

**DELAWARE INFRASTRUCTURE INVESTMENT COMMITTEE**

**June 19, 2012**

**PUBLIC MEETING 5**

**THOSE PRESENT:**

Director Alan Levin, Chairman  
Secretary Shailen Bhatt  
Representative Helene M. Keeley  
Mr. Michael Ratchford  
Senator Robert Venables

**ALSO PRESENT:** **Projects: Delaware Academy of Science, Inc.** – Mr. James Neal, Mr. Ron Walker, Mr. John Mayer, Mr. Ed Wirth, and Mr. Karl Kalbacher of New Castle County; **Churchmans Associates, LLC** – Mr. Chuck White, Mr. Stephen Davies, Representative Roger Roy, Mr. David King, Mr. Chris LeRoy, John Tracey, Esquire and Mr. Mark Curco; Mr. Geoffrey Sawyer, Governor’s Office; Mr. Michael Morton of Controller General’s Office; Mr. Bryan Sullivan and Ms. Michele Sloan of OMB; Ann Marie Johnson, DAG; Mrs. Bernice Whaley

**LOCATION:** Delaware Economic Development Office, 99 Kings Highway, Dover, Delaware 19901

**TIME:** 9:30 A.M.

**CALL TO ORDER**

The meeting was called to order at 9:30 A.M. by Mr. Levin, Chairperson, on Tuesday, June 19, 2012.

**OLD BUSINESS:**

Senator Venables made a motion that the minutes of the April 26, 2012 Infrastructure Investment Committee (the “Committee”) meeting be approved as presented. Mr. Ratchford seconded the motion which was then adopted by unanimous vote.

**NEW BUSINESS:**

**Delaware Academy of Science, Inc. (Iron Hill Science and History Museum Project) (“DAS” or the “Applicant”); Public Sponsor is New Castle County:** The Applicant is

requesting \$586,728 in funds which will be used for infrastructure needs for the Iron Hill Science and History Museum Project (the "Project").

Mr. Karl Kalbacher mentioned that the volunteers, all with distinguished careers, promoting this Project are committed to advancing the DAS at Iron Hill. He stated their main purpose is to educate the youth.

Mr. Kalbacher stated that DAS has a 99 year lease on this property. He stated that the intent is to build a 2,800 square foot building which would increase programming and accommodate more visitors. Mr. Neal stated that the funds are needed for sewer water and storm water infrastructure costs. He added that the DAS would like to develop solar and wind energy power which is a critical part of the DAS mission.

Mr. Neal stated that the Iron Hill School is one of the best schools in the State and remains in good shape. He stated that their organization has put money in the school. A hand out explaining the Project was distributed to the Committee.

Mr. Meyer stressed that this is a shovel ready project. He stated that if the funds are approved, they will be able to start construction in the beginning of September and be completed in March 2013. He further indicated that the Iron Hill Museum is something waiting to happen. He added that once the building is built, all of the programs that have been held back will be able to start. He stated that this Project will create new jobs in the first year and employment should be up to 11 years in the third year. Mr. Meyer informed the Council that the drawings are basically done, the construction engineer has been hired and they are ready to proceed. He stated that these jobs will be permanent jobs.

Mr. Meyer stated that bringing the sewer line up will be one of the most expensive infrastructure costs incurred. He added that there is currently nothing on Iron Hill but that once this is done, all the other development can begin; he believes this is the last thing needed to put everything in motion. It will be an educational area and a tourist area. He stated he has spoken with tour operators and anticipates bus tours as there is much interest in the area now. He added that they will have a full time grounds and maintenance person. They are projecting eleven full time and five part time employees. Mr. Meyer stated that they have botanists and history grads leading the trail guides in jobs that will be paying \$20.00 an hour. He stated that they will have well qualified and professional people. He again emphasized that the number one goal of this organization is to educate children. Mr. Neal stated that they are expanding their programs. Currently the scouts do two community projects a year.

Senator Venable stated that he believes the Project fits the criteria but asked if other businesses around it would be expanded. He stated he understood that even though the hotels would not use the same sewer system, they would be affected by the increased activity such as benefits to the tourism industry and by more busses coming in.

Secretary Bhatt stated that this Committee approved approximately \$600,000 for a project in the Town of Camden for road infrastructure which would create approximately 200 jobs and even though he loves the concept of this DAS Project, he is concerned about the difference in the number of jobs this Project would create. Mr. Meyer stated that the jobs for the Camden project were retail jobs. He stated that currently there are three part time positions which will increase up to ten at certain times. He added that these three part time positions will become part of the eleven full time positions.

Chairman Levin stated that he agrees that \$145,000 in infrastructure costs are for sewer, water and storm water improvements. However, he is not certain that the remainder of the funds meet the criteria for funding. It is his belief that anything coming to the building would be considered infrastructure; however anything in the building would not be covered. Chairman Levin asked for a breakdown of costs. Mr. Meyers stated that the sewer/water/storm water costs are high because pipes have to be installed up a steep hill and baffles have to be added. He added that they couldn't run a water line from Old Baltimore Pike because they could not get enough pressure.

Representative Keeley stated she also questioned what would and what would not be covered as infrastructure costs but she did understand the sewer, water and storm water management costs and even the pavers for the parking area.

Chairman Levin asked that the Applicant provide the Committee with exact infrastructure expenses. He clarified that anything coming to the building would be fundable.

Representative Keeley questioned if DAS received State funding as it is a 501(c) 3 entity, specifically if they have received grant and aide from the State. Mr. Meyer stated that they had received a \$1,000 grant from State agencies.

It was stated that the solar panels would be placed on the roof to create energy for the building.

