



THE FIRST STATE'S FORMULA FOR DOWNTOWN SUCCESS.

10 Years of DDD: Building a Stronger
Delaware, District by District.

2024 DOWNTOWN DEVELOPMENT DISTRICT
ANNUAL REPORT



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10 Years of Building a Stronger Delaware, District by District.



Ten years and \$575 million later, Delaware has found its formula for downtown development success. Ever since the Downtown Development District (DDD) Act was signed into law, the program has thrived in its efforts to accelerate private investment in designated downtown areas throughout Delaware.

As we celebrate the program's 10th anniversary, we are excited to share the extraordinary work of this true public-private partnership. Over 427 residential, commercial, and mixed-use projects have been completed. A total of \$39 million in state DDD funds has leveraged \$575 million in private investment. For every \$1 in DDD state funds, \$14.8 in private investment is brought to a local town or city.

We are proud of the DDD's success and hope you share our optimism for the future of Delaware's downtowns and the opportunity they hold for everyone.

THE FIRST TEN YEARS OF DOWNTOWN SUCCESS

LARGE
PROJECTS

73

SMALL
PROJECTS

354

STATE DDD
DOLLARS

\$39M

PRIVATE
INVESTMENT

\$575M

HISTORY OF DOWNTOWN DEVELOPMENT DISTRICT PROGRAM

In 2014, The DDD program was created to promote the revitalization of designated districts by leveraging state and local resources to spur private capital investment, improve commercial vitality, and build stable communities of long-term residents.

2014

- Gov. Markell announces first Districts
- Seaford's 1st Large Project - The Residences at Seaford Place receives \$671K DDD Rebate

2016

- Five more Districts designated
- \$115M in private investment to date

2018

- Gov. Carney Designates More Districts
- 100 DDD projects completed to date
- Georgetown's Jaelen LLC (SPLASH) receives \$458K DDD Rebate

2020

- 175 completed projects
- Despite the COVID-19 crisis, demand for DDD rebate remains strong

