



DOWNTOWN DEVELOPMENT DISTRICTS **SMALL REBATE PROGRAM GUIDELINES**

Administered by

Delaware State Housing Authority

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For Rebate Program Assistance Contact:

Kimberly Edwards

Community Development Manager

E-mail: Kimberly.Edwards@delaware.gov

Phone: (302) 739-4263, ext. 240

Estee Gleasner

Community Development Analyst II

E-mail: Estee.Gleasner@delaware.gov

Phone: (302) 739-4263, ext. 299

Program guidelines, application materials and forms may be accessed by going to Destatehousing.com

If you need language assistance to understand this document and/or any other DSHA housing assistance program, please call 302-739-4263.

Si usted necesita asistencia en español para entender este documento, o algún otro programa de asistencia de vivienda de DSHA, por favor llame al 302-739-4263.



18 The Green, Dover, DE 19901

AVAILABLE FUNDING

- DSHA has established a funding set-aside for the **Small Project**, to ensure a variety of investors have reasonable access to funding.

FUNDING SET-ASIDE	AVAILABLE	MQIT ⁽¹⁾	MAXIMUM REBATE
SMALL Project	\$2,000,000	\$25,000	\$70,000 per building or facility

- ⁽¹⁾ Minimum Qualified Investment Threshold (MQIT) is defined as the **minimum** amount of Qualified Real Property Investment (QRPI) an investor must make to be eligible to apply. The QRPI represents the total investment made for **eligible** improvements to rehabilitate, expand, or construct depreciable real property (building or facility) in a designated District.

DOWNTOWN DEVELOPMENT DISTRICTS

DOWNTOWN DEVELOPMENT DISTRICTS ACT

The Downtown Development Districts Act (Act) of 2014 was created to leverage state resources in a limited number of designated areas throughout Delaware to:

- spur private capital investment;
- stimulate job growth and improve the commercial vitality of Delaware cities and towns; and build stable communities of long-term residents in our downtowns and surrounding neighborhoods.

DSHA'S ROLE

Under this Act, funding is allocated through the General Assembly to DSHA to administer the DDD Rebate program.

- DSHA is authorized to establish additional qualifying criteria with respect to uses (e.g. residential, commercial, industrial, and mixed-use) or types of projects (e.g. rehabilitation, new construction).
- DSHA is authorized to amend the required **Minimum Qualified Investment Threshold** (MQIT) established initially by the Act.
- DSHA is authorized to prioritize particular types of uses or projects in one or more Districts.
- DSHA is authorized to establish such other limitations in one or more Districts as DSHA shall determine from time to time, but no more often than once a year.

DESIGNATED DISTRICTS

Delaware's Office of State Planning Coordination (OSPC) administers the District Designation application process and oversees District compliance after designation. Applications are evaluated by members of the Cabinet Committee on State Planning Issues for recommendations to the Governor for final designation.

District Designations:

- **January 11, 2015** Dover, Seaford, and Wilmington
- **August 10, 2016** Georgetown, Harrington, Laurel, Milford, and Smyrna
- **August 19, 2019** Clayton, Delaware City, Middletown, and the City of New Castle

District information including corresponding District Plans and maps for each District can be accessed on DSHA's website.

Additionally, OSPC has created an **interactive map** to help investors determine if a property is located in one of the designated Districts.

DDD INVESTOR INCENTIVES

The **DDD Rebate** is just one incentive available to investors who invest in real property within a District. Other available incentives include Historic Preservation Tax Credits, State and County grants, bridge loans and municipal incentives.

Investors are encouraged to contact their DDD District Administrator to discuss their proposed or planned project and to learn more about incentives available to investors. Refer to [Appendix B](#) of these guidelines for District contact information.

THE DDD REBATE PROGRAM

INTRODUCTION

- The DDD Rebate program provides cash rebates to **Qualified District Investors** that make a **Qualified Real Property Investment (QRPI)** within the boundaries of a District.
- Rebates are **performance-based**; therefore, investments are **required** to be completed, paid in full and placed-in-service **prior** to rebate application.
- Investors are eligible for rebates of **up to 20%** of the QRPI.

QUALIFIED DISTRICT INVESTORS

A Qualified District Investor is an entity or individual making a capitalized Qualified Real Property Investment (QRPI) for the **rehabilitation, expansion, or new construction** of a **commercial, residential, mixed-use, or industrial** building or facility located within the boundaries of a District.