Mr. Ratchford stated that even though he thought this was a wonderful project, he was not sure it met the funding criteria. He was concerned whether it met the requirement of benefiting more than the Applicant. He added that this Project is pretty much the sewer line up to the building and was concerned on who else would benefit from this sewer line or the Project.

Mr. Meyer stated that there will be a park building, will attract people to the area and it is their hope that this would multiply the benefits of the Project. Mr. Ratchford stated that however, no other businesses would tie into this sewer line. Senator Venables stated that in the Wesley infrastructure project, the Committee considered what would be built around it for other attractions.

Secretary Bhatt stated that he felt the Committee had more questions and recommended that the Applicant come back with more precise figures and a better explanation of how

this Project ties into a public benefit; specifically what the dollars were going to be used for.

The Committee decided to table this request until further information and clarification could be reviewed.

**Churchmans Associates, LLC (New Castle Town Center Project) (“Churchmans” or the “Applicant”); Public Sponsor is New Castle County:** The Applicant is requesting \$4,373,600 in funds which will be used for infrastructure needs for the New Castle Town Center Project (the “Project”).

Mr. Karl Kalbacher stated the Project is located at Route 13 and 272, known as Hare’s Corner. He stated that this is a very unsightly site which had been used as a burrow pit for many years with substandard roads and which needs improvement. He stated that the Project will benefit third parties such as New Castle County and the Port of Wilmington. It was stated that Mr. Smiley with the County Council has been spearheading this project. He also stated that the job creation numbers were very impressive.

Mr. Tracy stated that this unattractive piece of property is going through redevelopment which anticipates 475 open air village site retails. He added that part of the area is leased to the Delaware River Bay Authority. He added that the property has been rezoned to a commercial regional classification and are at 85-90% of the process. He stated that they need to finalize the process with DelDOT. Mr. Tracy stated that this project has been in the process for several years. He stated they project 620 jobs on the DRBA parcel alone. He stated that there is an access route which is a relief route. He added that the County and DelDOT were not in favor of eliminating the existing, relief road. He further stated that the County and DelDOT indicated that there was a development project in the works near by and that this facilitated the discussion for this Project and the resolution was that the County and the Airport will be giving a permanent easement.

Mr. Tracy stated that three improvements are offsite improvements. He stated that the \$4,300,000 represents road construction and rehabilitation of Old Churchmans’ Road and involves the construction of a courtesy road.

Mr. Curco, Senior Vice President of Operations, stated that when he looked at a center like this, he saw not only a favorable and best use for this area but also ideal for the region. He stated that in this open air format, it encourages other users than retail such as medical users, a bank, etc. which creates more jobs. He stated that this will create 2,650 jobs, mostly direct with some indirect. Mr. Curco added that the DRBA is spending approximately \$52.4 million to build this center which will create 515 new construction jobs with an average break down of salaries would be about \$67,000 per year and could be even higher.

Chairman Levin stated that it was his understanding that no leases had been signed at this time and asked if there were expressions of interest. Mr. Tracy said that they did have

and although he could not reveal their identity, he did state that they had a fully negotiated but unsigned deal as primary tenants, one for 190,000 square feet which is an AAA retailer. He stated he sees this as a primary retail center with stores from fashion to food to sports services.

Secretary Bhatt asked if these were new businesses or were they relocating from somewhere else creating a vacancy at another location. Mr. Corsci stated that they were basically new businesses. Secretary Bhatt expressed his concern that it would be a case of commercial space being vacated because businesses would move to this new and greater location. He felt this would not be a very good net gain.

Chairman Levin asked the Applicant what was being required by DeIDOT. Mr. Davis stated that the current road which is 20 feet wide now will be widened to two, eleven foot lanes and both lanes will be extended. There will also be some improvements to Route 273.

Mr. Ratchford asked if this Project would require some upgrade to Churchmans Road. Mr. Davis stated that it did to some degree.

Secretary Bhatt stated that it was his understanding that the total cost of the road improvements is \$4.3 million and that is the amount of the request. Mr. Corsci stated that Greggo and Ferro own the property.

Chairman Levin stated that he has spoken to the new Director of the DRBA and the plans as presented today are up to 2010 and Chairman Levin stated that it would be helpful to know what the plans and needs are as of today.

Secretary Bhatt stated that this Project is based on road construction and he would like to know what percent of the traffic is attributed to this Project. Secretary Bhatt suggested a traffic study be done to see how much traffic will be going into this area. He feels it is important to determine this information. Secretary Bhatt stated this may have already been done and he will check into this.

Mr. Ratchford stated he felt it would be helpful to have some clarity from the DRBA on its plans. Chairman Levin stated he thought it would be helpful to know where the benefits were. He suggested inviting the DRBA to come in at next month's meeting.

Councilman Smiley stated they have continually tried to entice businesses to come into this area. He added that he understands the concerns.

Senator Venables stated that he believes it is a good project but he does question the timing. He stated he feels the Committee should do as much as it can. Secretary Bhatt stated that he is concerned that if this Project is funded at 100%, every developer will want to come in and request the same kind of funding. Representative Keeley stated she also has concerns.

Chairman Levin stated that if this Project is to benefit the DRBA, the DRBA has an economic office and has funding available and he believes the DRBA could provide some funding.

The Committee decided to table this request until further information and clarification could be reviewed. The Committee requested an assessment of what actually has to be completed and what is above the necessity and a traffic study. It was stated that the Project has the Committee's support but wants to be able to justify its actions by being responsible and consistent.

**ADJOURNMENT:** The meeting was adjourned at 11:10 a.m. The next meeting is scheduled for July 17<sup>th</sup> at 9:00 A.M.

Respectfully submitted,

Lee Porter

LKP

Cc: Members of the Delaware Infrastructure Investment Committee  
Ann Marie Johnson, Esquire