2022

- Over 300 completed projects
- \$24M in state funds leveraged \$356M

2024

- 427 completed projects
- **OVER HALF BILLION IN PRIVATE INVESTMENT!**



2015 DISTRICTS

Dover
Seaford
Wilmington

2016 DISTRICTS

Georgetown
Harrington
Laurel
Milford
Smyrna

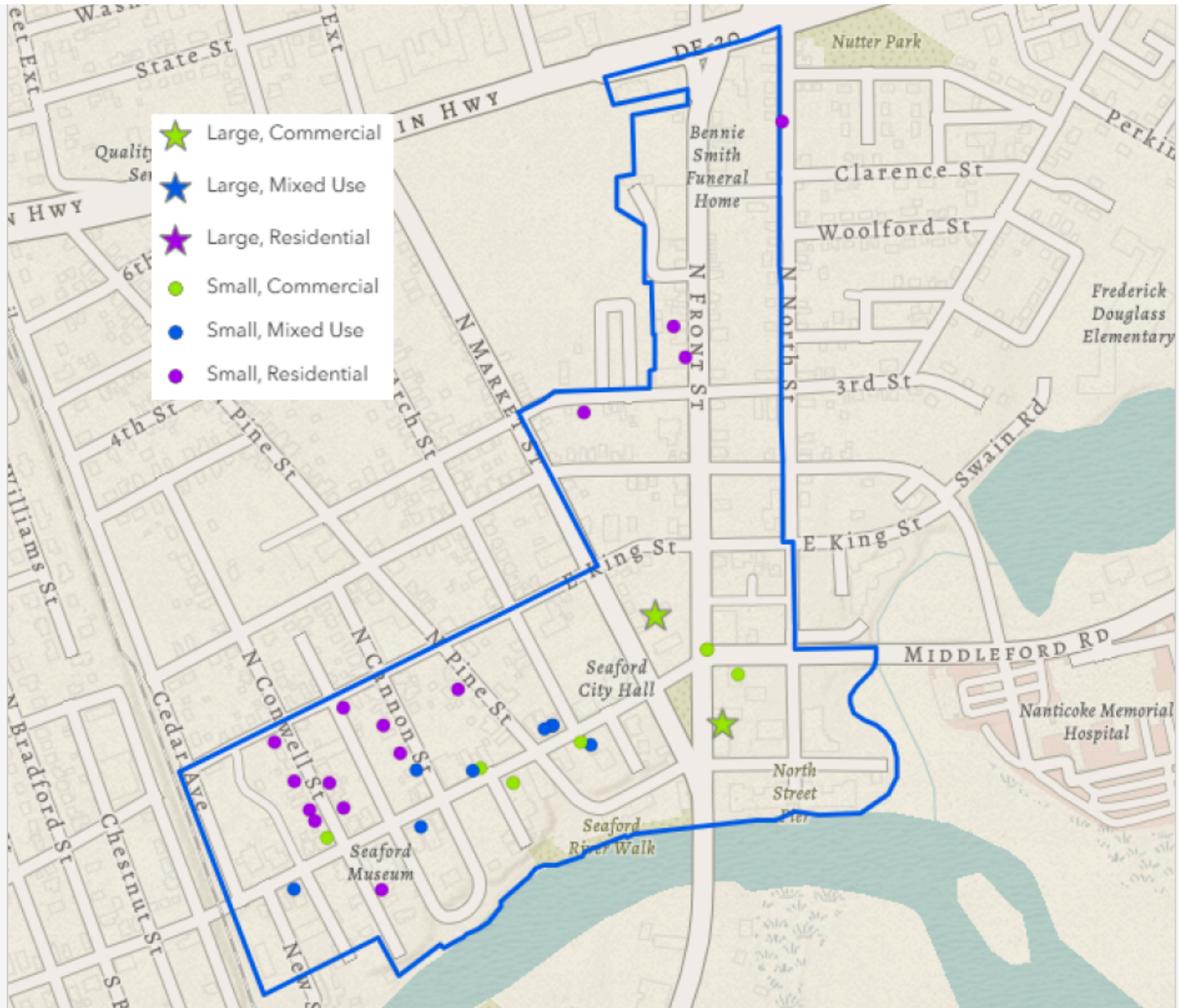
2019 DISTRICTS

Clayton
Delaware City
New Castle
Middletown



DOWNTOWN DEVELOPMENT DISTRICT 10 YEARS

CITY OF SEAFORD



LARGE
PROJECTS

4

SMALL
PROJECTS

32

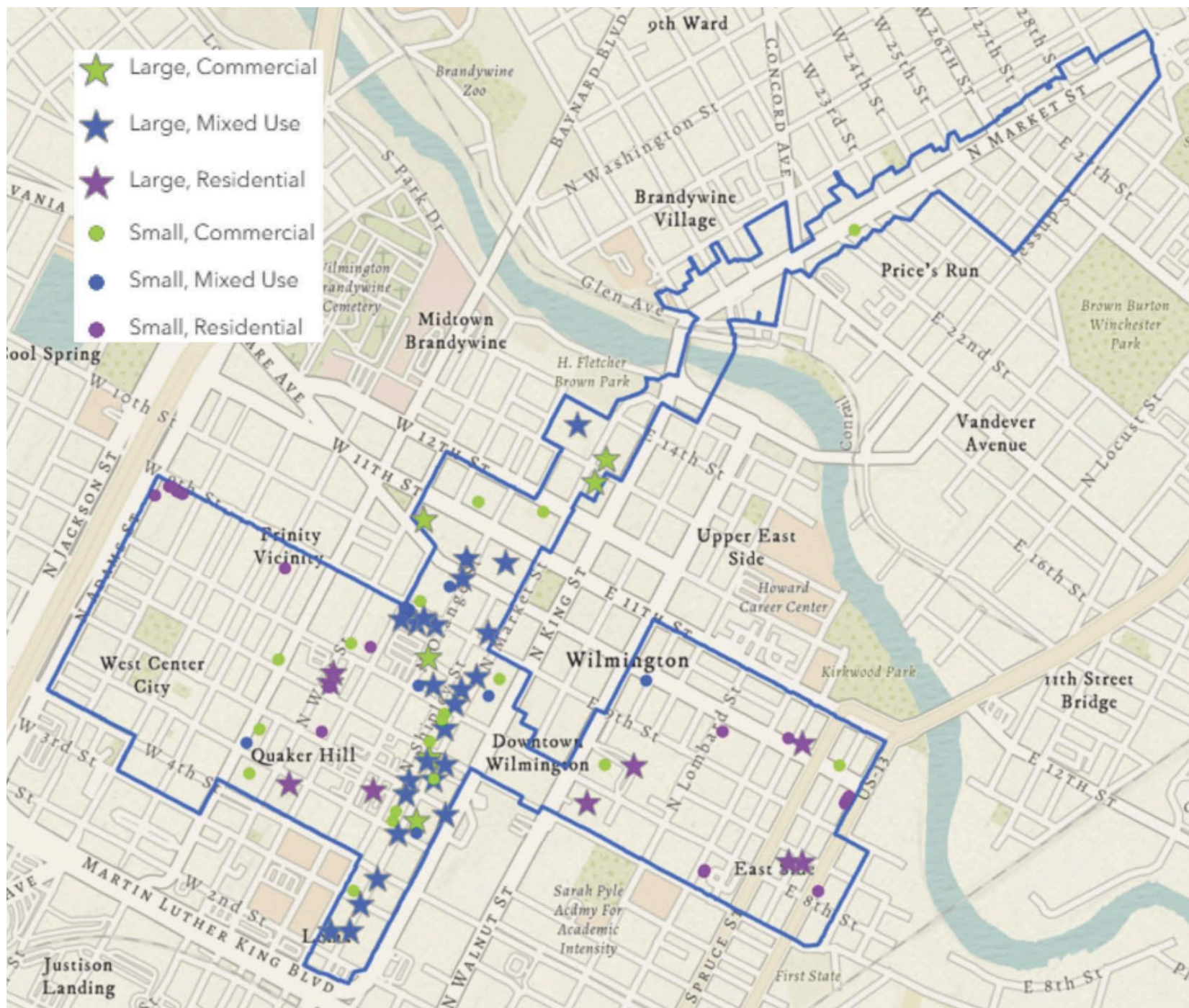
STATE DDD
DOLLARS

\$2.7M

PRIVATE
INVESTMENT

\$30.2M

DOWNTOWN DEVELOPMENT DISTRICT 10 YEARS CITY OF WILMINGTON



LARGE
PROJECTS

50

SMALL
PROJECTS

54

STATE DDD
DOLLARS

\$26.7M

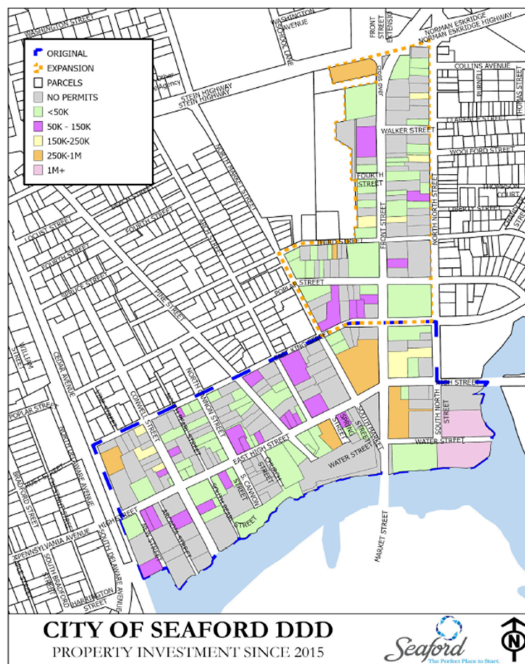
PRIVATE
INVESTMENT

\$466M

FORMULA FOR SUCCESS



At its core, the DDD program is a partnership between state and local governments to provide investors with incentives sufficient to overcome financial barriers associated with downtown redevelopment. Delaware Code guides the DDD program by establishing criteria and procedures for designating districts and eligibility criteria for investors seeking incentives.



This partnership, combined with meaningful incentives and key stakeholders, helps District investors overcome the financial barriers and redevelopment challenges associated with downtown infill development.

STATE OF DELAWARE

- Governor designates Districts
- Office of State Planning Coordination (OSPC) facilitates application process
- Delaware State Housing Authority (DSHA) administers the DDD Rebate

LOCAL GOVERNMENTS

- Identifies area in downtown needing revitalization
- Develops District Plan and adopts local incentives specific to District investors
- Markets DDD program to potential investors

DISTRICT INVESTORS

Investors who make real property investments within a District boundary. This includes property owners, tenants, for-profit developers, nonprofit organizations, businesses, and homeowners.

