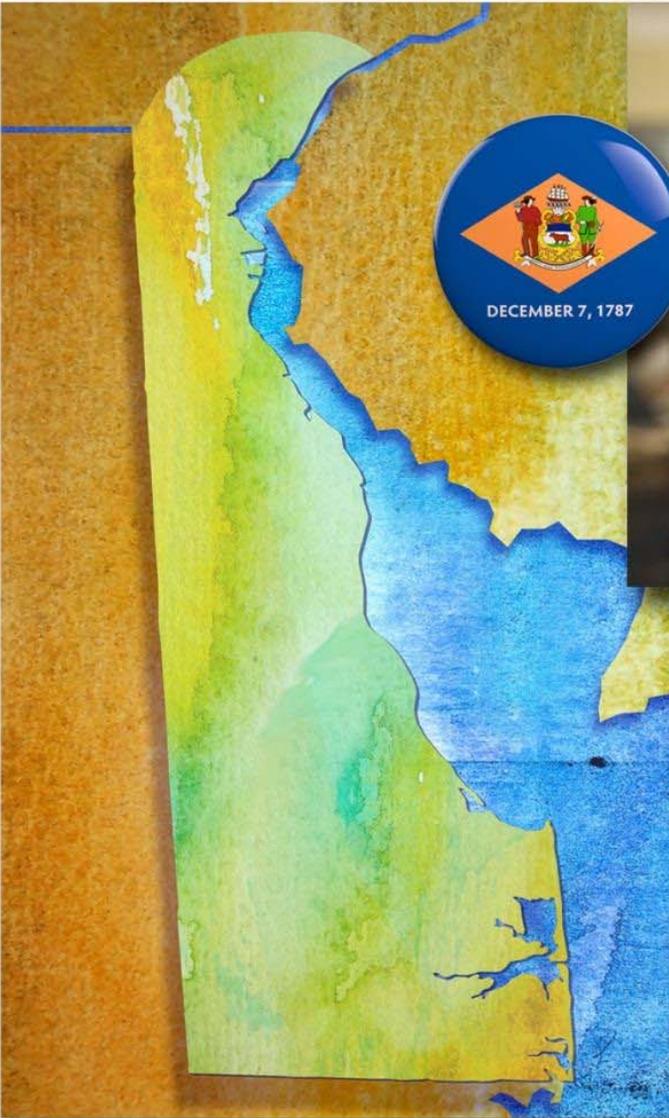


FY15

Council on Development Finance Summary

DELAWARE
ECONOMIC DEVELOPMENT OFFICE
Right Place. Right Size.



Council on Development Finance Summary

FY15 (07/01/14-06/30/15)

CDF Overview

The Council on Development Finance 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 willing to establish new facilities within the state, and with them bringing new employment opportunities, current businesses looking to expand and new companies wishing to grow, and the revision of contracts already held with the State. Upon review, the Council will then recommend whether the Director of the Economic Development Office approve or disapprove of the project.

Delaware Strategic Fund

The Delaware Strategic fund provides customized financial assistance to businesses and/or companies considering locating in the State of Delaware. Financial assistance may be provided in the form of low interest loans, grants, or other creative instruments to support the attraction of businesses, with assistance terms that are negotiated specific to each firm's individual needs and situation. Following are the programs the Strategic Fund supports:

Delaware Strategic Fund Loans

During FY15, the Council on Development Finance approved funding two loans through the Delaware Strategic Fund. Following is a summary of one of those loans:

Delaware Technology Park

In January 2015, Delaware Technology Park, Inc. (DTP) requested a Delaware Strategic Fund loan in the amount of \$3,000,000 for build out of wet lab spaces designed specifically to meet the needs of start-up and early stage firms doing basic research and development, primarily in the health science field. The 10,000 square foot space will be located on the University of Delaware's Science, Technology and Research (STAR) Campus.

The 70,000 square foot, \$16 million building housing the lab space will be owned and constructed by Delle Donne & Associates. DTP will master lease 10,000 square feet which will be fitted out as multiple wet lab spaces, shared open office spaces and conference rooms. DTP will manage and lease the spaces to multiple firms vetted by

DTP for their science and growth potential. Firms will be expected to use the space for approximately two years or less before ‘graduating’ to commercial space. Rents will be below commercial market rents. DTP, as a non-profit, will not add a margin to the lease rates.

