

**COUNCIL ON DEVELOPMENT FINANCE**  
**July 23, 2012**

**PUBLIC HEARING 385**

**THOSE PRESENT:**

Mr. Andy Lubin, Chairperson  
Steve Biener, Esquire  
Senator Brian Bushweller  
Honorable Nancy Cook  
Mr. Jack Riddle  
Representative Darryl Scott  
Mrs. Richelle Vible

Director Alan Levin  
Mrs. Rachael Mears  
Mr. Stephen Bach  
Mr. Gary Smith  
Ms. Cassie Robbins  
Mrs. Lee Porter  
Ms. Beverly Ennis  
Ann Marie Johnson, DAG  
Mr. Jeff Stone  
Mrs. Karen Smith  
Mr. Tim McLaughlin

**ALSO PRESENT:** Ms. Courtney Stewart, Mr. Adam Domic and Ms. Michelle Sloan – Office of Management and Budget; **Delaware Humane Association** – Mr. Patrick Carroll

**LOCATION:** Buena Vista, 661 South DuPont Highway, New Castle, Delaware 19720

**TIME:** 9:00 A.M.

**CALL TO ORDER**

The meeting was called to order at 9:00 A.M. by Chairman Lubin, on Monday, July 23, 2012.

**OLD BUSINESS:**

Mr. Sears made a motion that the minutes of the June 25, 2012 Council on Development Finance meeting be approved as presented. Mrs. Vible seconded the motion which was then adopted by unanimous vote.

**NEW BUSINESS:**

**Delaware Economic Development Office (“DEDO” or the “Applicant”)** – The Applicant is requesting a grant from the Delaware Strategic Fund program in the amount of \$160,000. The Applicant proposes to use the funds to pay for environmental engineering costs in regards to the Dover Air Force Base Cargo Ramp project (the “Project”).

Mr. Stone presented this project to the Council. He stated that DEDO is asking for these funds to pay for the cost of environmental engineering and design which is necessary to complete the environmental permitting necessary to allow the expansion of the aircraft parking ramp at the Dover Air Force Base (“DAFB”) Civil Air Terminal (“CAT”).

Mr. Stone stated that currently there is a Joint Use Agreement between DAFB, Kent County and the State of Delaware relating to the needs of NASCAR and DAFB. Currently, NASCAR utilizes the CAT during the race weekends. Because the number and size of planes have increased over the years, the CAT parking ramp cannot hold all of the NASCAR Air Force, so some are parked on DAFB property. This has been permitted under the Joint Use Agreement which expires in June of 2015. DAFB has stated that it will not renew that agreement or allow civilian aircraft to park on DAFB property. Mr. Stone stated that to resolve this situation, continue to provide NASCAR with necessary aircraft parking and to also comply with DAFB regulations, major improvements must be made to the CAT aircraft parking ramp.

Mr. Stone stated that DelDOT and DEDO have been in agreement, are in the process of getting permits and the approval to publish a RFP for private developers to actually develop and construct the ramp. It is believed that they can make money from the parking fees received. He further stated that there is a potential for putting a maintenance facility on the property which would be financed with private funds. Mr. Stone did state that the storm water mitigation may have to be done off sight.

Mr. Sears asked for clarification on the two roads involved and where the planes would be coming in. Mr. Stone stated that the road to the Kent County AeroPark is on Horsepond Road and all of this land is on DAFB property except for the parking lot which is DelDOT’s property. He further added that there will be no change in the runway configuration.

Director Levin stated that this Project is consistent with what was approved for the Amtrak study. He stated that the Project needs to move forward.

Mr. Stone stated that some of the engineering costs are open ended, so DEDO may have to come back for additional funding. Currently, the funding of \$480,000 would be paid \$160,000 each by Kent County Levy Court, DelDOT and DEDO.

Mr. Lubin asked Mr. Stone if the costs could be recovered, assuming that the costs are fixed. Mr. Stone stated that these dollars would ultimately be refunded after an engineering and design study to obtain all necessary environmental permits.

Senator Bushweller stated that he feels this is a worthwhile expenditure.

Mr. Biener asked if there was a risk that there would be no response to the RFP. Mr. Stone stated that there has been an interest request circulated and there were eight or nine

responses expressing an interest. He stated that the responses were very general but were from developers with good reputations.

Mr. Riddle asked if the DRBA was involved in this Project. Mr. Stone stated that the DRBA leases and operates the CAT property. He added that the DRBA has expressed its desire to get out of this business.

Mr. Stone stated that there is a potential for a significant number of jobs to be created from this Project.

Chairman Lubin asked if there were any public comments; there were none.

