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DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 127

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO ECONOMIC DEVELOPMENT.

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

1 Section 1. Amend Chapter 87A, Title 29 of the Delaware Code by making deletions as shown by strike through
2 and insertions as shown by underline as follows:

3 § 8711A. ~~Reserved.~~ Site Readiness Fund.

4 (a) The Site Readiness Fund ("Fund") is established to provide economic assistance for renovation, construction,
5 or other improvements to infrastructure to attract new businesses to this State, or expand existing businesses in this State,
6 when such an economic development opportunity would create a significant number of direct, quality, full-time jobs within
7 the State.

8 (b) The purpose of the Fund is to cultivate a resource of commercial, industrial sites that are readily available to
9 new businesses, established businesses that are considering moving to the State, or existing businesses within the State that
10 need additional sites to remain or expand within the State. To expand and sustain economic growth within the State, it is
11 critical to consistently maintain readily available commercial, industrial sites to attract new business, or expand existing
12 businesses. Without a stable inventory of sites that are ready or able to be developed in a timely manner for business use,
13 the delay in converting undeveloped sites capable of conducting business in compliance with applicable regulations and
14 ordinances may cause the State to lose significant business opportunities that would benefit the economic well-being of its
15 citizens.

16 (c) The applicant must meet all of the following criteria for projects to be eligible for funding under this section:

17 (1) Be sponsored by at least 1 public entity. For purposes of this section, a public entity is ether a county or a
18 municipality. The sponsoring public entity must identify any regulations, zoning requirements, or local ordinances
19 that apply to the project.

20 (2) Establish that the proposed improvement will create a significant number of direct, quality, full-time jobs.

21 (3) Demonstrate financial stability.

22 (4) Serve a public purpose.

23 (d) In addition to the criteria established in subsection (c), an applicant to the Fund must establish all of the
24 following business organizational requirements:

25 (1) Validly exist as a corporation, public entity, limited liability company, or other regulated entity.

26 (2) Be in good standing under the laws of this State, duly qualified to do business.

27 (3) Be in good standing in each other jurisdiction in which its conduct of business requires such qualification.

28 (4) Possess any business and professional licenses required under Titles 24 and 30 of the Delaware Code.

29 (e) Applications to the Fund shall be administered by the Division of Small Business within the Department of
30 State in accordance with Title 1, Section 402 of the Delaware Administrative Code that governs the administration of
31 projects under the Delaware Strategic Fund.

32 (f) The Council on Development Finance shall review projects and make recommendations to the Director of the
33 Division of Small Business, as chairperson of the Delaware Economic Development Authority, pursuant to section 8707A
34 of this title.

35 (g) The Director may consider recommendations of the Council made under subsection (f) of this section. The
36 Director is authorized to determine whether the applicant and the improvements are eligible under the requirements of this
37 section.

38 (h) The Director is further authorized to approve projects and make grants, loans, or other economic assistance
39 from the Fund to qualified applicants.

40 (i) The administration of funding approved under this section shall be administered pursuant to the requirements of
41 chapter 87A of this title and Title 1, Section 402 of the Delaware Administrative Code.

42 (j) To ensure that Fund assets are expended in the public interest, the Director may require recapture provisions in
43 any contract agreements for grants, loans, or other economic assistance from the Fund to recover for any substantial or
44 complete cessation of operations by the applicant, or failure to reach any employment or other project benchmarks. The
45 Director may impose the recapture provisions for the number of years necessary to realize the purpose of the Fund.

46 (k) The Director may require the applicant to report financial statements, progress reports on the status of the
47 project, including, the number of direct, quality, full-time jobs created or saved as a result of the project, any economic
48 impact of the funding, and any other information required to assess the project. The reporting period for each project is
49 within the discretion of the Director to determine that the purpose of the Fund is realized.

SYNOPSIS

The purpose of this legislation is to promote sustained economic growth and stability by establishing a fund to provide grants, loans or other economic assistance to businesses or public entities that invest in constructing, renovating or

improving infrastructure for sites that will attract new businesses or expand existing businesses within the State to initiate economic development opportunities that will create a significant number of direct, permanent, quality, full-time jobs. There is intense competition between the states to attract and to keep vital businesses that create and maintain these direct, quality employment opportunities. Therefore, it is critical to expand and sustain economic growth within the State to consistently maintain readily available commercial, industrial sites to attract new business, or expand existing businesses. The delay in converting completely undeveloped sites into sites that are fully capable of conducting business may result in the loss of significant business opportunities that benefit the public. The site readiness fund will provide economic assistance to qualified businesses or public entities to renovate, construct, or improve commercial, industrial sites that are readily available to new businesses, established businesses that are considering moving to the State or existing businesses within the State that need additional sites to remain or expand within the State.

To ensure fiscal accountability that site readiness funds are expended for their intended purpose, the applications will be administered in accordance with the existing regulations that govern applications made to the Strategic Fund. The Council on Development Finance will review the applications and supporting financial information to make recommendations to the Director of the Division of Small Business concerning the viability of the proposed project and whether the project meets the criteria established by this legislation to award funding. The Director has the final authority to award funding based on the Council's recommendations and the requirements imposed by this legislation. The Director shall administer any such award in accordance with the requirements of Chapter 87A of Title 29 of the Delaware Code and the existing Strategic Fund regulations. To protect the assets of the Fund, the Director may require recapture provisions in any contract agreements for grants, loans or other economic assistance that recover for any substantial or complete cessation of operations or failure to reach any employment or other benchmarks. The Director may require the applicant to report financial statements and project progress reports to determine that expenditures on the project are consistent with the purpose of the Fund.

Author: Senator Walsh