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	2015	DSF	Loan	\$3,000,000.00	1	4	New Castle
Delaware State University	2015	DSF	Loan	\$3,000,000.00	31	854	Kent

Delaware Strategic Fund Grants

During FY15, the Council on Development Finance approved funding 17 grants through the Delaware Strategic Fund. Following is a summary of a few of those grants:

SevOne

In November 2014, SevOne Inc., a data management and IT service provider, requested a Delaware Strategic Fund Performance grant and Capital Expenditure grant totaling \$1,046,480 to expand its operations. The \$956,480 performance grant will create 150 new jobs over the next three years. The Capital Expenditure grant was approved for an amount that is not to exceed \$90,000 for the investments required to prepare and outfit its new space in the STAR Campus located in Newark, Delaware.

SevOne is a true success story. The company was launched in 2005 by two University of Delaware graduates and is now one of the fastest growing companies in the nation. This Strategic Fund assistance came at a crucial time and was instrumental in pushing Delaware ahead of Philadelphia and Boston as options for SevOne’s expansion.

AB Group Packaging

AB Group Packaging, a newly-formed manufacturing firm, requested a Delaware Strategic Fund Performance grant and Capital Expenditure grant totaling \$373,365 in June 2015. The \$253,365 performance grant is for the creation of 87 full-time Delaware positions. The Capital Expenditure grant in an amount not to exceed \$120,000 is based on 3% of qualified capital expenditures of \$4,000,000.

AB Group Packaging manufactures paper bags, plastic bags and flexible packaging for buyers across a broad range of market sectors, including high street retailers, promotional companies, independent stores and online and express delivery retailers. The company, in business for 30 years, also supplies food and industrial markets. Currently, all of its manufacturing takes place at its European plants in Ireland, Spain and the United Kingdom.

Edgewell Personal Care

(On July 1, 2015 Energizer Holdings, Inc. turned its divisions into two new companies. The Personal Care Division became Edgewell Personal Care and became an independent company. The Household Product Division retained the Energizer Holdings, Inc. name.)

In January 2015, Energizer sought a Strategic Fund Performance grant in the amount of \$1,432,408.50 for the creation of up to 270 new full-time positions in Dover. It is also sought a Capital Expenditure grant up to \$1,500,000 or a 3% match of qualified capital expenditures, whichever is less, for a total potential award of \$2,932,408.50.

Energizer bought the Stayfree, Carefree and OB brands in North America from Johnson & Johnson in July 2013 for \$185 million and subsequently made the decision to move its Montreal manufacturing operations to Dover and consolidate them under Playtex.

The acquisition of the J&J Montreal facility and the decision to locate its operations in Dover required a significant expansion and rearrangement of the Dover facility; the relocation of multiple production lines from Montreal to Dover and the hiring of up to 270 new employees. The total project cost is projected at approximately \$42 million.

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
AB Group Packing, Inc	2015	DSF	Grant	\$ 373,365.00	87	87	New Castle
Croda, Inc.	2015	DSF	Grant	\$ 2,487,384.46	80	271	New Castle
Solenis, LLC	2015	DSF	Grant	\$ 1,100,397.00	127	336	New Castle
Zacros America, Inc.	2015	DSF	Grant	\$ 883,505.00	154	154	New Castle
Zip Code Wilmington, LLC	2015	DSF	Grant	\$ 250,000.00	0	0	New Castle
Wells Fargo Bank, National Association	2015	DSF	Grant	\$ 1,385,025.00	180	180	New Castle
Delaware Manufacturing Extension Partnership (DEMEP)	2015	DSF	Grant	\$ 332,408.00	0	11	New Castle
SevOne, Inc.	2015	DSF	Grant	\$ 1,046,480.00	150	313	New Castle
Energizer Holdings, Inc.	2015	DSF	Grant	\$ 2,932,408.50	270	741	Kent
Delaware Biotechnology Institute (U of D)	2015	DSF	Grant	\$ 500,000.00	0	20	New Castle
PhysiHome Technologies Ltd.	2015	DSF	Grant	\$ 94,575.00	10	10	New Castle
21st Century North America Insurance Co	2015	DSF	Grant	\$ 4,339,265.00	300	1,020	New Castle
Kuraray America, Inc.	2015	DSF	Grant	\$ 330,028.00	14	61	New Castle
Weitron, Inc.	2015	DSF	Grant	\$ 266,484.00	30	30	New Castle
WDBID Management Company	2015	DSF	Grant	\$ 368,832.00	8	55	New Castle
Bayhealth Medical Center, Inc.	2015	DSF	Grant	\$ 481,309.00	97	2,805	Kent
IPR International, Inc.	2015	DSF	Grant	\$ 135,923.00	14	40	New Castle

