



Annual Report

November, 2012

SEDAC Mission Statement:

To leverage the experience, intellect, and creativity of the Sussex County community to inform, develop, recommend, and communicate strategies for creating sustainable economic prosperity.



Letter from the Chair

It is my pleasure to report that the Sussex Economic Development Action Committee (SEDAC) is now officially one year old. We have just completed our first year as a 501(c)3 with a long list of accomplishments under our belt. Our goal this year was to refine our model in such a way that we could create a sustainable organization, so that we could continue to carry out our mission long into the future.



To accomplish that, we are utilizing a \$25,000 USDA Rural Business Enterprise Grant to hire several part time positions. These positions will enable us to grow our flagship event, the Sussex County Open for Business as well as develop several new events that will foster economic development. Additionally, we will be seeking more grant opportunities help us move forward. Currently we are in the interview process for these positions and will be hiring quickly.

Our Board of Directors is a very active group of extremely talented individuals that have worked diligently this year to move us forward. We have been engaged in numerous initiatives including a state wide broadband initiative, the Delmarva Technology Transfer Initiative, the Georgetown Blueprint Communities, and public hearings for the Governor's Executive Order 36, among many others. By participating in these initiatives, we are pushing ahead economic development priorities on behalf of the entrepreneurs and business owners throughout the county.

In the coming year we will continue to pave the path for economic prosperity. We anticipate growing our relationship with Sussex County Council to complement their economic development initiatives and seeking out new opportunities. My heartfelt thanks goes out to our entire Board of Directors and the many volunteers and other organizations that helped make this year great.

Regards,

Rob Rider
Chair

SEDAC Board Members

November 2011 – November 2012

Executive Committee

Rob Rider, Chair

Dr. Bill McGowan, Vice Chair

Dr. Ileana Smith, Treasurer

Nancy Moore, Secretary

Board Members

Joe Conaway

Patti Grimes (Immediate Past Chair)

Bill Pfaff

Mark Reeve

Bob Ruggio

Scott Thomas

Chris Weeks

Ex-Officio Members

Melody Booker, DEDO

Gene Dvornick, SCAT

Ed Lewandowski, University of Delaware College of Earth Ocean and Environment

Julie Wheatley, Sussex County

SEDAC Supports Local Business Issues

SEDAC regularly supports initiatives that will contribute to the development of businesses in Sussex County. In the past year, we have supported the **extension of the runway** at the Sussex County Airport, the **dredging of the Nanticoke River**, the **expansion of broadband availability** throughout the County, the establishment of a **Sussex County Metropolitan**



Planning Organization, and the creation of an **emergency management building** at the Sussex County Airport. SEDAC has been instrumental in moving the emergency management project forward. To date, we have assisted in obtaining approval of the project concept by Sussex County Council, have facilitated promoting the project to the Sussex County Association of Towns (SCAT), and have corresponded with State Legislators requesting support of this project.

Additionally, SEDAC is a sponsor of the **University of Delaware's Focus on the Coast** series.

Developing Issues SEDAC Monitors

SEDAC closely monitors new initiatives in the County that will contribute to future economic development. We are monitoring these local and state efforts:

- Innovation Park, also referred to as the Elmer G. Fannin Regional Healthcare Campus, will be built on a 200-acre site near Milford. In addition to the medical and healthcare complex planned for this area, developers are looking to attract shopping center tenants.
- Delaware's strategic location on the U.S. Northeast Corridor between New York City and Washington, D.C. makes the state a prime candidate to become a Foreign Trade Zone. Delaware has an excellent road network and easy driving distances provide businesses excellent access to more than 33% of U.S. consumers. Because Foreign-Trade Zones are secure areas located in or near U.S. Customs ports of entry, they are legally considered to be outside the Customs territory for the purpose of tariff laws and Customs entry procedures. Establishing Foreign-Trade Zones in Delaware can defer, reduce, or eliminate custom duties, and increase security within the designated Zones.
- A group of individuals is working to attract The American College to develop a campus located in the State. The American College is a non-profit educational institution with the highest level of academic accreditation dedicated to leadership in innovative training and development for financial services professionals. The College is distinguished by resources of the highest quality, innovation in program delivery and design, and results that create sustainable advantages for their customers.
- In addition to our efforts to expand the availability of broadband services throughout the County, our members also work on a number of initiatives aimed at improving the overall infrastructure throughout the County, with the goal of attracting companies to develop sites that have all of the necessary infrastructure in place.
- Members of SEDAC have attended and monitored all of the public hearings in Sussex County held as part of the Governor's Executive Order 36. At these meetings, we look for opportunities to provide assistance for business owners and entrepreneurs throughout the County.