- Owners of real property (occupant and non-occupant).
- Tenants making capitalized leasehold improvements may apply with owner's permission.
- Investors can be for-profit developers, nonprofit organizations, businesses, and homeowners.
- **Federal, state, and local government agencies and quasi-governmental organizations** are **ineligible** to participate in the rebate program in any form including as the owner, developer and/or tenant of real property.

QUALIFIED DISTRICT PROJECTS

A qualified District project is for the new construction, expansion, or rehabilitation of a building or facility located within the boundaries of a designated District that **substantially impacts** the overall transformation of a District and forwards the goals of the District's DDD Plan.

Projects should have a planned start and finish date with no breaks in construction greater than 60-consecutive days during the duration of the project. Construction activities considered **repair or maintenance** in nature are ineligible for rebate.

Examples of Qualified District Projects:

- New construction of a building on a vacant lot
- Demolition of a blighted building that is replaced with a new building
- Historic preservation of a building
- Gut or substantial renovation of a building that includes both interior and exterior improvements
- Commercial tenant fit-outs
- Private multi-level parking garage buildings (refer to additional information under "Program Ineligible Activities")
- Projects that improve the overall appearance of a building or facility located in a District
- Projects that create employment opportunities for Delawareans
- Projects that provide healthy and safe housing opportunities for Delawareans

GENERAL MINIMUM THRESHOLD REQUIREMENTS

Investors and investments must meet the following **minimum threshold requirements** to be eligible to participate in DSHA's DDD Rebate program:

- At time of application, the real property must be located within the boundaries of a District.
- The QRPI must be made after the date the real property is officially incorporated within the boundaries of a District.
- The QRPI must conform to and support the approved District Plan.
- The QRPI must be in excess of the required Minimum Qualified Investment Threshold (MQIT).
- Investors must meet site control requirements (e.g. legal title, sales agreement*, or owner's consent).
- QRPI between \$25,000 and \$350,000;
- Investment must be **completed** within 12 months from the issue date of the initial building permit or construction commencement date; and
- Work performed must be **continuous** in nature with **no gaps** in construction activity for greater than 60 days.

CALCULATION OF SMALL PROJECT REBATE

- QRPIs between \$25,000 and \$350,000 are calculated at a rebate rate of 20% with a maximum rebate of \$70,000 (\$350,000 QRPI).

CALCULATION	EXAMPLE 1	EXAMPLE 2
Eligible QRPI	\$250,000	\$400,000
QRPI Cap	\$350,000	\$350,000
Final QRPI	\$250,000	\$350,000
Multiplier	.20	.20
DDD Rebate	\$50,000	\$70,000

DDD SMALL PROJECT REBATE PROCESS

APPLYING FOR A SMALL PROJECT REBATE

Small Project applications are accepted on a **first-come, first-served rolling basis** subject to funding availability. For current funding availability, Investors should contact DSHA.

Small Project Rebate Application Checklist

- The Small Project Rebate Application consists of a group of documented exhibits that provide DSHA with the necessary information to determine program compliance, and the **final** QRPI and rebate.
- The **Small Project Rebate Application Checklist** outlines the requirements for each of the exhibits and provides instructions on how to package and submit the application to DSHA.

Application Review and Calculation of Final QRPI

DSHA reviews applications to determine program compliance and verify the submitted application successfully satisfies all documentation requirements. DSHA reserves the right to return any application in its entirety if the investor or investment is **not** in compliance with program requirements or the application is incomplete.

Physical Inspection

As part of the compliance review, a DSHA inspector will perform a physical inspection of the investment property to determine:

- Parcel location
- Conformity with scope of work submitted at Rebate application
- Completion of all municipal, county or governmental agency inspections
- Project completeness
- Verification performed work supports documentation of submitted QRPI
- Building or facility use(s) and square footage
- Evidence that business activity is taking place or about to begin, if applicable

NOTE: If the investment property will be sold immediately after renovations, Investors must contact DSHA for inspection requirements prior to sale. Failure to have the property inspected may result in forfeiture of rebate.

Rebate Disbursement

- Investors can expect to receive a rebate check within **60 days** from the date DSHA receives the Rebate application and **all** required documentation.