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 Small Business Innovation Research (SBIR) grants and Small Business Technology Transfer (STTR) grants as a pathway to receiving DTIP grants. These grants help promote the entrepreneurial spirit in Delaware. The Council on Development Finance approved two DTIP projects in FY15:

Lumilant

In September 2014, Lumilant, Inc. requested a \$50,000 SBIR /STTR grant from the Delaware Strategic Fund under the Delaware Technical Innovation Program (DTIP). The financial assistance will aid Lumilant in maintaining its staffing level and to continue its research as it awaits STTR Phase II approval.

Lumilant, established in December 2010, is a technology start-up entity based in Newark, Delaware. Its technology is aimed at developing disruptive photonic solutions for DATACOM, SATCOM and TELECOM use in military and commercial applications. Lumilant was spun out of EM Photonics to focus on the commercialization of research-level technology developed over the last 10 years. Lumilant currently leases commercial office and lab space from EM Photonics and utilizes equipment maintained by the University of Delaware.

Advanced Materials Technology

Advanced Materials Technology, Inc. (AMT) requested a \$50,000 grant from the Strategic Fund Delaware Technical Innovation Program (SBIR/STTR) fund in April 2015. AMT was successful in its Phase I funding request under the National Institutes of Health (NIH) Small Business Technology Transfer Program and has applied for Phase II funding. The proposed financial assistance will aid AMT in maintaining its staffing level to continue its research as it awaits a SBIR Phase II decision.

The primary business of AMT is making High Performance Liquid Chromatography (HPLC) columns which are used in the pharmaceutical, biotechnology, food and beverage and chemical industries. AMT's unique products (HALO® Brand) are sold throughout the world using strategic relationships and a world-wide network of distributors. AMT's technology broke the standard "paradigm" in its industry and today it strives to continue its leadership by introducing new products to stay ahead of the competition.

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

Applicant's Name	Fiscal Year	Fund	Type of Financing	Sub Type of Financing	Award Amount	Jobs to be created	Total Jobs to be Created & Maintained	County
Advanced Materials Technology, Inc	2015	DSF	Grant	SBIR	\$ 50,000.00	0	21	New Castle
Lumilant Inc.	2015	DSF	Grant	STTR	\$ 50,000.00	2	5	New Castle

Delaware Capital Access Program

This 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 Delaware Capital Access Program gives banks more flexibility to stimulate small business growth in the state. Two of the 14 DCAP projects approved in FY15 are summarized below:

JNW Trucking

JNW Trucking, LLC requested a loan in the amount of \$50,000 from First State Community Loan Fund to purchase a dump truck and start-up capital to start a commercial and private hauling business. The loan was enrolled into the Delaware Capital Access Program. The client was charged a 5% premium to enroll the loan; totaling \$2,500. As a minority-owned business, he was eligible for an increased match; totaling \$12,500. Given, the loans use of proceeds, the U.S. Department of Treasury matched the premium of \$2,500. The total of \$17,500 was added to FSCLF's reserve account in the event of a default to recoup any outstanding balance.

The Café on 26

The Café on 26, Inc. requested a loan in the amount of \$10,000 to make improvements to the restaurant as well as provide working capital. The client also provided an equity injection of \$20,000. The loan was enrolled into the Delaware Capital Access Program. The client was charged a 5% premium to enroll the loan; totaling \$500. As a woman-owned business, DEDO matched the premium five times; totaling \$2,500. Given, the loans use of proceeds, the U.S. Department of Treasury matched the premium of \$500. The total of \$3,500 was added to FSCLF's reserve account in the event of a default to recoup any outstanding balance.