Photo source: Tim Beach / FreeDigitalPhotos.net, http://www.freedigitalphotos.net/images/view_photog.php?photogid=230

Sussex County Open for Business

SEDAC’s first ongoing initiative to support the development of small businesses in Sussex County, *Sussex County Open for Business*, began in September 2011 with 13 entrepreneurs participating, and has grown throughout the year. *Sussex County Open for Business* creates a one-stop shop offering information on funding, business consulting, and training. *Sussex County Open for Business* serves both startups and established businesses seeking to expand. Participants come from a broad spectrum of sectors—manufacturing, construction, services, and more.



Participating Agencies

SEDAC thanks the following organizations for participating in *Sussex County Open for Business*:

- Delaware Center for Enterprise Development- Delaware State University
- Delaware Economic Development Office
- Delaware Manufacturing Extension Partnership
- DE Small Business & Technology Development Center
- Delaware State Treasury
- Delaware Technical Community College- Entrepreneur Center
- Job Center at Delaware Libraries
- SCORE Delaware
- Southern Delaware Tourism
- Sussex County Economic Development Office
- U. S. Small Business Administration
- YWCA- Center for Women’s Entrepreneurship

2012 Success Stories by the Numbers

8	10	12	28
Sessions of Sussex County Open for Business were held in the last year	Companies have participated in Sussex County Open for Business	Service organizations participate in Sussex County Open for Business	Individuals have participated in Sussex County Open for Business

SEDAC Reaches Across and Beyond the County

In order to support our mission of economic development in Sussex County, our members participate with a number of local and regional initiatives that develop businesses, entrepreneurs, and the region overall.

Sussex County Council

SEDAC regularly updates Sussex County Council on our progress. SEDAC has presented to Council numerous times at regular Council meetings. Additionally, we meet with Council members when economic development issues arise. SEDAC is committed to keeping County Council up-to-date on our progress and success stories.

Georgetown Blueprint Communities

SEDAC members have been actively participating in this initiative to improve Georgetown's downtown area. Blueprint Communities helps cities, towns and neighborhoods develop stronger leaders, a clear community vision, and a detailed strategic plan for sustainable community growth.

Delmarva Technology Transfer Initiative (DT²i)

DT²i is a partnership of area Community Colleges, and includes the Georgetown campus of Delaware Technical Community College. DT²i was created to explore the potential for introducing technology transfer to the Delmarva region with an initial target market of manufacturers and the individual entrepreneur.

Cape Henlopen Regional Plan

The Cape Henlopen Regional Plan has the goal of engaging the citizens of the Cape Region in a dialog about growth and provide citizens the opportunity to input their choices on whether to grow, how and how much to grow, and where to grow. The group is looking at growth from a regional perspective, applying new modeling tools to identify different growth possibilities, and engaging the region's citizenry regarding these scenarios.

EB-5 Immigrant Investor Program

The EB-5 Immigrant Investor Program provides a fast-track to U.S. Permanent Residency to individuals able to invest in a stable and growing U.S. industry. By investing in Delaware State Regional Center, LLC., immigrants, their spouses, and their minor children apply for an EB-5 Visa immediately, receiving initial U.S. Residency in as little as nine months. Two years later, residency becomes permanent and a few short years after that, immigrants are eligible for U.S. Citizenship.

\$tand by Me

\$tand by Me is a coalition of community partners, led by the State of Delaware and the United Way of Delaware. Their mission is to improve the quality of life for Delaware's citizens by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations.

Peninsula Commercial Alliance

The PCA (Peninsula Commercial Alliance) was formed in 2011 to meet the needs of Commercial Real Estate professionals in the Southern Delaware and Eastern Shore of Maryland area. Professional development as well as economic development are the main focus of the group.

Small Business Financing

While SEDAC explores development of our own future Economic Development Fund, we monitor the current funding sources available to small businesses, including:

Sussex County Economic Development Incentive and Loan Programs

The County's Incentive program goal is to provide incentives for business based on new employment. The amount of the incentive is based primarily on additional County revenues generated by the expansion of a business. The County's Loan program is available to assist businesses with low-interest rate loans for the development of economically beneficial programs and in particular new job creation.