PROGRAM INELIGIBLE ACTIVITIES

Investments related to the following activities are **ineligible** for participation in the rebate program:

- Business activities commonly referred to by the Internal Revenue Code (I.R.C.) as **sin businesses**, or activities **prohibited** by state or local zoning, safety and building ordinances, or Delaware Code.
 - I.R.C. § 144(c)(6)(B): Any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off the premises.
 - Adult Entertainment Establishments as defined in 24 Del.C.16.
 - Check cashing facilities, tobacco-only retailers, vape shops, and recreational-only marijuana retailers and manufacturers.
- **Federal, state, or local government agencies, quasi-governmental organizations and public service-related activities** such as, or similar to, libraries, post offices, fire and police stations.
- Institutional related activities defined as, or similar to, hospitals, public and private schools, colleges and universities. Medical offices may be eligible at DSHA's sole discretion, however, any medical facility that offers overnight stay resources will be considered under the category of hospital and will not be eligible for a reservation or rebate.
- Parking garage buildings **owned, operated or partnered in any form** with **federal, state, or local government agencies or quasi-governmental organizations**.
- Final building use and/or tenant information must be provided at the time of application, even in the event that a tenant is not the same entity or a related entity to the Investor. All final use and/or tenants must comply with the stated program guidelines and eligible activities to be consideration for a rebate and/or rebate reservation.

QUALIFIED REAL PROPERTY INVESTMENT (QRPI)

The QRPI is the amount that is chargeable to a capital account for **program-eligible** costs to rehabilitate, expand, or construct a commercial, residential, or mixed-use building or facility located within the boundaries of a District.

- When determining the final QRPI, DSHA may also consider the following factors:
 - Does the investment improve the commercial vitality of the District?
 - Does the investment create employment opportunities new to Delaware?
 - Does the investment substantially impact the transformation of the District?

Refer to “**Cost Eligibility by Line Item**” for detailed information on the following pages.

Eligible Costs

- Costs typically referred to as “hard costs or brick-and-mortar costs” directly related to the physical construction or rehabilitation of a building's structure (building envelope and interior).

- Limited costs associated with non-residential appliances/equipment.
- Limited costs associated with site improvements.
- Demolition of a primary building when replaced with a new building.

Ineligible Costs

The following **ineligible** costs are for example purposes only and may not include all ineligible costs.

- Costs typically referred to as “soft costs” indirectly related to the physical construction of a **building**, such as, but not limited to:
 - Appraisal, architectural, engineering, environmental, interior design service fees and similar fees
 - Permit, zoning, impact, inspection, licensing, audit fees and similar fees
 - Pest and termite control, services or fees
 - Legal, accounting, realtor, sales, marketing, consultant and similar professional fees
 - Loan fees and capitalized interest
 - Bonding, closing costs and insurance payments
 - Temporary facilities
 - Rent loss
- Other **ineligible** costs:
 - Costs generally chargeable to furniture, fixtures and equipment (FF&E), unless otherwise defined as eligible
 - Costs paid or to be paid by an insurance claim up to the amount of the claim (contact DSHA for additional assistance)
 - General maintenance, repairs and service calls
 - Purchase of tools and construction equipment and rental of small tools
 - Computer network installation and related equipment, excludes permanent wiring installed within walls or ceiling structures
 - Point of sale equipment
 - Outbuildings, ancillary to the function of the main building. (e.g. garages, sheds, gazebos)
 - Exterior and interior signage, unless otherwise defined as eligible
 - Playgrounds and equipment, swimming pools, boat docks and ramps, walking trails, and fencing
 - Site utility fees, connection and impact fees, and similar fees
 - Utility hookups, water, electric and gas meters, utility disconnection and access fees
 - Site work and site improvements, unless otherwise defined as eligible
 - Site infrastructure, private and public roads, and curbing
 - Perimeter and public sidewalks
 - Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios

Cost Eligibility by Line Item

- Costs described below are for example purposes only and may not represent all eligible and ineligible costs. Questions regarding eligibility of specific costs should be directed to DSHA.

- Costs defined as eligible “***in conjunction with substantial rehabilitation or new construction of a building***” require the MQIT be met **prior** to inclusion of these costs. For example, to include the repaving of a parking area in a large-project investment, the investor must expend at least \$350,000 in eligible-costs directly related to the building structure **prior** to inclusion of the parking area.
- DSHA will determine **final** eligibility of all costs.

CASH PAYMENT RESTRICTIONS

Cash payments are **strongly** discouraged and may require further documentation such as notarized statements from all related parties and evidence of a cash withdrawal from a qualified account. **DSHA has the right to exclude any and all costs paid for in cash from the final QRPI calculation.**

MULTIPLE INVESTMENTS FOR A BUILDING OR FACILITY

Requirements for Multiple Investments

Investors planning to make multiple or phased investments to a single building or facility are **strongly** encouraged to contact DSHA to discuss their planned investment. For rebate eligibility purposes, DSHA must be able to clearly identify each investment as a separate project. To be considered a separate project, work must be performed at different periods of time and to different portions of the building.