- Eligible for a variety of state and local incentives
- Provides up to 20% rebate on eligible exterior, interior and structural improvements

DISTRICT REBATE

The primary state-level incentive to support and encourage range of projects in designated Districts and is administered by DSHA.

This rebate is combined with municipal and other partner incentives to produce a compelling package for investors.

QUALIFIED REAL PROPERTY INVESTMENT (QRPI)

Capital expenses necessary for the rehabilitation, expansion, or new construction of a commercial, residential, or mixed-use buildings.

“Hard costs” associated with building structure and often includes labor and material required to construct building envelope and interior.

**DISTRICT INVESTORS RECEIVE
A REBATE OF UP TO 20
PERCENT OF THEIR QRPI.**

Rebate Limit

Limited to \$2,000,000 per building or facility within a 5-year period.

Performance-based

The project must be completed and placed in service to receive rebate.



PROJECT SET-ASIDES

Small Project Set-Aside

Minimum QRPI: \$25,000

Maximum rebate: \$70,000

Can apply anytime as long as funding is available

Large project Set-Aside

Minimum QRPI: \$350,000

Maximum rebate: \$2,000,000

Reservation is required

District Set-Aside

Based on District population to ensure that Investors from all Districts have reasonable access to DDD funds.

Priority Consideration

When requests exceed available funding, priority is given to projects that meet mutual state and local community priorities.

SUPPORT AND RESOURCES

Participating jurisdictions are part of a support network comprised of DSHA, OSPC and the Delaware Division of Small Business (DSB) to bring training, online resources, marketing materials and coaching to support Districts in attracting private investment and redevelopment.

A ONE-TIME, YEAR-LONG CAMPAIGN

A one-year campaign of events and public outreach to **celebrate** 10 years of program achievements, **raise awareness** of impacts, and **recruit** stakeholders and investors.

DDD STORY MAP

Showcases private investment in each District.

COMMUNITY DEVELOPMENT COACH

Assists Districts in **building capacity** to attract new or expand existing businesses.

CENTRAL INCENTIVES WEBSITE

Contains all incentives for District investors.



9

WORKSHOPS &
EVENTS

800

PEOPLE
EDUCATED

41

INVESTORS
RECEIVING TA

30K

MEDIA
IMPRINTS

5K

WEBSITE
VIEWS

17

MEDIA MENTIONS/
NEWS ARTICLES

PROTECTING HISTORIC RESOURCES

PROJECT PROFILES



Over the past ten years, the DDD program has preserved approximately 120 historic structures that are either listed on or eligible for the U.S. National Park Services National Register of Historic Places. Many also received Federal and State Historic Preservation Tax Credits. These programs are providing investors enough incentive to face unknown and often costly challenges associated with renovating existing building stock. ***The following are examples from Fiscal Year 2024.***

HISTORIC WELLS BUILDING 10 N.W. Front St., Milford

Interior and exterior rehabilitation and expansion of the Historic Wells Building located in North Milford Historic District. This mixed-use building contains commercial space on the 1st floor and rental apartments on the upper floors.



CIRCA 1860 137 E. Main St., Middletown

Extensive renovation was completed on the exterior of this home to preserve and restore one of Middletown's original homes.

PROTECTING HISTORIC RESOURCES

PROJECT PROFILES



CIRCA 1830 BUILDING 411 Delaware St., New Castle

Extensive interior renovation to the second floor of this building listed on the National Register included new electric and plumbing, renovating hardwood floors, and replacing bathroom and kitchen.



CIRCA 1850 BUILDING 10 S. Main St., Smyrna

Extensive exterior renovation was made to the exterior replacing the stucco siding, repairing the decorative molding and storefront window. The first-floor commercial flooring was also replaced.

MEETINGHOUSE APARTMENTS LLC 430 N. West St., Wilmington

Even in the face of several unexpected challenges, using both the DDD rebate and Federal/State Historic Tax Credits made the rehabilitation of this historic 11-unit multi-family building possible.





PROTECTING HISTORIC RESOURCES

INVESTOR SPOTLIGHT

WILLIAM N.W. DORSEY HOUSE **113 N.W. Front St., Milford**

Lisa and James Hutchins purchased this historic home in 2021. It was originally built in 1840 by William N.W. Dorsey who was from a prominent family in Annapolis society. In its early years, it served as a post office and then a Clerk of the Peace.

The Hutchins family worked with architects and contractors experienced in historic structures, to carefully return the house to “period appearance”. The owners shared their positive experience in using the DDD rebate, Historic Preservation Tax Credits and incentives provided by Milford. The ease of use and multiple incentives made the renovation possible.



***“This program has saved the
downtowns of Delaware. The
spirit of cooperation is great.
It’s palpable.”***

~ James Hutchins

EXPANDING HOUSING OPPORTUNITIES

PROJECT PROFILES



Since the program's inception, 72 percent (or 309) of all DDD projects had a residential component and created or preserved over 1,850 residential units. ***The following are examples from Fiscal Year 2024.***

QUAKER ARTS LLC N. West St., Wilmington

This 53-rental unit project is affordable to residents earning 30-80 percent of the area median income. Eight units are specifically adapted for persons needing accessible features.



SUSSEX COUNTY HABITAT FOR HUMANITY E. North St., Georgetown

This newly constructed home by Sussex County Habitat for Humanity provides affordable homeownership and stabilizes distressed neighborhoods.

ALEMAN FITZGERALD PROPERTIES LLC 326 High St., Seaford

Extensive interior and exterior renovations were completed to this mixed-use building with first floor commercial space and four residential units on the upper floor.



SUPPORTING DOWNTOWN BUSINESSES

PROJECT PROFILES



A total of 98 commercial projects were completed which ranged from very large commercial establishments to small-scale businesses. ***Here are Fiscal Year 2024 examples.***



Photo Credit: 39 N Walnut LLC



RAIL HAUS (pictured above) **92 N. West St., Dover**

This project redeveloped an unused (previously industrial) building and its adjacent parcel into an indoor/ outdoor food venue.

39 NORTH WALNUT LLC **39 N. Walnut St., Milford**

This historic building was in a severe state of disrepair and underwent substantial renovation to the exterior and interior of the building. The result is two prominent commercial tenants, office space, and residential units on the second floor.