Delaware Capital Access Program

Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Zamale R. A. Bull d/b/a Bulls Lawn Care Service	2015	DSF	DE Access Program	\$ 3,125.00	Kent
Roxana Artisans Market	2015	DSF	DE Access Program	\$ 4,062.50	Sussex
Café on 26	2015	DSF	DE Access Program	\$ 2,500.00	Sussex
Modern Mixture, LLC	2015	DSF	DE Access Program	\$ 7,500.00	Sussex
Kingdom Care Learning Center	2015	DSF	DE Access Program	\$ 18,750.00	New Castle
JNW Trucking, LLC	2015	DSF	DE Access Program	\$ 12,500.00	Kent
First Class Hauling, LLC	2015	DSF	DE Access Program	\$ 8,125.00	Kent
Mountain Consulting, Inc.	2015	DSF	DE Access Program	\$ 12,500.00	Dover
G and G Moving, LLC	2015	DSF	DE Access Program	\$ 9,250.00	New Castle
A Balanced Life Massage	2015	DSF	DE Access Program	\$ 2,250.00	New Castle
Roy McIntyre, III d/b/a Delaware Detailing, Inc.	2015	DSF	DE Access Program	\$ 7,000.00	New Castle
Michael DiLorenzo d/b/a The Fish Bowl	2015	DSF	DE Access Program	\$ 3,125.00	Kent
A Balanced Life Massage	2015	DSF	DE Access Program	\$ 3,750.00	New Castle
Snapchat Entertainment, LLC	2015	DSF	DE Access Program	\$ 12,500.00	New Castle

Delaware Rural Irrigation Program

The Delaware Rural Irrigation Program (DRIP), a revolving loan fund administered collaboratively through the Delaware Department of Agriculture and DEDO, provides financial assistance with the irrigation of farmland. This land is now getting better crop yield, producing higher quality and providing a better value for Delaware farmers.

Examples of two of the five DRIP loans approved in FY15, are shown below:

Adam Dickerson installed two irrigation systems on thirty-two acres of non-irrigated land. The total project cost is \$88,932 of which \$66,699 is financed by Mr. Dickerson and \$22,233 was from the DRIP program. The DRIP loan will have the standard terms of 0% interest over seven years with the first two years being payment free. The \$22,233 is amortized over the final five years of the loan. Mr. Dickerson has already taken advantage of the DRIP program previously and this is his second loan in the program.

Anthony Gundry purchased an irrigation system for his farm in Seaford, DE. The DEDO DRIP loan is in the amount of \$23,761.50 and will be paid directly to Mid-Atlantic Farm Credit as they are provided financing for the full project. The DRIP loan has the standard terms of 0% interest over seven years with the first two years being payment free. The \$23,761.50 is amortized over the final five years of the loan. The project will irrigate 80 acres of non-irrigated land.

Delaware Rural Irrigation Program (DRIP)

Applicant's Name	Fiscal Year	Fund	Type of Financing	Sub Type of Financing	Award Amount	County	Acreage
Anthony Gundry	2015	DSF	Loan	DRIP	\$ 23,761.50	Sussex	80
Adam R. Dickerson	2015	DSF	Loan	DRIP	\$ 22,233.00	Sussex	32
Justin Comegys	2015	DSF	Loan	DRIP	\$ 15,930.16	Kent	22
EMCO Properties, LLC	2015	DSF	Loan	DRIP	\$ 25,000.00	Kent	43
Kenneth J. Arney	2015	DSF	Loan	DRIP	\$ 17,857.60	Sussex	19.3

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.

Two of the three IRB projects approved by the Council on Development Finance during FY15 are show below:

Delaware State University

In September 2014, Delaware State University (DSU) utilized The Delaware Economic Development Authority ("DEDA") to act as a conduit issuer of tax-exempt bonds not to exceed \$37,303,212. Bond proceeds were used for the construction of an Optical building and the acquisition of the former Sheraton Hotel and the University Courtyard complex in Dover Delaware.

Additionally, with the assistance of a Strategic Fund loan, this state-of-the-art facility will house a suite of shared laboratories, providing users with advanced technology testing and instrumentation.

DSU has been educating people for over 120 years. It is one of the first land-grant and historically black institutions. As of September 2014, it employed 1,624 people and graduates approximately 770 people annually.

This project will create 31 new full-time positions.

Odyssey Charter School

Opened in 2006, Odyssey Charter School provides students with a classical education through a curriculum centered on mathematics and the Greek language. In October 2014, the charter school requested that DEDA act as a conduit issuer of tax-exempt bonds not to exceed \$33 million. The proceeds of the revenue bonds will be applied to make a loan to the charter school for its expansion into a K-12 campus.

The project involves the purchase of approx. 35 acres of land and the redevelopment of an existing office complex consisting of eight buildings.