Examples of multiple or phased investments for a building or facility:

A. Mixed-Use Building

Investment 1: Improvements to the exterior and interior of a building, and vanilla shell for new tenant

Investment 2: Tenant fit out

Investment 1: Improvements to floor 2 to create new office units

Investment 2: Improvements to floors 3 and 4 to create new residential units

B. Residential Multi-Family Facility

Investment 1: Improvements to building 1

Investment 2: Improvements to building 2

C. Single-Family Residence

Investment 1: Improvements to building exterior (paint, new roof, new windows, new doors)

Investment 2: Improvements to building interior (new floors, paint, bathroom and new mechanicals)

▣ CONTRACTOR REQUIREMENTS

Licensing Requirements for All Contractors

- Contractors are required to be registered with and hold a business license from Delaware's Division of Revenue and be properly insured and bonded. Additionally, **the license must be in effect during the time the work was performed.**
- Licensing requirement inquiries should be addressed to **Delaware's Division of Revenue.**
- Investors are required to submit copies of DE business licenses for all hired contractors to DSHA at time of rebate application. This includes the general contractor and all subcontractors.

Permit and Inspection Requirements

Investors must follow all permit and inspection requirements to be eligible for rebate. Investors should contact the municipality's inspection department or District Contacts for assistance.

General Contractors

- The General Contractor (GC) is defined as the entity that contracts for and assumes responsibility for completing a construction project, and hires, supervises and pays all subcontractors. The GC will submit draws to the investor for reimbursement.
- A valid written contract or agreement must be in place between the investor and the GC and made available to DSHA at application or upon request.

Identity of Interest Contractors

- Investors that have a relationship as defined below with the general contractor, contractor, third-party contractor or material supplier may **not** include costs related to **overhead and profit** as part of the QRPI.
 - DSHA defines identity of interest as it relates to the QRPI as an affiliate and/or related party that: (i) has a spousal or family relationship, parent-subsidary relationship, or where owners, officers, directors, partners, stockholders or members of one business entity have a five percent (5%) or more interest in the other business entity; or (ii) where a substantial relationship exists between the parties directly or indirectly through (a) common family, (b) common general partners or members, (c) common control of the entities, or (d) the person or entity is otherwise controlled in whole, or in part, by the other person or entity.
- **It is the investor's responsibility** to ensure that the identity of interest party understands that all **overhead and profit must appear on the invoice as a separate line item.**
 - **Overhead** is defined as the costs of operating a business. Includes costs such as insurance, bonds, office supplies, payroll, vehicle expenses, utilities, accounting expenses, etc.
 - **Profit** is defined as the amount left over after paying for the job costs and overhead.
- DSHA **strongly** encourages investors that use identity of interest contractors to contact DSHA prior to project commencement to discuss invoice requirements. Invoice requirements for identity of interest contractors may have additional requirements that will be determined by DSHA on a case-by-case basis.
- If applicant/investor is the General Contractor, material cost and subcontractor billing are submittable expenses.

- If applicant/investor owns the General Contracting company, labor, material cost and subcontractor billing are submittable expenses. Proof investor/applicant paid General Contractor for completed work is required.

Contractor General Conditions (Limited Eligibility)

- **Program-eligible** General Conditions will be **capped at 10%** of the eligible QRPI excluding overhead and profit for rebate purposes and must be documented by invoices, canceled checks, time sheets, logs, etc. Activities eligible under General Conditions are **limited to the following**:
 - Cleanup and dumpsters for construction debris
 - Project Construction Site Manager and Project Superintendent salaries **only**
 - General labor for material movement on site
 - Watchmen's or other security wages
 - Rental fees for portable toilets
 - Utility usage bills (during construction)
 - Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates)
- Additionally, costs associated with the above activities must be incurred for labor or materials supplied at the job site and properly documented. All charges for material or labor must be at cost, with no mark-up and no indirect costs, and properly documented. DSHA retains the right to determine if such labor charges are reasonable given local market conditions.
- Costs associated with general trade items (i.e. carpentry, drywall, etc.) performed by employees of the GC are not eligible under General Conditions. Such costs should be included under the appropriate construction cost line item and properly documented.

Work Performed by Unlicensed Contractors or Individuals

- Labor and materials for work performed by unlicensed contractors or individuals including homeowners are **ineligible** for rebate. **In limited situations**, DSHA may approve materials only. DSHA will review requests on a case-by-case basis.