Photo Credit: My Sisters Fault LLC

MY SISTERS FAULT **10 S.W. Front St., Milford**

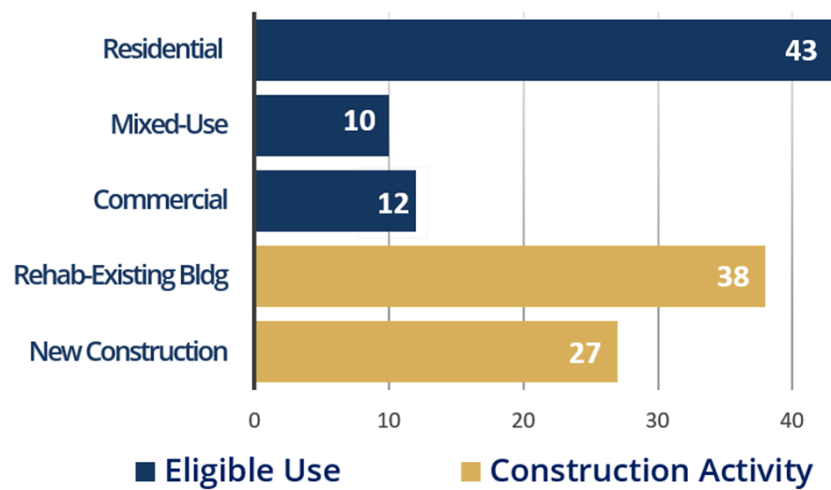
Interior and exterior renovation of a commercial space to expand an existing business.

FISCAL YEAR 2024

PROGRAM ACTIVITY

Over the past year, 9 Large and 56 Small Projects were completed, receiving \$4.3 million in state funds and leveraging \$48 million in private investment. In addition to numerous projects underway, \$8.5 million in state funds were reserved for 14 Large Projects and are expected to leverage \$171 million more in private investment.

Eligible Use and Construction Activity



Most projects had a residential component creating a variety of housing options that help build a strong customer base for local downtown businesses. Forty-three residential projects created 118 residential units. Ten mixed-use projects contained street-level commercial and an additional 61 residential units in the upper floors.

Twelve projects were commercial and most were completed through the rehabilitation of existing buildings that were vacant or underutilized, and placing them back into productive use. Several historic buildings were restored using both the DDD rebate and state and federal historic tax credits.

Summary of Fiscal Year (FY) 2024 Activity

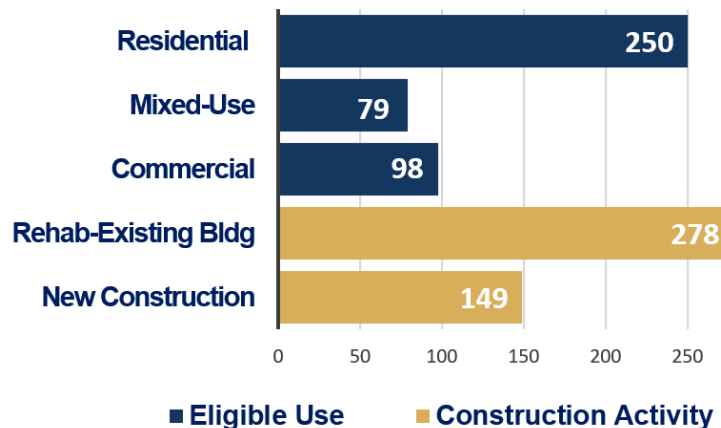
Rebates Issued	Total Project Costs	Rebates	Number
Small Projects	\$14,880,170	\$1,577,816	56
Large Projects	\$32,830,440	\$2,723,272	9
Total	\$47,710,610	\$4,301,088	65

FISCAL YEARS 2014-2024

PROGRAM ACTIVITY

Over 427 projects have been completed across all 12 Districts. This represents 354 Small and 73 Large Projects that are supporting new and existing businesses, creating a range of housing opportunities, renovating vacant buildings and supporting historic preservation. Just \$39 million in state DDD funds was able to leverage \$575 million in private investment.

Eligible Use and Construction Activity



Almost 68 percent (or 250) of all DDD projects were residential and created 883 residential units. The mixed-use category has 79 projects which added an additional 1,000 residential units in traditional downtown buildings characterized by street-level retail and commercial and residential in the upper floors. There were 98 commercial projects completed.

Most projects were completed through renovating and adaptively reusing vacant buildings. In addition, the number of historical structures being preserved or restored continues to grow as investors become more comfortable combining the DDD rebate with federal and state historic tax credits.