Tax Exempt Bond Financing (IRB)

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

Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Odyssey Charter School	2015	DSF	IRB	\$33,000,000.00	New Castle
Delaware Military Academy Inc.	2015	DSF	IRB	\$18,000,000.00	New Castle
Delaware State University	2015	DSF	IRB	\$37,303,212.00	Kent

State Small Business Credit Initiative

The State Small Business Credit Initiative program supports lending to small businesses to help create new private sector jobs. The program is funded through the U.S. Department of Treasury which allocated \$13,168,350 to Delaware.

Loan Participation Program

This loan participation program is designed to enhance access to capital and lower interest rates. DEDO partners with a private lending institution in providing funding to the small business. Loan proceeds can be used for any business expense — including payroll, inventory, machinery and equipment — and to supplement general working capital needs.

Virgil Joseph

MidAtlantic Farm Credit (MAFC) requested DEDO’s participation in the amount of \$498,000 for Virgil and Cristi Joseph to construct four poultry houses and purchase land. The total project cost is \$2,245,500 making DEDO’s portion 22%.

Mr. and Mrs. Joseph had always wanted to own a farm and are positive about their opportunity to purchase a nearby farm and construct poultry houses on that property. He has been an advocate for Farm Credit especially the Farm Credit Express program.

Legacy Distilling – Kent County

Dover Federal Credit Union (DFCU) requested DEDO to participate in a loan totaling \$270,000. DEDO is contributing \$54,000 to the total loan for Legacy Distilling, LLC (doing business as Painted Stave) in Smyrna, Delaware. DFCU is utilizing the SSBCI program because Legacy Distilling is a startup company and DEDO’s participation will reduce the risk involved. The funds were utilized to refinance debt from a competing bank.

Painted Stave Distilling, located in Smyrna Delaware, crafts premium spirits in small batches. It utilizes only the best ingredients sourced from regional farms and by blending traditions of the past with today’s creativity and state-of-the-art technology. Housed in a 1940s era movie theater, Painted Stave Distilling operates in the spirit of tradition to patiently fashion noteworthy spirits. Painted Stave Distilling is Delaware’s first stand-alone, independently owned, operated, and legal, craft distillery since the repeal of prohibition.

State Small Business Credit Initiative (SSBCI)

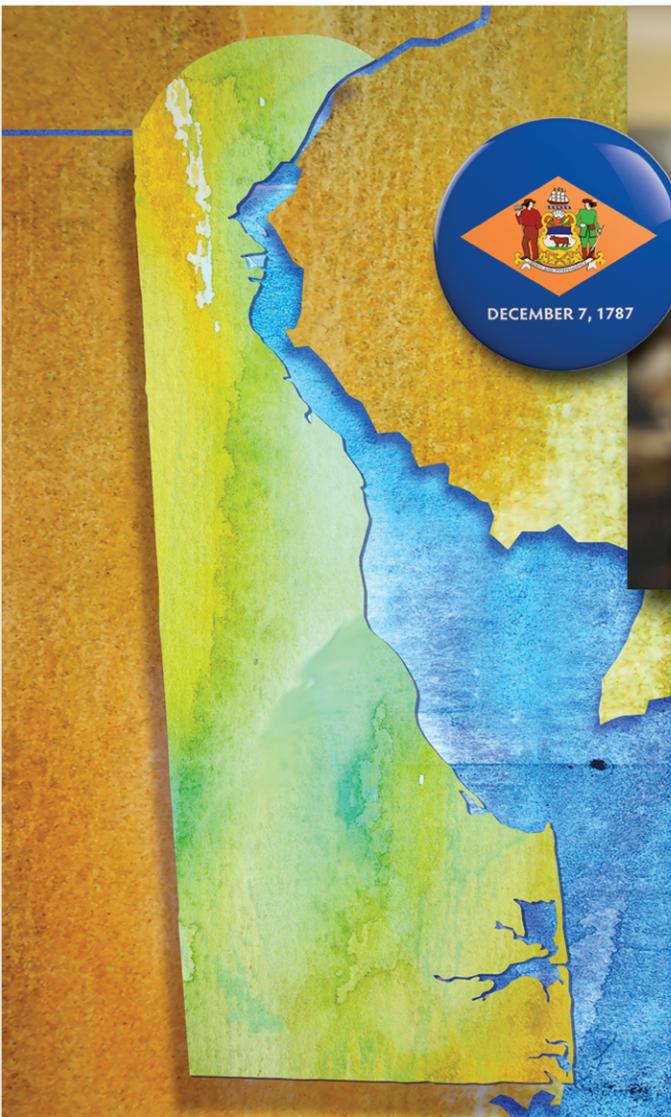
Applicant's Name	Fiscal Year	Fund	Type of Financing	Award Amount	County
Virgil Joseph	2015	SSBCI	Loan	\$ 498,000.00	Sussex
Legacy Distilling, LLC	2015	SSBCI	Loan	\$ 54,000.00	Kent
CHB Realty LLC	2015	SSBCI	Loan	\$ 450,000.00	Sussex
Kempski-Gregg, LLC	2015	SSBCI	Loan	\$ 40,000.00	New Castle



FY15

Council on Development Finance Summary

The FY15 Budget allocates specific Strategic Fund uses as follows:





SPONSOR: Rep. Q. Johnson & Sen. Venables
Keeley Bushweller
Mulrooney Hall-Long
D.E. Williams Sokola
Ramone Bonini
Wilson Hocker

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO. 425

A BOND AND CAPITAL IMPROVEMENTS ACT OF THE STATE OF DELAWARE AND CERTAIN OF ITS AUTHORITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2015; 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; DEAUTHORIZING AND REAUTHORIZING CERTAIN FUNDS OF THE TRANSPORTATION TRUST FUND; APPROPRIATING GENERAL FUNDS AND 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 ~~2014~~ 2015 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 ~~2014~~ 2015 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 ~~2016~~ 2017, shall be subject to reversion or reauthorization.

SECTION 1 ADDENDUM
FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROJECT SCHEDULE

AGENCY/PROJECT	INTERNAL PROGRAM UNIT	BOND AUTHOR- IZATIONS	REAUTHORIZA- TION AND REPRO- GRAMMING	TRANSPORTATION TRUST FUNDS	TRANS. TRUST FUND REAUTH.	GENERAL FUNDS	TOTAL
OFFICE OF MANAGEMENT AND BUDGET (continued)							
<i>Correction Projects</i>							
Minor Capital Improvement and Equipment	10-02-50	3,183,250	-	-	-	-	3,183,250
Prison Facilities Roof Replacement and Renovation	10-02-50	5,800,000	-	-	-	-	5,800,000
<i>Safety and Homeland Security Projects</i>							
Minor Capital Improvement and Equipment	10-02-50	600,000	-	-	-	-	600,000
AFIS Upgrade	10-02-05	-	2,636,000	-	-	-	2,636,000
<i>Delaware National Guard Project</i>							
Minor Capital Improvement and Equipment	10-02-50	850,000	-	-	-	-	850,000
Subtotal:		\$ 59,146,120	\$ 11,614,178	\$ -	\$ -	\$ 340,300	\$ 71,100,598
DELAWARE ECONOMIC DEVELOPMENT OFFICE							
Delaware Strategic Fund	10-03-03	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 19,200,000	\$ 22,200,000
IDEA Network of Biomedical Research Excellence (INBRE)	10-03-03	-	-	-	-	1,000,000	1,000,000
Delaware Clinical and Translational Research (CTR)	10-03-03	-	-	-	-	1,000,000	1,000,000
Experimental Program to Stimulate Competitive Research-Research Infrastructure Investment (EPSCoR-RII)	10-03-03	-	-	-	-	800,000	800,000
Fraunhofer Vaccine Development	10-03-03	-	-	-	-	1,000,000	1,000,000
Delaware Cyber Initiative	10-03-03	-	3,000,000	-	-	-	3,000,000
Federal Research and Development Matching Grant Program	10-03-03	-	2,000,000	-	-	-	2,000,000
Diamond State Port Corporation	10-03-03	8,000,000	2,250,000	-	-	-	10,250,000
Riverfront Development Corporation	10-03-03	-	3,150,000	-	-	-	3,150,000
Kalmar Nyckel Dock Improvements	10-03-03	-	475,000	-	-	-	475,000
Subtotal:		\$ 8,000,000	\$ 13,875,000	\$ -	\$ -	\$ 23,000,000	\$ 44,875,000
DELAWARE STATE HOUSING AUTHORITY							
Urban Redevelopment	10-08-01	\$ 6,650,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 7,000,000
Subtotal:		\$ 6,650,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 7,000,000

1 **DELAWARE ECONOMIC DEVELOPMENT OFFICE**

2 **Section 45. 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 46. 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 47. 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 48. 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 49. 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 50. Delaware Cyber Initiative.** Section 1 Addendum to this Act appropriates \$3,000,000 for the
2 Delaware Cyber Initiative (DCI). This funding will accelerate the establishment of the DCI, provide a much needed
3 workforce for the many available jobs in this area, as well as provide a research location to attract top talent to
4 support the expansion of the State's current businesses. This funding will assist in the planning and design of the DCI
5 facility on the STAR campus, as well as other start-up costs. The DCI will be a continued partnership between the
6 State's higher education institutions (Delaware State University, Delaware Technical and Community College and the
7 University of Delaware), private sector partners and the State. Funding shall be transferred to the University of
8 Delaware.

9 **Section 51. Federal Research and Development Matching Grant Program.** The Section 1 Addendum
10 to this Act appropriates \$2,000,000 to support federal research and development grants to Delaware institutions. The
11 program will be administered through the Delaware Economic Development Office. Funding requests will be
12 solicited yearly from the University of Delaware, Delaware State University, Delaware Technical and Community
13 College and Wesley College and reviewed by a committee consisting of two representatives from each public
14 institution and three representatives of Delaware-based companies appointed by the Governor. The proposed work
15 must complement and extend an on-going federally funded project or assist with start-up costs. Allowable budget
16 categories include salaries and benefits for new graduate students and post-doctoral students, supplies and expenses
17 to support the research of these individuals including infrastructure and capital purchases for equipment necessary to
18 launch, support and sustain the research activities. Requests are capped at \$100,000 per year.

19 **Section 52. 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 53. 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.

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

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

8 **Section 54.** Amend 73 Del. Laws, c. 350, §37 by deleting the words “(or the Chair/Co-Chair of the Joint
9 Finance Committee as the Pro Tempore’s designee)” and inserting in lieu thereof the following “(or a Senator from the
10 Delaware State Senate as the Pro Tempore’s designee)”. Further amend 73 Del. Laws, c. 350, §37 by deleting the
11 words “(or the Chair/Co-Chair of the Joint Finance Committee as the Speaker’s designee)” and inserting in lieu
12 thereof the following “(or a Representative from the House of Representatives as the Speaker’s designee)”.

13 **Section 55. Limited Investment for Financial Traction (LIFT) and Delaware Rural Irrigation**
14 **Program (DRIP) Initiatives.** Notwithstanding any other law to the contrary, DEDO is hereby authorized to pay
15 administrative fees associated with LIFT and DRIP Initiatives from the Delaware Strategic Fund not to exceed 2
16 percent of the program total.

17 **Section 56. Diamond State Port Corporation.** The Section 1 Addendum to this Act appropriates
18 ~~\$8,000,000~~ \$10,250,000 to the Diamond State Port Corporation (DSPC). It is the intent of the General Assembly and
19 the Administration that said funds represent funding for the following projects:

	Amount
21 (a) Container Crane	\$3,600,000 <u>\$7,200,000</u>
22 (b) Infrastructure Improvements	\$4,400,000 <u>\$2,800,000</u>
23 (c) <u>Permitting for the Delaware River</u>	<u>\$250,000</u>

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

1 **Section 57. Strategic Fund.** The Section 1 Addendum to this Act appropriates ~~\$32,000,000~~ \$22,200,000 to
2 the Delaware Economic Development Office for the Strategic Fund. Of this amount, ~~\$500,000~~ \$250,000 shall be
3 allocated to Wesley College for renovation/rehabilitation of the Frear Building for the College's Nursing Program.

4 **Section 58. Delaware Civic Center Corporation.** DEDO is directed to renew the corporate status of the
5 Delaware Civic Center Corporation (DCCC) pursuant to the General Corporation Law of this State. Following
6 renewal, the Board of Directors of DCCC shall meet to dissolve the corporation pursuant to the General Corporation
7 Law of this State and shall transfer all of its assets pursuant to Article 14 of its Certificate of Incorporation. DEDO
8 shall pay all reasonable and necessary expenses related to the renewal and dissolution of DCCC, subject to approval
9 by the Director of the Office of Management and Budget and the Controller General.