FEDERAL AND STATE AMERICANS WITH DISABILITIES ACT (ADA) STANDARDS

Investors are required to comply with ADA Standards. Investment projects that do **not** adhere to these standards may be deemed **ineligible** for rebate. Please contact your state and/or local municipality's Inspection and Planning department to determine if any accessibility improvements are required.

IMPORTANCE OF THE FINAL PLACED-IN-SERVICE (PIS) DATE

To be eligible for a DDD rebate, investors must comply with all state and local municipality permit and inspection processes. A copy of the final PIS document required by the municipality must be provided to DSHA as part of the rebate application process.

- Investors have **up to 60 days** from the **final PIS date** to apply for a DDD rebate. Applications received **after** the 60-day deadline will be considered **ineligible** for rebate, unless otherwise approved by DSHA.

- The PIS date is defined as the date the **final** Certificate of Occupancy (CO) or **final** Certificate of Compliance (C of C) is issued by the municipality certifying a building/facility complies with building codes and laws.
- The final PIS document must be dated within **30-days of construction completion**, unless otherwise approved by DSHA.
- If the nature of work performed does **not** require the municipality to issue a final CO or final C of C, the investor is required to obtain an official letter from the governing jurisdiction's code enforcement entity certifying the building is approved for occupancy. A letter from the District Administrator or other jurisdiction officials will not meet this requirement. DSHA will then determine the PIS date based on invoice documentation.
- It is important for investors to contact the municipality **prior** to construction commencement to discuss PIS requirements.

INTERNAL REVENUE SERVICES (IRS) REPORTING

IRS Form W-9

- Investors are required to complete, sign and submit an IRS Form W-9, Request for Taxpayer Identification Number and Certification, to DSHA when applying for a reservation/rebate. The W-9 "Name" must match the investor/applicant.

IRS Form 1099-MISC

DSHA is required to report payments of \$600 or more during a tax year made to investors to the IRS using the information return Form 1099-MISC.

THE DELAWARE FREEDOM OF INFORMATION ACT

By submitting a Small or Large Project Application, the applicant acknowledges and agrees that the Application shall be deemed a "public record" for the purposes of the Delaware Freedom of Information Act ("FOIA"), codified at **29 Del. C. §§ 10001 - 10005**. If information included in an application is exempt from disclosure, such as trade secrets, commercial, or financial information of a privileged or confidential nature, DSHA will protect such information from disclosure to the extent permitted by § 10002(g)(2) of the FOIA. DSHA shall determine in its discretion whether application material is exempt from disclosure. Applicant acknowledges and agrees that any portion of the application which is determined by DSHA to **not** constitute confidential financial, or trade secret information exempt from disclosure under FOIA shall be subject to public examination and copying.

It is the policy of DSHA not to release to any third party any application materials until after the ranking of projects, and allocation of Reservations funds have been announced, or a rebate has been disbursed. DSHA expressly reserves its authority to withhold all such information from third party requests pending the completion of the review and ranking process, to the extent permitted by the FOIA. DSHA will endeavor to respond to FOIA requests for application materials as promptly as possible, and absent unusual circumstances, will release to any requesting party public documents related to application materials within 15 days of a written request. Any FOIA requests should be made at DSHA_FOIACoordinator@delaware.gov.