Rebates Issued by Activity and Eligible Use, FYs 2014-24

Rebates Issued	Total Project Costs	Rebates	Number
Small Projects	\$70,113,957	\$8,687,306	354
Large Projects	\$504,558,532	\$30,557,008	73
Total	\$574,672,489	\$39,244,314	427

FISCAL YEARS 2014-2024

DISTRICT USAGE

Program provisions ensure that investors from all Districts have access to DDD funds. The below table shows the completed projects by District through Fiscal Year 2024. The City of Wilmington has experienced the most activity with the completion of 50 Large Projects and 54 Small Projects since its designation in 2015. Approximately \$27 million of state DDD funds leveraged \$283 million in private investment.

The City of Milford created a range of strong incentives that are actively marketed to prospective investors. As a result, an infusion of projects and private investment has poured into their District with 7 Large Projects and 69 Small Projects.

Each District uses the program to address objectives specific to their community. Dover saw over 60 Small Projects completed by nonprofits to promote sustainable homeownership in areas. The Town of Seaford continues to be tremendously successful with its riverfront redevelopment.

Projects by Districts, FYs 2014-24

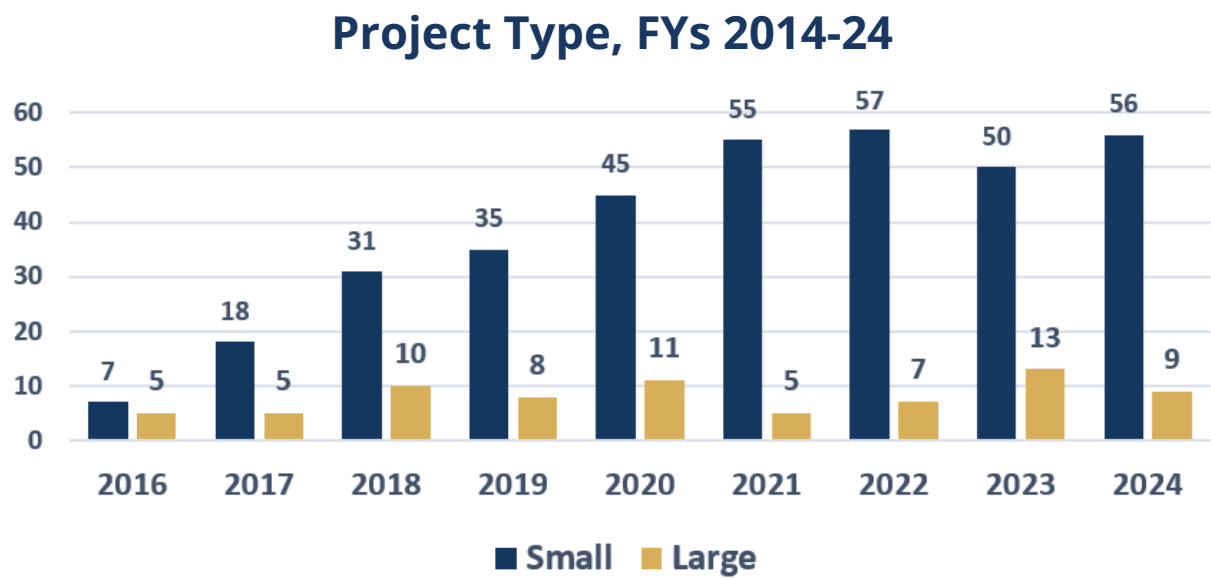
District	Private Investment	DDD Rebate	Large Projects	Small Projects
Clayton	\$76,080	\$13,942	0	2
Delaware City	\$1,725,909	\$280,724	0	10
Dover	\$18,872,035	\$2,125,404	5	65
Georgetown	\$8,111,725	\$1,093,827	2	15
Harrington	\$9,188,588	\$998,183	1	35
Laurel	\$4,349,602	\$752,627	1	19
Middletown	\$2,583,434	\$314,905	1	8
Milford	\$23,233,787	\$2,812,404	7	69
New Castle (City)	\$2,994,302	\$412,098	1	12
Seaford	\$30,222,544	\$2,708,627	4	32
Smyrna	\$7,504,786	\$955,884	1	33
Wilmington	\$465,809,697	\$26,775,688	50	54
Total	\$574,672,489	\$39,244,314	73	354

FISCAL YEARS 2014-2024

PROGRAM ACTIVITY

The below table breaks down the distribution of projects and private investment by Districts. As shown, the number of Small Projects has grown until year 2021 and has remained around 55 since. The number of Large Programs has remained consistent through the years. Unlike Large Projects, reservations are not required for Small Projects which makes it difficult to project the number of Small Projects currently underway.

See the Appendix Tables for more information on all projects.



