



SECURE CONTRACTOR INCENTIVE FINANCING (SCIF)

Program Purpose:

- Enhance Delaware's appeal for defense /homeland security contractors needing secure space to locate in Delaware.
- Attract new contractors to Delaware.
- Reduce costs for developers/facility owners in providing secure space.
- Increase the demand for secure space
- Increase the availability of secure space.
- Increase opportunities for small business spin off's associated with defense/homeland security contracting.

Program Basics:

- 0% interest loan to facility owners to fit out space to security specifications of a tenant.
- May be used only for security improvements required by a current, valid government contract.
- Term of the loan would coincide with the length of the lease.
- Maximum support to any project/borrower is \$250,000.
- Only developers with tenants or prospective tenants with contracts with the U.S. Department of Defense (DOD), the U.S. Department of Homeland Security (DHS) or the U.S. National Security Agency (NSA) or other Federal agencies requiring secure space meeting DOD, DHS or NSA security specifications are eligible.
- Loans would be secured by the building and/or lease and subordinate only to the facilities first mortgage.
- A single building with a secure space shared among several contractors would be eligible.
- All parties to the lease/loans and building occupants would be required to be licensed to conduct business in the State of Delaware.

Tenant Requirements:

- May not currently have a Delaware location or if currently operates a Delaware facility, the secure space may not currently exist and must be a requirement of a new contract.
- Create a minimum of 5 new jobs filled by Delaware residents at the outset of and for the entire term of the loan.
- In business for 3 year minimum.

- Must have a current, valid DOD, DHS or NSA contract. Bids or proposals are not eligible to qualify a loan to the facility owner.
- Commence operations in Delaware by 12/31/2009.
- Must be willing to sign a lease contingent on loan approval by the Council for Development Finance (CDF).

Developer/Owner Requirements:

- Must be a Delaware company in good standing.
- Building must currently meet or exceed all applicable codes with no outstanding violations.
- Facility must be an existing office, flex or industrial space currently zoned for the proposed use.
- Borrower must be the direct owner of the facility and will be required to guarantee the full repayment of the loan principal.

Process:

- Developer/owner and tenant determine the cost increment of providing secure space as required by the tenant's government contract.
- Developer/owner prepares and submits application to DEDO for consideration by the Council for Development Finance (CDF).
- If CDF approves the application, a loan agreement will be prepared and submitted to the developer/owner.
- Funds may be drawn as construction proceeds on the security improvements detailed in the loan application or in one lump sum when construction is complete.