Appendix A: Eligible Items by Category

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
Appliances/ Equipment Limited Eligibility 50% of Eligible Costs	<p>In conjunction with the new construction or substantial rehabilitation of a building 50% of costs associated with the purchase and installation of new appliances and equipment for commercial-business activities that are considered part of the permanent building structure and essential to the business operation.</p> <p>To be eligible the individual purchase price of each appliance or equipment must in excess of \$5,000 excluding installation cost. Installation of the appliance or equipment must be completed by a DE-licensed professional.</p> <p>Investors are required to complete DSHA's Appliance and Equipment Worksheet to estimate eligible costs. <i>DSHA will review and determine final eligibility of appliance and equipment costs.</i></p> <p>EXAMPLES OF PREVIOUSLY APPROVED COSTS</p> <p><u>Restaurant</u> Purchase and installation of new commercial grade appliances such as: walk-in cooler and freezer, gas range with ventilation system.</p> <p><u>Brewery</u> Purchase and installation of new brewing tanks and connective plumbing. Brewery must be physically connected to and part of a restaurant where food is served.</p> <p><u>Coffee Shops</u> Purchase and installation of a new commercial coffee-brewing system.</p> <p><u>Commercial Laundromat</u> Purchase and installation of new washers and dryers.</p>	<p>Costs associated with the purchase and installation of appliances and equipment for single or multi-family residential building investments. <i>This includes the residential portions of a mixed-use building.</i></p> <p>Appliances and equipment not essential to the commercial-business operation.</p> <p>Repairs, maintenance or service of appliances or equipment.</p> <p>Examples of other ineligible costs:</p> <ul style="list-style-type: none"> • Portable appliances and equipment • Office equipment such as copiers • Appliances and equipment installed in an office lounge, breakroom or lunchroom used by employees and guests • Point of sale equipment • Audio and video systems, computers, monitors or televisions • Computer and network installation, service calls and associated fees.
Building Environmental Remediation	Costs associated with the removal of asbestos, lead-based paint or other environmentally hazardous issues associated with the building structure .	Testing, environmental studies and audit fees. Site remediation.
Carpeting	New installation or full replacement of carpeting, padding, and carpet tiles.	Area or throw rugs, carpet cleaning or repairs to existing carpeting.
Concrete	Concrete foundation, slab work, and gypcrete work associated with the building structure .	Patios, public or perimeter sidewalks, retaining walls or curb cuts and work. Refer to Site Improvements for sidewalk eligibility.
Demolition	Demolition of existing walls, floors, ceilings, roof systems, etc. Disposal fees directly related to the demolition. Demolition of a building, only if replaced with a new building .	Wrecking, destroying or tearing down of non-essential buildings (e.g. sheds, detached garages or outbuildings). Demolition of a building with no replacement.

Doors and Frames	Interior and exterior doors, metal or wood frames, hardware, lock systems, hinges and doorstops for new doors.	Repair of an existing door or replacement of hardware on an existing door.
Driveways/ Paving	Driveways installed with the new construction of a single-family residential building. In conjunction with a substantial rehabilitation of a building, costs to repave an existing driveway.	Repair of an existing driveway. Gravel or stone driveways.
Drywall	Costs associated with gypsum board, sheetrock, spackling, tape and finishing work for new construction.	Minor drywall repair work.
Electrical	Interior wiring of a building including, but not limited to, electrical boxes, switches, paddle fans, light fixtures, outlets, cable, phone lines. and permanently installed whole-building generators.	Electric hookups, installation or removal of electric meters, meter panels, electric utility disconnection or access fees.
Elevators	Installation of a new elevator.	Maintenance or repairs to an existing elevator. <i>DSHA will consider substantial repairs on a case-by-case basis.</i>
Exterior Siding	Installation of new exterior siding, including, but not limited to, vinyl, concrete plank, stucco, moisture and thermal protection (Tyvek), all associated trim, fypons, and architectural millwork.	Repairs to existing siding.
Finished Carpentry	Installation of kitchen and bathroom cabinetry, installation of doors and windows, trim, windowsills, baseboards, and casework.	Maintenance or repairs.
Fire Alarm/ Security System Equipment	In conjunction with the new construction or substantial rehabilitation of a building costs to permanently install close-circuit security cameras, fire alarm, annunciation panels, electronic entry systems.	Maintenance or repairs to existing systems. Non-hard wired security systems installed in single-family residential properties.
Flooring	Installation of new vinyl, VCP plank, engineered flooring, hardwood flooring, underlayment, sheet goods, ceramic tiles, stained concrete, or VCT flooring.	Repairs to existing floors.
General Conditions	Program eligible General Conditions will be capped at 10% of the eligible construction hard costs excluding overhead and profit and must be documented by invoices, canceled checks, time sheets, logs, etc. Additionally, activities eligible under General Conditions are limited to the following : <ul style="list-style-type: none"> • Cleanup and dumpsters for construction debris • Project Construction Site Manager and Project Superintendent salaries only (onsite services) • General labor for material movement on site • Watchmen's or other security wages • Rental fees for portable toilets • Utility usage bills (during construction) • Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates). 	<i>Project Management</i> costs and salaries. Costs not defined as eligible.

HVAC	In conjunction with the new construction or substantial rehabilitation of a building costs to install new heating and air conditioning systems (must be code compliant).	Maintenance, repairs, and service to existing HVAC systems.
Insulation	Installation of new Insulation located at slabs/footers, walls, floors or attic areas, including batt, blown-in, spray-on, fire stopping and rigid types.	
Joint Sealant	Interior and exterior caulking of the building. Includes bathroom and kitchen areas, trim, baseboards, fire-stopping and all exterior areas.	Maintenance and repairs.
Kitchen and Bathroom Cabinets	New kitchen and bathroom cabinets, including all base and wall cabinets, countertops, side and wall splash guards.	Repairs to existing cabinetry and countertops.
Masonry	Block, brick, or stonework, including foundation footings, paging, restoration re-pointing, acid washing and power washing associated with the building structure .	Maintenance and minor repairs. Power washing not in conjunction with the rehabilitation or new construction of a building. Retaining walls.
Metals/Gutters/Downspouts	Miscellaneous metals and drip edge, fascia, headers, columns, and interior and exterior metal railings. Steel stairs, beams and other structural metals.	Exterior railings not permanently <u>attached to the building</u> . Maintenance or repairs. <i>DSHA will consider <u>substantial</u> repairs on a case-by-case basis.</i>
Painting	Interior and exterior painting of a building.	Touch-ups to existing painted surfaces.
Plumbing	Rough and finished plumbing, included but limited to, hot and cold-water supplies, sanitary connections, venting, purchase and setting of new fixtures (toilets, tubs, sinks, showers, garbage disposals, and water heaters).	Repair, maintenance and plumbing service calls.
Roofing	Replacement of roof, including but not limited to, shingles, vents, metal flashing, underlayment, ice shields and rubber roofs.	Maintenance and repairs. <i>DSHA will consider substantial repairs on a case-by-case basis.</i>
Rough Carpentry	All framing, additions, setting trusses and roof, wall or floor sheathing.	
Site Grading	Costs include stripping topsoil, stock piling and grading, rough and finish grading, and imported fill material when in conjunction with the new construction or rehabilitation of a building.	Costs associated with clearing site, removal of trees, etc.

<p>Site Improvements</p> <p>Limited Eligibility</p>	<p>Costs related to site improvements are limited to the following and must be in conjunction with the substantial rehabilitation or new construction of a building:</p> <ul style="list-style-type: none"> • Material and labor costs for a new parking area or the resurfacing and seal coating of an existing parking area located on the same property as the building under construction. • Material and labor costs for new private sidewalks that physically connect to the building. <i>Example: a sidewalk that connects from the building's front door to a parking lot or driveway located on the same parcel.</i> • 30% of material and labor costs for new underground utilities that <u>connect to the building</u> (cable, water, gas, sewer and electric lines). • 30% of material and labor costs for new storm management systems if located on the same parcel as the improved building(s). <p>All site improvements must be located on the same parcel as the improved building to be considered eligible.</p>	<ul style="list-style-type: none"> • Costs not in conjunction with the substantial rehabilitation or new construction of a building. <i>For example, the construction of a parking lot on its own is not eligible for rebate.</i> • Sidewalks not physically connected to the building. Perimeter and public sidewalks. Repairs to <u>existing</u> sidewalks. • Impact fees, site utility connection or service fees. Fees related to storm water management systems. • Costs paid directly to state or local government or agency. • Repairs to existing underground utilities connecting to the building. Repairs to existing storm water management systems. • Playground, play equipment, boating docks and ramps, swimming pools, fencing and costs similar in nature. • Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios. • All costs related to private and public roads and curbing.
Specialties/ ADA/Signage	<p>ADA accessibility improvements to a building, unit and building identification numbers, fire extinguishers, necessary permanent shelving. Exterior signage affixed to the building in a permanent fashion when in conjunction with the substantial rehabilitation or new construction of a building.</p>	<p>Removable or decorative shelving. Retail shelving for commercial activities.</p> <p>Easily removable signage, window decals, hanging signs and free-standing signs.</p>
Sprinklers	Code compliant fire protection sprinkler systems and all associated pertinent equipment located in a building when in conjunction with the substantial rehabilitation or new construction of a building.	Repair, maintenance or service calls.
Toilet Accessories	Shower rods, grab bars, towel bars, toilet paper holders, mirrors, and medicine cabinets.	Repair or maintenance. Shower curtains, bathroom linens, etc.
Windows	Purchase and installation of new windows, and patio doors, including screens.	Window coverings (e.g. blinds). Repair or maintenance of windows.

Appendix B: DDD Rebate Program Related Definitions

- **Building:** defined as any construction meeting the ordinarily accepted meaning of the term, usually a roofed and walled structure built for permanent use where: (1) areas separated by interior floors

or other horizontal assemblies and (2) areas separated by fire walls or other vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.

- **Downtown Development District or “District”:** defined as an area within a municipality or unincorporated area designated as a Downtown Development District by the Governor in accordance with Chapter 19 of Title 22.
- **District Plan:** defined as the strategic plan or other detailed description of the overall strategy for the development of a proposed District submitted by the municipality or unincorporated area as part of its application for District designation.
- **Facility:** defined as a complex of buildings, co-located at a single physical location within a District, all of which are necessary to facilitate the conduct of the same residential, trade, or business use. This definition applies to new construction as well as to the rehabilitation and expansion of existing structures. Multi-family rental developments described as “scattered site” will be considered a single facility for DDD program purposes. An exception is made only for scattered site single-family homeownership units developed by a non-profit.
- **Mixed-Use:** defined as a building or facility that blends a combination of residential, commercial, or industrial uses.
- **Permanent Full-Time Position:** defined as a job of indefinite duration at a business firm located in a designated District, requiring the employee to report to work within the District; and requiring (i) a minimum of 35 hours of an employee’s time per week for the entire normal year of a business firm’s operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee’s time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the State to a business firm located within a District, (iii) any position that previously existed in the State, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the State.
- **Street Level Pedestrian Friendly Use:** A use provided at street level that generates significant foot traffic. Street level grocery, retail, restaurant, and entertainment uses are considered pedestrian friendly. Other uses qualify if they generate street level pedestrian activity for at least 13 hours per day or provide street-level uses that generate at least 400 users a day.

Appendix C: Contact Information for District Administrators

Designated Districts are required to appoint a **District Administrator** to manage and market the DDD program, assist investors and administer District incentives. Investors should contact the District they are investing in to ensure compliance with the District Plan and to learn about incentives that may be available to their investment project.

DISTRICT	DISTRICT ADMINISTRATOR	DISTRICT STAFF
Clayton	Ryan Paisley Vice Mayor rpaisley@clayton-delaware.com CC: mayor@clayton-delaware.com OFFICE: 302-535-9795 Website: http://clayton.delaware.gov/	Susan Muncey Office Manager smuncey@clayton-delaware.com OFFICE: 302-653-5637
Delaware City	Harry Hill City Manager OFFICE: 302-834-4573 Website: http://delawarecity.delaware.gov/	Britney Loveland Administrative Assistant bloveland@ci.delaware-city.de.us OFFICE: 302-834-4573
Dover	David Hugg City Manager dhugg@dover.de.us OFFICE: 302-736-7196 Website: https://www.cityofdover.com/	Director Planning and Inspections compplan@dover.de.us OFFICE: 302-736-7196
Georgetown	Eugene Dvornick Town Manager gdvornick@georgetowndel.com OFFICE: 302-856-7391 Website: http://www.georgetowndel.com/	Jocelyn Goodwin Planning Administrator jgodwin@georgetowndel.com OFFICE: 302-856-7391
Harrington	Norman Barlow City Manager nbarlow@cityofharrington.com OFFICE: 302-398-3530 Website: https://harrington.delaware.gov/	Amanda Marlow Assistant City Manager amarlow@cityofharrington.com OFFICE: 302-398-3530
Laurel	Jamie Smith Town Manager laurelsm@comcast.net OFFICE: 302-875-2277 Website: https://www.townoflaurel.net/	

Middletown	Morris Deputy Town Manager mdeputy@middletown.delaware.gov OFFICE: 302-378-9120 Website: http://www.middletownde.org/	Kristen Krenzer Public Relations Officer kkrenzer@middletown.delaware.gov OFFICE: 302-378-2711
Milford	Rob Pierce Planning & Economic Development Director rpierce@milford-de.gov OFFICE: 302-424-8396 x1311 Website: http://cityofmilford.com/	
City of New Castle	Antonina Tantillo City Administrator atantillo@newcastlecit.delaware.gov OFFICE: 302-322-9801 Website: https://newcastlecit.delaware.gov/	
Seaford	Trisha Newcomer Director of Economic Development & Community Relations tnewcomer@seafordde.com OFFICE: 302-629-9173 Website: http://www.seafordde.com/index.cfm?ref=82500	
Smyrna	Jeremy Rothwell Smyrna Senior Planner jrothwell@smyrna.delaware.gov OFFICE: 302-389-2332 Website: https://smyrna.delaware.gov/	
Wilmington	Elliott Larkin Acting Director etlarkin@wilmingtonde.gov OFFICE: 302-576-3059 Website: https://www.wilmingtonde.gov/	John Kurth Senior Planner III jkurth@wilmingtonde.gov OFFICE: 302-576-3118 Sean Park Office of Economic Development sjpark@wilmingtonde.gov OFFICE: 302-576-2131