day Care, LLC	2017	DSF	DE Access Program	\$5,000.00	New Castle
GTech Cleaning Services, LLC	2017	DSF	DE Access Program	\$12,500.00	New Castle
The Fish Bowl	2017	DSF	DE Access Program	\$625.00	Kent
First Class Hauling, LLC	2017	DSF	DE Access Program	\$3,750.00	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 the Delaware Economic Development Office. The program helps the 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.

There were no DRIP projects presented to the Council on Development Finance during FY17.

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.

During FY17, three IRB projects were approved by the Council on Development Finance.

Industrial Revenue Bond					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Delaware State University	2017	DSF	N/A	\$51,000,000	Kent
Delaware Military Academy, Inc.	2017	DSF	N/A	\$5,500,000	New Castle

St. Andrew's School	2017	DSF	N/A	\$15,300,000	New Castle
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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 FY17 to date, every dollar invested through the SSBCI program generated almost \$2.69 in private funding.

During FY17, six SSBCI loans were approved.

State Small Business Credit Initiative (SSBCI)					
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Anytime Fitness	2017	SSBCI	Loan	\$147,000	New Castle
The Mill – Wilmington, LLC	2017	SSBCI	Loan	\$122,500	New Castle
Grandpa Mac Highway, LLC	2017	SSBCI	Loan	\$170,000	Sussex
Chef Ludovic, LLC	2017	SSBCI	Loan	\$34,000	Kent
La Baguette, Inc.	2017	SSBCI	Loan	\$32,000	Kent
Barrel Holdings, LLC	2017	SSBCI	Loan	\$168,000	Kent