After duly considering, inter alia, the nature of the business, its competitive situation in Delaware, its location, the employment and other requirements under applicable statutory and regulatory provisions, the Council made the following findings: (i) the Project will contribute to maintaining or providing gainful employment of the citizens of the State, (ii) the Project will serve a public purpose by contributing to the prosperity, health or general welfare of the State; (iii) the Project will require a capital investment of at least \$10,000, which funds, including the loan proceeds, will be available or expended on the date on which The Delaware Economic Development Authority disburses the requested loan funds; (iv) the loan will effectuate the purposes of Chapter 50, Subchapter IV of Title 29 of the *Delaware Code*, and (v) the Applicant is a financially responsible person to the extent required by statute and has not been convicted of a major labor law violation or other illegal conduct involving moral turpitude by any agency or court of the federal government or agency or court of any state in the two-year period immediately prior to the approval of the Applicant's application for assistance, Senator Bushweller made a motion that the Council recommend to Mr. Alan B. Levin, Chairperson, The Delaware Economic Development Authority, approval of a grant in an amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000) to be disbursed from the Delaware Strategic Fund for the Project, contingent upon the approval remaining in effect through and including July 22, 2013. Representative Scott seconded the motion, which was then adopted by unanimous vote.

**Delaware Humane Association (“DHA” or the “Applicant”)** - The Applicant is requesting a participation loan in the amount of \$500,000 from the State Small Business Credit Initiative Loan Program in conjunction with TD Bank, N.A. The Applicant proposes to use the funds for the construction of its headquarters and capital improvements for the property located at 701A Street in Wilmington, Delaware (the “Project”).

Mr. Smith presented this request to the Council. He stated that this Project is for a \$500,000 SSBCI participation and would be the first project done with TD Bank. The SSBCI program allows DEDO to develop relationships and interactions with various banks.

Mr. Smith stated that this \$3.9 million Project, including the \$500,000 participation loan. He stated that DHA is in the process of a capital raise. He added that DEDO's loan will have a 3.25 percent rate and will be paid with a balloon payment at the end of two years. It is Mr. Smith's understanding that TD Bank anticipates a closing in August.

Mr. Carroll stated that DHA has 14 board members. He has been employed by DHA for five years as Executive Director. He stated that DHA has done \$1.6 million in revenue. DHA currently has 30 employees and are hoping to increase by five-seven new employees. Mr. Carroll passed out information regarding the program. He stated that they are located on Eighth Street in Wilmington and they have been trying to move for years. He added that six years later they are still there but they have made a decision to stay in the City of Wilmington, have raised over \$2.9 million for their capital campaign and have raised their annual budget as well. Mr. Carroll stated that they have been bringing in soil to build up the site because they are in a flood plane. They will be building the new shelter on the east side of the building. They anticipate starting construction in February or March and opening the facility in the fall of 2013.

Mr. Carroll stated that their first intention was to double the size of the facility. However, after a feasibility study, they decided they didn't want to build a building that they couldn't afford to operate. He stated that they feel comfortable that they can move into and operate the revised expansion.

Mr. Smith stated that this Project is partly a Brownfields site so this lengthens the construction process. He added that DHA received money through DNREC and they are currently working with BrightFields Associates. Mr. Lubin asked if the facility had to be bulk headed and the response was that it did not.

Mrs. Vible stated that she understood the shelter operation but asked what services were offered to existing pet owners. Mr. Carroll stated that they offer low cost vaccine clinics, low cost spaying or neutering and that they actually perform the surgery in a van. He stated that it would be an enormous improvement to replace the eleven year old van with a surgery suite. He added that they had originally thought they would do boarding and grooming but that has been eliminated from the plan.

Mr. Carroll stated that he was not sure if they would be able to raise enough funds for a community room which would be used for training and for kid's birthday parties, but in terms of the capital campaign, he feels it is a good possibility. He further stated that the community room could be a revenue source.

Mr. Sears asked Mr. Carroll to talk about the need for volunteers and asked if they were currently turning away any animals. Mr. Carroll stated there are approximately 350-400 volunteers who are all very compassionate. He stated that because the shelter is tight on space, they do have to turn away some animals which are aggressive dogs and a lot of cats because there are so many of them. He further stated that with this expansion, they

will be able to do more because of the flow. Currently there are seven areas for dogs when they come in because they need to be isolated – this area will be increased.

Chairman Lubin asked if there were any public comments; there were none.

After duly considering, Mr. Biener made a motion that the Council recommend to Mr. Alan B. Levin, Chairperson, The Delaware Economic Development Authority, approval of this Project under the State Small Business Credit Initiative Program. Mrs. Vible seconded the motion, which was then adopted by unanimous vote except for Mr. Sears who recused himself from voting due to a possible conflict of interest.

**Executive Session** - Senator Bushweller made a motion that the Council go into executive session to discuss confidential and privileged commercial and financial information in accordance with 29 Del. C. §10004(b)(2). The motion was seconded by Mr. Riddle which was then adopted by unanimous vote.

Representative Scott made a motion that the Council go out of executive session. The motion was seconded by Mr. Biener which was then adopted by unanimous vote.

### **ADJOURNMENT**

The meeting adjourned at 9:45 a.m.

Respectfully submitted,

Lee Porter, Secretary

*LKP*

cc: Members of the Council on Development Finance  
Director Alan Levin  
Ann Marie Johnson, Esquire

The next CDF meeting is scheduled for Monday, August 27, 2012 at 9:00 A.M.