APPENDIX: FISCAL YEARS 2014-2024



Table 1: DDD Rebates Issued To-Date by Eligible Use

Large Projects	Total Project Costs	Rebate	Projects
Commercial	\$125,109,648	\$7,883,744	21
mixed-use	\$244,954,975	\$14,835,335	34
Residential	\$134,493,909	\$7,837,929	18
	\$504,558,532	\$30,557,008	73
Small Projects			
Commercial	\$20,024,660	\$2,052,586	77
Mixed Use	\$11,615,689	\$1,493,973	45
Residential	\$38,473,608	\$5,140,747	232
	\$70,113,957	\$8,687,306	354
All Projects			
Commercial	\$145,134,308	\$9,936,330	98
Mixed Use	\$256,570,664	\$16,329,308	79
Residential	\$172,967,517	\$12,978,676	250
	\$574,672,489	\$39,244,314	427

Table 2: DDD Rebates Issued To-Date by Activity

Large Projects	Total Project Costs	Rebate	Projects
New Construction	\$173,260,304	\$9,805,069	20
Rehabilitation	\$331,298,228	\$20,751,939	53
	\$504,558,532	\$30,557,008	73
Small Projects			
New Construction	\$23,739,114	\$3,314,539	129
Rehabilitation	\$46,374,843	\$5,372,766	225
	\$70,113,956	\$8,687,305	354
All Projects			
New Construction	\$196,999,418	\$13,119,608	149
Rehabilitation	\$377,673,071	\$26,124,705	278
	\$574,672,488	\$39,244,313	427

APPENDIX: FISCAL YEAR 2024



Table 3: Large Project Reservations - Round 16

Investor	District	Eligible Use	Project Costs	Rebate
Battery Fee Owner LLC	New Castle (City)	Mixed-Use	\$49,853,409	\$2,000,000
DE OZ Property Management LLC	Milford	Residential	\$6,550,000	\$680,000
Georgetown Preservation Assoc.	Georgetown	Residential	\$13,625,790	\$680,000
Loockerman Suites LLC	Dover	Mixed-Use	\$1,912,340	\$341,135
Milford Housing Development Corp.	Milford	Residential	\$3,173,241	\$353,028
Spak Group LLC	Wilmington	Residential	\$1,728,400	\$236,140
Strokem II LLC	Wilmington	Commercial	\$2,242,237	\$360,433
The Residences at River Place LLC	Seaford	Residential	\$11,456,095	\$980,000
The Warner Eden Hall LLC	Wilmington	Mixed-Use	\$7,279,677	\$620,000
United Way of Delaware (UWDE)	Wilmington	Commercial	\$5,472,984	\$500,000
West Grand DE LLC	Dover	Mixed-Use	\$4,895,440	\$500,000
			\$108,189,613	\$7,250,736

Table 4: Large Project Reservations - Round 16 Resubmissions

Investor	District	Eligible Use	Project Costs	Rebate
801 Market LLC (Commercial 1)	Wilmington	Commercial	\$1,689,726	\$299,013
801 Market LLC (Commercial 2)	Wilmington	Commercial	\$1,478,984	\$260,785
BPG Office Partners VII LLC	Wilmington	Mixed-Use	\$59,707,364	\$650,000
			\$62,876,074	\$1,209,798

APPENDIX: FISCAL YEAR 2024



Table 5: Large Projects Rebated

Investor	District	Eligible Use	Project Costs	Rebate
Rail Haus Inc.	Dover	Commercial	\$3,400,000	\$311,601
Greenlea LLC (3)	Georgetown	Commercial	\$2,262,166	\$346,616
10Front LLC	Milford	Mixed Use	\$845,694	\$107,511
Ministry of Caring Inc.	Wilmington	Residential	\$1,133,560	\$121,252
Quaker Arts LLC	Wilmington	Residential	\$16,584,941	\$740,000
Meetinghouse Apartments LLC	Wilmington	Residential	\$682,386	\$91,153
Habitat for Humanity of New Castle County	Wilmington	Residential	\$1,008,654	\$73,375
801 Market LLC	Wilmington	Mixed Use	\$4,670,640	\$560,000
Girard & Tatnall Holding Comp. LLC	Wilmington	Mixed Use	\$2,242,399	\$371,764

Table 6: Small Projects Rebated

Investor	District	Eligible Use	Project Costs	Rebate
Kevin R Jones & Margaret Swyka	Clayton	Residential	\$32,122	\$5,150
Sara J Stewart (Single-family Rehab)	Clayton	Residential	\$43,958	\$8,792
Central DE Habitat for Humanity (21)	Dover	Residential	\$224,051	\$22,561
Central DE Habitat for Humanity (22)	Dover	Residential	\$234,662	\$25,671
NeighborGood Partners Inc. (14)	Dover	Residential	\$276,345	\$17,880
NeighborGood Partners Inc. (15)	Dover	Residential	\$327,091	\$18,292
NeighborGood Partners Inc.	Dover	Residential	\$275,747	\$17,469
NeighborGood Partners Inc.	Dover	Residential	\$268,358	\$17,572
Shank Shack LLC	Dover	Commercial	\$127,445	\$25,489
Central DE Habitat for Humanity (23)	Dover	Residential	\$126,058	\$21,278
MITM, LLC DBA Key to Life Juice Bar	Dover	Commercial	\$37,000	\$5,390
Central DE Habitat for Humanity (24)	Dover	Residential	\$223,222	\$22,638
Sussex County Habitat for Humanity (15)	Georgetown	Residential	\$74,310	\$11,480
Sussex County Habitat for Humanity (16)	Georgetown	Residential	\$214,872	\$23,517

APPENDIX: FISCAL YEAR 2024



Table 6: Small Projects Rebated, Continued.

Investor	District	Eligible Use	Project Costs	Rebate
Sussex County Habitat for Humanity (17)	Georgetown	Residential	\$264,012	\$32,644
Sussex County Habitat for Humanity (19)	Georgetown	Residential	\$145,343	\$18,728
Sussex County Habitat for Humanity (18)	Georgetown	Residential	\$178,127	\$24,607
Sussex County Habitat for Humanity (20)	Georgetown	Residential	\$265,012	\$15,920
Sussex County Habitat for Humanity (21)	Georgetown	Residential	\$159,344	\$24,907
Sussex County Habitat for Humanity (22)	Georgetown	Residential	\$192,981	\$31,748
Sussex County Habitat for Humanity (23)	Georgetown	Residential	\$192,396	\$25,818
Warfel Construction Company, Inc. (8)	Harrington	Residential	\$192,746	\$26,875
Warfel Construction Company, Inc. (9)	Harrington	Residential	\$191,231	\$26,048
Warfel Construction Company, Inc (10)	Harrington	Residential	\$384,032	\$53,389
Blue Hen Homes LLC	Harrington	Mixed-Use	\$326,475	\$54,011
Shree Radhe Krishna LLC	Laurel	Commercial	\$148,467	\$23,000
Raul and Maryanna Valladares	Middletown	Residential	\$206,026	\$36,481
Michael Brown	Middletown	Residential	\$156,565	\$22,668
39 North Walnut LLC	Milford	Mixed-Use	\$1,640,000	\$57,888
Dontaya Sturgis	Milford	Residential	\$47,069	\$9,414
My Sisters Fault LLC	Milford	Commercial	\$742,538	\$28,403
Mautiste LLC (5)	Milford	Residential	\$206,879	\$26,897
Bay to Beach Builders (3)	Milford	Residential	\$269,353	\$44,293
Bay to Beach Builders (2)	Milford	Residential	\$152,273	\$21,160
27 South Walnut QOZB LLC	Milford	Commercial	\$1,200,000	\$67,152
Lisa Hutchins	Milford	Residential	\$474,750	\$51,988
27 South Walnut QOZB LLC (2)	Milford	Commercial	\$340,000	\$45,902
Trolley Associates LLC	New Castle	Residential	\$71,756	\$12,985
Sussex County Habitat for Humanity (14)	Seaford	Residential	\$115,661	\$18,383
Aleman Fitzgerald Properties LLC	Seaford	Mixed-Use	\$475,000	\$68,846
Adriana Lee	Seaford	Residential	\$36,151	\$7,188
Joseph M. Price Jr., and Andrew B. Price	Smyrna	Residential	\$257,986	\$36,200

APPENDIX: FISCAL YEAR 2024



Table 6: Small Projects Rebated, Continued.

Investor	District	Eligible Use	Project Costs	Rebate
Mt. Olive Pentecostal Church	Smyrna	Mixed-Use	\$326,001	\$28,040
Curt Wayne Jackson	Smyrna	Residential	\$66,452	\$9,374
C & T DE Properties LLC	Smyrna	Mixed-Use	\$89,868	\$14,574
212 9th LLC (SP)	Wilmington	Mixed-Use	\$357,630	\$70,000
NCRC Housing Rehab Fund, LLC (5)	Wilmington	Residential	\$328,222	\$51,539
Inter-Neighborhood Comm Builders LLC (2)	Wilmington	Residential	\$225,000	\$16,435
Inter-Neighborhood Comm Builders LLC (3)	Wilmington	Residential	\$225,000	\$16,435
Ezion-Mount Carmel United Methodist Church	Wilmington	Commercial	\$275,838	\$33,013
James Smith	Wilmington	Mixed-Use	\$81,900	\$8,214
Wilmington Alliance	Wilmington	Commercial	\$416,975	\$54,796
DE Square LLC	Wilmington	Residential	\$548,496	\$53,649
ZNC Holdings LLC	Wilmington	Commercial	\$61,782	\$12,056
Justin & Kristen Lantz, Michelle Conlin, Tedi Vatnika	Wilmington	Residential	\$234,591	\$28,677
City of Love at Brandywine	Wilmington	Commercial	\$125,001	\$24,292



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