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

DELAWARE STATE SENATE
147th GENERAL ASSEMBLY

SENATE BILL NO. 255

AN ACT MAKING APPROPRIATIONS FOR THE EXPENSE OF THE STATE GOVERNMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2015; 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 essential to the
2 proper conduct of the business of the agencies named herein, during the fiscal year ending June 30, ~~2014~~ 2015, 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 ~~2014~~ 2015, 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:

(10-00-00) EXECUTIVE

Personnel			\$ Program		\$ Line Item	
NSF	ASF	GF	ASF	GF	ASF	GF
			(10-03-00) Delaware Economic Development Office			
			(10-03-01) Office of the Director			
		9.0				922.8
						2.0
					102.5	
					12.7	3.3
					10.0	
		9.0			125.2	928.1
			(10-03-02) Delaware Tourism Office			
	9.0				665.1	
					30.0	
					794.3	
					10.0	
					10.0	
					Other Items:	
					25.0	
					475.0	
					100.0	
					22.3	
					6.0	
					12.0	
	9.0				2,149.7	
			(10-03-03) Delaware Economic Development Authority			
	5.0	19.0			307.1	1,777.8
					20.0	2.3
					318.0	
					1.5	
					10.0	12.4
					30.0	10.0
					Other Items:	
					400.0	132.1
					1,700.1	
					320.9	
					300.0	
	5.0	19.0			3,407.6	1,934.6
	14.0	28.0	TOTAL -- Delaware Economic Development Office			
					5,682.5	2,862.7

1 **Section 78.** Section 1 of this Act appropriates \$1,000.0 for statewide technology to Executive, Office of
2 Management and Budget, Contingencies and One-Time Items (10-02-11). These funds are to be used for the purpose
3 of providing on-going replacement needs associated with statewide IT initiatives and/or wireless Internet connectivity
4 in state facilities (e.g., replacement of computers and network switches).

5 **Section 79.** Section 1 of this Act appropriates \$1,000.0 to Executive, Office of Management and Budget,
6 Contingencies and One-Time Items (10-02-11) for Substance Use Disorder Services. These funds shall be used to
7 support assessment, withdrawal management, treatment, community care management and other related services that
8 support substance use disorders.

9 Of this appropriation, \$50.0 shall be used to establish an educational campaign for Prescription Drug Abuse
10 Prevention in schools by the Department of Health and Social Services, Public Health, Community Health (35-05-20).

11 **Section 80.** The Delaware Economic Development Office, Delaware Economic Development Authority (10-
12 03-03) will continue to use revenue from the Blue Collar Training Fund for the Workforce Development Grant.
13 Funding for this grant shall be maintained at current levels.

14 **Section 81.** Section 1 of this Act appropriates ~~\$2,2144~~ 2,149.7 ASF to Executive, Delaware Economic
15 Development Office, Delaware Tourism Office (10-03-02). Of this amount, ~~\$701.7640.3~~ shall be allocated to "Other
16 Items" as designated in Section 1 of this Act and payable by the Delaware Tourism Office in quarterly allotments. The
17 first installment shall be paid by September 30 of each fiscal year or as otherwise approved by the Director of OMB
18 and the Controller General.

19 **Section 82.** Notwithstanding the provisions of any other law, for the fiscal year ending June 30, ~~2014~~ 2015,
20 interest earnings of the Delaware Strategic Fund as provided for in 29 Del. C. § 5027, shall to the extent of such
21 interest earnings, be used in the following order and manner, not to exceed the amounts so noted:

22 ~~(a) The first \$150.0 shall be allocated to the New Castle County Chamber of Commerce's business~~
23 ~~incubator, the Emerging Enterprise Center. Should interest earnings not be available by September 1, funding~~
24 ~~shall be made available directly from the Strategic Fund.~~

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

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

4 (c) The third \$400.0 shall be used for the general operating expenses of the Small Business Development
5 Center. Should interest earnings not be available by December 31, ~~2013~~ 2014, the center shall receive
6 funding directly from the Strategic Fund for said expenses and shall waive further interest earnings for
7 that period.

8 (d) The fourth \$300.0 shall be used to continue the Delaware Business Marketing Program within the
9 Delaware Economic Development Authority (10-03-03). Should interest earnings not be available by
10 September 1, funding shall be made directly from the Strategic Fund. It is the intent of the General
11 Assembly that these funds shall be used for business marketing and recruitment. These funds may be
12 used together with non-state contributions to the Delaware Business Marketing Program. However, in
13 the event that non-state contributions are not available, or in the event such contributions are insufficient
14 to fully access the resources of the Delaware Business Marketing Program, it is the intent of the General
15 Assembly that the Delaware Business Marketing Program shall continue to fully operate using only the
16 interest earnings on the Delaware Strategic Fund as provided for in 29 Del. C. § 5027.

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

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