State Small Business Credit Initiative (SSBCI) program

The Delaware State Small Business Credit Initiative program supports lending to small businesses that will help create new private sector jobs and spur more than \$121 million in new private lending. DEDO's SSBCI program is a loan participation program, involving at least one lender and DEDO. The program entices lenders to provide small businesses with the cash they need at a lower cost. SSBCI provides flexibility to both lenders and small businesses. When a lender is reviewing a loan or line of credit application, it might consider an SSBCI participation.

Delaware Strategic Fund

The Delaware Strategic Fund represents the primary funding source used by DEDO to provide customized loans and grants to businesses for job creation, relocation and expansion. For businesses 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 that pay sustainable wages. Assistance terms are negotiated specific to each firm's individual needs and situation.

Delaware New Jobs Infrastructure Fund

The Delaware New Jobs Infrastructure Fund was established to provide economic assistance for renovation, construction or any other type of improvements to roads, utilities and related infrastructure in order to attract new businesses to Delaware, or for the expansion of existing Delaware businesses, when such an economic development opportunity would create a significant number of direct, permanent, quality, full-time jobs.

Delaware Rural Irrigation Program (DRIP)

The Delaware Rural Irrigation Program (DRIP) Revolving Loan Fund, administered collaboratively through the Delaware Department of Agriculture and the Delaware Economic Development Office, is a revolving no-interest loan fund available to qualified Delaware farmers to add new irrigation systems including center pivot, linear move, towable systems, span angle systems, corner arm systems, single phase systems or wells and filters associated with drip irrigation systems. The goal is to significantly increase the amount of irrigated cropland in Delaware.

Organizations that have presented to SEDAC

SEDAC recognizes the importance of keeping up-to-date on major activities in Sussex County and the surrounding region. These organizations have made presentations to SEDAC in 2012.

The Center for Inland Bays presented information on the commercial shellfish aquaculture initiative. Development of



oyster aquaculture areas in the Rehoboth and Indian River Bays has the potential to generate a gross income of \$2.4 – 11.2 million per year, with a potential total economic impact from \$6 - \$28 million per year. This initiative, as planned, will utilize less than 1% of the area of the Inland Bays. Also, a one acre oyster farm can filter 15 – 40 million gallons of water a day. Harvesting one acre of oysters removes 778 lbs. of excess nutrients per year. The goal of the Inland Bays Shellfish Aquaculture Tiger Team is to introduce legislation to the Delaware General Assembly in Spring 2013 to allow for shellfish aquaculture in Delaware's inland bays.



Junior Achievement of Delaware visited SEDAC to describe and explain the non-profit group's efforts throughout Sussex County. Junior Achievement currently serves approximately 2,000 students throughout Kent and Sussex Counties, and there is an after-school program in place at Sussex Technical High

School. There is an initiative to develop a JA facility in Milford, that will create a JA BizTown similar to the one already installed in Wilmington. BizTown provides a place where kids in grades 4, 5, 6, or 7 discover first hand how the free enterprise system really works. Students will learn entrepreneurial skills while they actually run businesses, make laws, become philanthropists and pay taxes in a state-of-the-art learning laboratory.

Following up on Junior Achievement's presentation, First State Manufacturing visited SEDAC to provide details on their plans to create a JA BizTown at their 70,000 square-foot Milford location. At this site, to be called First State Moves the Nation, they will also house small business services and facilities. While the site is not being developed to serve as an incubator, they will house some companies. The goal is for the facility to be a small business accelerator. The facility will feature a 130-seat amphitheatre that will be used for community development as well. There will be an exhibit on the Constitution, and additional space for meetings up to 200 people.



Financial Report

Financial Milestones

SEDAC has finalized the use of their \$25,000 Rural Business Enterprise Grant (RBEG) from the US Department of Agriculture. SEDAC will use this money to fund various part-time positions. The RBEG program provides grants in rural areas to organizations like SEDAC that finance and facilitate the development of small and emerging businesses, as well as a number of other economic development projects. Matching funds are a requirement of the RBEG program, and SEDAC continues to seek alliances to provide these matching funds. Additionally, SEDAC has received a number of in-kind contributions throughout the year.

SEDAC Sponsors

SEDAC wishes to thank these organizations that have provided sponsorship to SEDAC this year:

