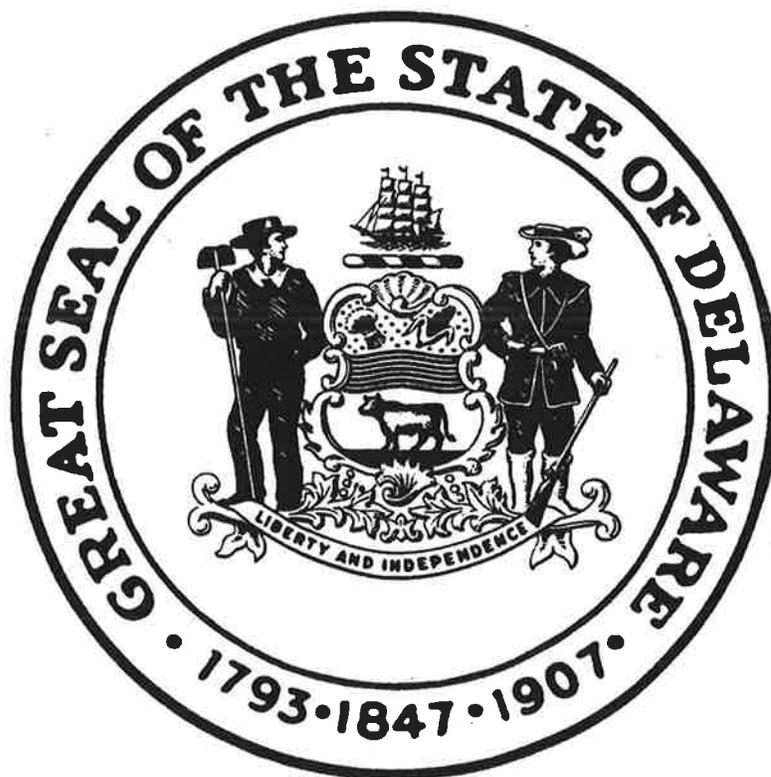


Twenty-First Century Fund Annual Report



First Edition
April 1996



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

CARVEL STATE BUILDING
WILMINGTON, DELAWARE 19801
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THOMAS COLLINS BUILDING
DOVER, DELAWARE 19901
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April 18, 1996

Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

Dear Members:

I am pleased to submit the first edition of the Twenty-First Century Fund Annual Report required by Senate Bill No. 260 of the 138th General Assembly. The Report contains a description of the activity occurring in the ten programs that comprise the Twenty-First Century Fund since the bill's passage last July.

Over the past year, a tremendous amount of work has been accomplished in setting up the Fund's administration and devising guidelines and plans for program expenditures. The Annual Report provides an opportunity for policy-makers to review the achievements to date and recommend improvements as deliberations begin on funding for the second year.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Jackson".

Sarah Jackson

cc: G. Donald Dryden, Controller General
Peter Ross, Budget Director

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TWENTY-FIRST CENTURY FUND

OVERVIEW

As a result of a \$220 million legal settlement, the State of Delaware was presented with a unique opportunity to use one-time monies to make long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an ongoing source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March of 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision and after averting Congressional attempts to reverse the ruling, Delaware and New York reached a settlement whereby Delaware would receive \$220 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund -- authorizing the Secretary of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Twenty-First Century Fund was outlined in the FY 1996 Bond and Capital Improvements Act (Senate Bill No. 260 of the 138th General Assembly). The strategy, contained in ten programs, was designed to preserve the environment; revitalize communities; and improve education and economic competitiveness.

TWENTY-FIRST CENTURY FUND OVERVIEW

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To stimulate private, non-profit and government involvement, the Fund includes match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community. The first year appropriation is \$108.7 million. Individual program appropriations are as follows:

PRESERVE THE ENVIRONMENT

Open Space -- \$12 million to continue the work of the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects.

Farmland Preservation -- \$12 million to preserve shrinking farmland and protect the State's important agriculture industry.

Parks Endowment -- \$9 million to create a parks endowment, improving the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization -- \$5 million to create a revolving loan program targeted toward rehabilitation of existing neighborhoods.

Water/Wastewater Infrastructure -- \$15 million to meet the State's infrastructure needs, supporting responsible economic development and preserving clean water supplies.

Resource Conservation and Development -- \$5.2 million to enhance the health of communities by ameliorating Statewide watershed and drainage issues.

Community Redevelopment -- \$8 million for capital investment projects to revitalize communities.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Educational Technology -- \$10 million to bring computer and telecommunication technology to the schools, preparing children for the 21st Century workforce.

Advanced Technology Centers -- \$3 million to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century.

TWENTY-FIRST CENTURY FUND OVERVIEW

Page 3

Port of Wilmington -- \$29.5 million to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

The following report provides a description and status update of each program contained in the Twenty-First Century Fund, and the advisory council or committee responsible for each program. Where appropriate, plans and guidelines developed for the programs are attached. Additionally, Senate Bill No. 288 and the Twenty-First Century Fund portion of Senate Bill No. 260 are enclosed in the Appendix.

OPEN SPACE

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

A portion of the Twenty-First Century Fund is devoted to continuing the State's efforts to preserve valuable open space and connect those open spaces through hiking trails, bikeways and walking paths, and other connectors-- commonly called Greenways. To that end, the Twenty-First Century program is divided into two parts:

Open Space Council

Recognizing the need to preserve and protect open space from the spread of urban development, the General Assembly enacted the Delaware Land Protection Act of 1990 and established the Open Space Council to

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitats;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands;
- (3) provide for public outdoor recreation and enhance water resource conservation.

The Open Space Council was created to establish a system to review and recommend land and conservation easements to further State land protection efforts, as well as to promote and assist in the development and establishment of innovative and creative methods to secure open space-- working in conjunction with private and non-profit organizations dedicated to the same task.

Since July 1990, through the sale of bonds and one-time cash appropriations, the Council has protected 12,039 acres Statewide. Annual expenditures have averaged \$7-10 million. To encourage participation from private and non-profit sources and maximize the amount of open space protected, the Twenty-First Century Fund legislation required matching contribution of at least a 1 (non-State) to 2 (State) ratio for the purchase of land and conservation easements. Match is defined as donations of land, cash, conservation easements and/or acquisitions by and to recognized non-profit conservation organizations and/or the State.

OPEN SPACE

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Greenways/Local Development

To promote local involvement in preserving open space, the Twenty-First Century Fund provided funds to increase the Land and Water Conservation Trust Fund Endowment Account. Half of the interest is earmarked for municipal development projects, including park acquisitions and enhancements, approved by the Open Space Council and the remaining half for Greenways projects approved by the Council on Greenways and Trails. Under the Land and Water Trust Fund Act of 1991, these projects require a fifty percent matching contribution from local governments, local park districts or private sources.

In FY 1996, the Council on Greenways and Trails was established, as a successor to the Coastal Heritage Greenways Council, to coordinate efforts to promote Greenways at all levels of government throughout the State, evaluate and prioritize projects, expand informational and educational efforts relating to Greenways, and identify additional sources of private and non-profit funding. Typical projects funded by the Council include planning for and acquisition of property for greenways and related recreational activities, open space and corridor preservation, construction or expansion of trails, road crossing improvements, bridges, and access for persons with disabilities.

PROGRAM PERFORMANCE:

Open Space Council

The FY 1996 Bond and Capital Improvements Act appropriated \$6 million for the purchase of additional open space. After expending the \$20 million cash appropriation from FY 1994, the Council met on March 5 and approved the purchase of three properties, totaling \$1.8 million, from Twenty-First Century Fund monies. The three properties approved are the Pines located in Bethany Beach (20 acres), Brandywine Construction near Woodland Beach (910 acres), and the Lee property near Abbotts Millpond (12 acres).

Since July 1, the Council has approved a total match of \$10 million in donations and land related to State purchases (one donation, the DuPont Louviers site, was valued at \$8.4 million). Almost \$1 million in match has been identified as preservation by non-State entities.

OPEN SPACE

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Greenways/Local Development

The FY 1996 Bond and Capital Improvements Act appropriated \$6 million to the Land and Water Endowment Account. With the existence of \$4 million already, this created a \$10 million endowment. The application deadline for local development projects was April 1 and the deadline for Greenways projects was March 29. A total of 19 applications totaling \$1.2 million were received for local projects, while 12 applications totaling \$483 thousand were received for Greenways projects. Grant selections for both are expected to be made in June.

Attachments

List of Eligible Match
Open Space Council
Council on Greenways and Trails

OPEN SPACE

TWENTY-FIRST CENTURY FUND MATCH

	NAME	ACRES	DOLLAR VALUE
Donations	DELMARVA CAPITAL REALTY	29.234	\$14,500.00
	KERSEY	20.500	17,300.00
	WHEATLEY	1.7400	1,500.00
	LOUVIERS-DUPONT	386.560	8,350,000.00
	FRESH POND - CAPANO	10.740	8,000.00
Bargain Sales	FRESH POND-POTOMAC-MACO	475.050	75,000.00
	DUPONT	190.814	1,400,000.00
	FRESH POND - CAPANO	90.060	340,000.00
	DAYETT MILLS	31.960	199,000.00
	PINEY POINT, INC.	258.530	40,000.00
	C & T FARMS	283.460	63,000.00
	TNC/MUDDY NECK	106.790	30,000.00
	MT. PLEASANT CHURCH	1.200	50,000.00
Other Conservation Groups	MULLER/DELAWARE WILD LANDS	425.140	415,873.30
	MULLER/THE NATURE CONSERVANCY	209.943	415,872.30
TOTAL VALUE			\$11,420,045.60

OPEN SPACE COUNCIL

Ms. Lynn Williams (Chairperson)
202 Brecks Lane
Wilmington, DE 19807

Mr. Harry Terry
48 The Green
Dover, DE 19901

Mr. Edward W. Cooch, Jr.
Cooch and Taylor
P.O. Box 1680
Wilmington, DE 19899-1680

Mr. Harvey G. Marvel, Jr.
Marvel Agency, Inc.
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Milford, DE 19963

Mr. Paul Boswell
Schmittinger and Rodriguez
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Dover, DE 19901

Mr. Donald J. Lynch
Animal Health Sales, Inc
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Selbyville, DE 19975

Mr. Nathan Hayward III
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Montchanin, DE 19710

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Carvel State Office Building
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Wilmington, DE 19801

The Honorable David H. Ennis
House of Representatives
304 Beechwood Road
Wilmington, DE 19809

The Honorable Christophe A.G. Tulou
Secretary of DNREC
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Dover, DE 19903

The Honorable Jack F. Tarburton
Secretary of Agriculture
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Dover, DE 19901

The Honorable Edward Freel
Secretary of State
Townsend Building
Dover, DE 19901

The Honorable Robert Coy
Director, DEDO
99 Kings Highway
Dover, DE 19901

Mr. Charles A. Salkin
State Liaison Officer
DNREC/Division of Parks & Rec.
P.O. Box 1401, 89 Kings Highway
Dover, DE 19903

COUNCIL ON GREENWAYS AND TRAILS

Mr. Sidney Craven (Chairperson)
182 Brecks Lane
Wilmington, DE 19807

Mr. Malcolm E. Baird
351 Mockingbird Lane
Hockessin, DE 19707

Mr. E. Turner Darden
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House of Representatives
304 Beechwood Road
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State Senate
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The Honorable John R. Schroeder
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State Senate
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Hockessin, DE 19707

The Honorable Robert J. Voshell
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COUNCIL ON GREENWAYS AND TRAILS

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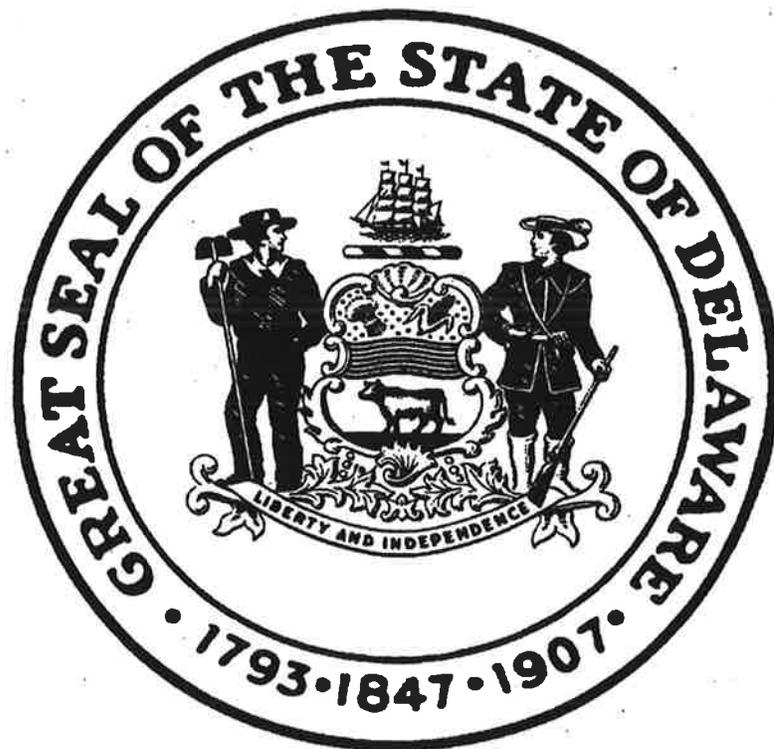
Daniel R. Griffith, Director
Division of Historical and Cultural Affairs
Hall of Records
P.O. Box 1401
Dover, DE 19903

The Honorable Jack F. Tarburton
Secretary of Agriculture
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Dover, DE 19903

The Honorable Anne P. Canby
Secretary of Transportation
Administration Center, P.O. Box 778
Dover, DE 19903

Ms. Gigi Windley, Director
Delaware Tourism Office
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Twenty-First Century Fund Annual Report



Second Edition
April 1997



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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(302) 739 - 4201

CARVEL STATE BUILDING
WILMINGTON, DELAWARE 19801
(302) 577 - 2074

April 28, 1997

Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

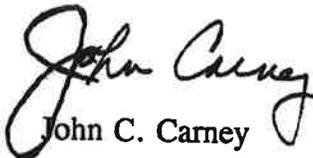
Dear Members:

I am pleased to submit the second edition of the Twenty-First Century Fund Annual Report as required by Senate Bill No. 260 of the 138th General Assembly. The Report contains a description of the activity occurring over the past year in the ten programs that comprise the Twenty-First Century Fund.

The Twenty-First Century Fund program is nearly fully funded. Programs have moved from planning into full implementation, having completed at least one funding cycle. The Annual Report provides an opportunity for policy-makers to review the achievements to date and recommend improvements as deliberations begin on funding for the ensuing year.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,


John C. Carney

cc: Russell T. Larson, Controller General
Peter M. Ross, Budget Director

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SB 288 (Creates 21st Century Fund)	
21st Century Fund portions of the following:	
SB 260 (FY 1996 Bond Bill)	
HB 700 (FY 1997 Bond Bill)	

TWENTY-FIRST CENTURY FUND

OVERVIEW

As a result of a \$220 million legal settlement, the State of Delaware was presented with a unique opportunity to use one-time monies to make long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an on-going source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March of 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision, Delaware and New York reached a settlement whereby Delaware would receive \$220 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund -- authorizing the Secretary of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Twenty-First Century Fund was outlined in the FY 1996 Bond and Capital Improvements Act (Senate Bill No. 260 of the 138th General Assembly). The strategy, contained in ten programs, was designed to preserve the environment; revitalize communities; and improve education and economic competitiveness.

TWENTY-FIRST CENTURY FUND OVERVIEW

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To stimulate private, non-profit and government involvement, the Fund includes match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community.

Over 86% of the Fund (\$188.5 million) has been appropriated over the past two years -- \$108.7 million in fiscal 1996 and \$79.8 million in fiscal 1997. Individual program appropriations for fiscal 1997 (and total appropriations to date) are as follows:

PRESERVE THE ENVIRONMENT

Open Space -- \$14 million (\$26 million to date) to continue the work of the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects.

Farmland Preservation -- \$14 million (\$26 million to date) to preserve shrinking farmland and protect the State's important agriculture industry.

Parks Endowment -- \$3 million (\$12 million to date) to fund a Parks endowment to improve the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization -- \$5 million (\$10 million to date) to create a revolving loan program targeted toward rehabilitation of existing neighborhoods.

Water/Wastewater Infrastructure -- \$10 million (\$25 million to date) to meet the State's infrastructure needs, supporting responsible economic development and preserving clean water supplies.

Resource Conservation and Development -- \$5 million (\$10.2 million to date) to enhance the health of communities by ameliorating watershed and drainage issues.

Community Redevelopment -- \$10.6 million (\$18.6 million to date) for capital investment projects to revitalize communities.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Education Technology -- \$10 million (\$22 million to date) to bring computer and telecommunication technology to the schools, preparing children for the 21st Century workforce.

TWENTY-FIRST CENTURY FUND OVERVIEW

Page 3

Advanced Technology Centers -- \$6 million (\$9 million to date) to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century.

Port of Wilmington -- \$29.5 million in fiscal 1996 to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

The following report provides the funding summary, a brief description and status update of each program of the Twenty-First Century Fund, and the advisory council or committee responsible for each program. Additionally, the Twenty-First Century Fund portions of Senate Bill No. 288 (137th General Assembly), Senate Bill No. 260 (138th General Assembly), and House Bill No. 700 (138th General Assembly) are enclosed in the Appendix. (The first edition of the Twenty-First Century Fund Annual Report, which describes activities from inception of the program in July 1995 through March 1996, is available upon request from the State Department of Finance.)

**Twenty-First Century Fund
Funding Summary**
(in millions)

	Original \$220MM Plan	Appropriated To Date(1)	Governor's Recommendation FY 1998	Needed To Complete Plan FY 1999
Open Space	\$40.0	\$26.0	\$7.0	\$7.0
Farmland Preservation	40.0	26.0	7.0	7.0
Parks	15.0	12.0	3.0	0.0
Neighborhoods	15.0	10.0	5.0	0.0
Water/Wastewater	25.0	25.0	0.0	0.0
Resource Conservation & Development	0.0	10.2	0.0	0.0
Community Development	15.0	18.8	0.0	0.0
Education Technology	30.0	22.0	8.0	0.0
Advanced Tech. Centers	15.0	9.0	4.0	2.0
Port	25.0	29.5	0.0	0.0
Total	\$220.0	\$188.5	\$34.0	\$16.0

(1) FY 1996 and FY 1997

OPEN SPACE

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

A portion of the Twenty-First Century Fund will continue the State's efforts to preserve and protect valuable open space throughout the State. The Open Space Program coordinates the acquisition of various State lands: parks, fish and wildlife areas, forests, nature preserves, and cultural sites. The Delaware Land and Water Conservation Trust Fund (Greenways/Local Development Program) provides funding assistance to municipalities and counties for the protection of parks and greenway corridors and the development of outdoor recreation facilities. Monies from the Twenty-First Century Fund are appropriated to the two programs.

Open Space Program

Recognizing the need to preserve and protect open space from the spread of urban development, the General Assembly enacted the Delaware Land Protection Act of 1990. The legislation provided the means to:

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitat;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands;
- (3) provide for public outdoor recreation and enhance water resource conservation.

The legislation also created the Open Space Council, charged with establishing a system to review and recommend land and conservation easements to further State land protection efforts, as well as to promote and assist in the development and establishment of innovative and creative methods to secure open space -- working in conjunction with private and non-profit organizations dedicated to the same task.

Since July 1990, through the sale of bonds, one-time cash appropriations and two funding cycles of the Twenty-First Century Fund, the Open Space Program has protected nearly 14,000 acres statewide. Annual expenditures have averaged \$7-10 million. To encourage participation from private and non-profit sources and maximize the amount of open space protected, the Twenty-First Century Fund legislation requires matching contribution of at least 1 (non-State) to 1 (State) ratio for the purchase of land and conservation easements. Match is defined as donations of land, cash, conservation

OPEN SPACE

Page 2

easements and/or acquisitions by and to recognized non-profit conservation organizations and/or the State.

Greenways/Local Development Program

To promote local involvement in preserving open space, the Twenty-First Century Fund provided funds to increase the Land and Water Conservation Trust Fund Endowment Account. Half of the generated interest is earmarked for municipal and county grants for park acquisition and development projects, as approved by the Open Space Council, and the remaining half for greenways corridor acquisitions and trail development projects approved by the Council on Greenways and Trails. Under the Land and Water Trust Fund Act of 1991, these projects require a fifty percent matching contribution from local governments, local park districts or private sources.

PROGRAM PERFORMANCE:

Open Space Program

The FY 1997 Bond and Capital Improvements Act appropriated \$14 million for the purchase of additional open space (for a total of \$20 million to date). Since July 1996, the Open Space Council has met three times and recommended the purchase of 14 properties, totaling \$4.8 million from Twenty-First Century Fund monies. Five of the properties have been purchased, with the remaining nine pending settlement. The five properties are: McCabe (93 acres), near Bethany Beach; Warrington, Rogers & Smith (147 acres), near Laurel; and Handy (4 acres), near Bethel. The other nine properties are located in nine different areas of the State.

From July 1996 through March 1997, the Open Space Council has approved over \$850,000 in qualifying match. The total match generated since July 1995 is \$14.2 million as reflected in the attachment hereto. Of the total match amount, nearly \$1.2 million was generated by non-State entities.

Greenways/Local Development Program

The Trust Fund Endowment Account now totals \$9.7 million (\$6 million from FY 1996 appropriation, and \$3.7 million from previous appropriations and donations). The Endowment Account generated interest totaling \$497,231 in FY 1996. An additional \$503,000 was provided by FY 1996 realty transfer tax revenues, for a total of \$1 million available for park and greenway grants during FY 1997. (A portion of realty transfer taxes exceeding \$37.6 million annually flow to the Endowment Account and Greenways/Local Development programs.)

OPEN SPACE

Page 3

Fourteen park and nine greenway grants projects were awarded, totaling \$823,340. Local match for these projects totaled \$2.2 million. The application deadline for FY 1998 grants is June 1, 1997.

Attachments

List of Eligible Match

Open Space Council

Council on Greenways and Trails

TWENTY FIRST CENTURY MATCH
(7/1/95 - 3/4/97)

PROJECT TYPE/NAME	OWNERSHIP/ GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Conservation Easements					
Brandywine Conservancy - May	Brandywine Conservancy	Brandywine Creek	10/31/95	5.957	115,000.00
Brandywine Conservancy - duPont	Brandywine Conservancy	Brandywine Creek	12/28/95	4.200	91,980.00
DNREC - Coverdale	Coverdale	Milford Neck	01/29/96	15.000	8,250.00
Donations					
Kersey					
Delmarva Capital Realty - Riversedge	DNREC - Fish & Wildlife	Central Kent	08/25/95	6.250	7,500.00
duPont Company - Louviers	DNREC - Parks & Rec.	Upper DE River	09/01/95	29.234	14,500.00
duPont, Jr., S.H. - I	DNREC - Parks & Rec.	White Clay Creek	12/15/95	386.560	8,350,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	White Clay Creek	12/22/95	1.187	110,000.00
Warnell	DNREC - Parks & Rec.	Inland Bays	01/12/96	10.740	5,370.00
	DNREC - Fish & Wildlife	Primehook	01/25/96	9.94	46,500.00
	DNREC - Fish & Wildlife	Stand-Alone	12/31/96	40.17	44,187.00
*Brown - Masseys Millpond					
Bargain Sales					
Muller					
Potomac MACO L.P. - Fresh Pond	DNREC - Fish & Wildlife	Milford Neck	08/09/95	1559.432	414,716.00
Mohr & Dugan, Inc.	DNREC - Parks & Rec.	Inland Bays	09/26/95	475.050	75,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	C & D Canal	12/04/95	.206	5,000.00
Dayett Mills, Inc.	DNREC - Parks & Rec.	Inland Bays	01/12/96	90.060	340,000.00
duPont, Jr., S.H. - II	Secretary of State	Christina River	01/16/96	31.960	199,000.00
C & T Farms	DNREC - Parks & Rec.	White Clay Creek	01/16/96	190.814	1,400,000.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Lower DE River	02/01/96	283.460	62,000.00
Mt. Pleasant Church	DNREC - Fish & Wildlife	Inland Bays	02/28/96	258.530	40,000.00
The Nature Conservancy - Short	DNREC - Parks & Rec.	Upper DE River	04/16/96	1.182	50,000.00
Bethany Pines L.P.	DNREC - Parks & Rec.	Inland Bays	04/22/96	106.790	30,000.00
Stallings	DNREC - Parks & Rec.	Inland Bays	06/07/96	19.980	93,000.00
Industrial Park Trust - Alapocas	DNREC - Parks & Rec.	Upper Murderkill	08/28/96	36.497	36,000.00
*Short - Muddy Neck	DNREC - Parks & Rec.	Brandywine Creek	09/27/96	33.300	540,000.00
	DNREC - Fish & Wildlife	Inland Bays	03/03/97	85.100	42,000.00

Other Purchases						
Delaware Wild Lands - Muller	Delaware Wild Lands	Milford Neck	08/09/95	425.140	415,873.30	
The Nature Conservancy - Muller	The Nature Conservancy	Milford Neck	08/09/95	209.943	415,872.30	
PSE & G - Tarburton	DNREC - Fish & Wildlife	Bombay Hook	01/29/96	201.000	325,000.00	
PSE & G - Deakynville L.P.	DNREC - Fish & Wildlife	Lower DE River	04/19/96	98.558	142,952.60	
Delaware Wild Lands - Francis	Delaware Wild Lands	Lower DE River	05/20/96	65.000	80,000.00	
The Nature Conservancy - Muller II	The Nature Conservancy	Milford Neck	06/04/96	152.900	76,452.50	
PSE & G - Nine Foot Rod & Gun Club, Inc.	DNREC - Fish & Wildlife	Bombay Hook	08/08/96	156.000	191,208.00	
PSE & G - Bradley/Selway	DNREC - Fish & Wildlife	Lower DE River	09/19/96	183.404	403,490.56	
TOTAL MATCH APPROVED					14,170,852.26	
MATCH REQUIREMENT FOR FY96 APPROPRIATION (\$6,000,00)						
MATCH REQUIREMENT FOR FY97 APPROPRIATION (\$14,000,000; \$6,000,000 REQUESTED)						
MATCH AVAILABLE						
-3,000,000.00						
-6,000,000.00						
5,170,852.26						

***New Projects**

Conservation Easements = unrestricted fair market value minus restricted value

Donations = fair market value

Bargain Sales = appraised value minus purchase price

Other Purchases = value of lands acquired with nonstate funds

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As of April 1, 1997

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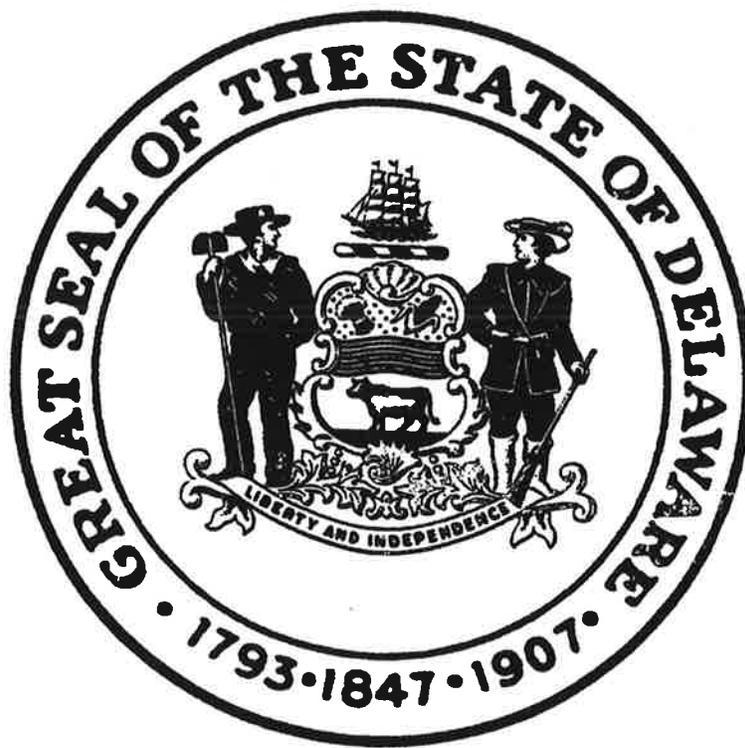
COUNCIL ON GREENWAYS AND TRAILS
Page 2

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As of April 1, 1997

**TWENTY-FIRST CENTURY FUND
ANNUAL REPORT**



**THIRD EDITION
MAY 1998**



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

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May 15, 1998

Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

Dear Members:

I am pleased to submit the third edition of the Twenty-First Century Fund Annual Report as required by Senate Bill No. 260 of the 138th General Assembly. This report describes the activity to date in the ten programs that comprise the Twenty-First Century Fund and provides policy-makers an opportunity to review the programs' achievements as deliberations begin for the final year of funding.

If I can provide further assistance, please do not hesitate to contact me.

Sincerely,


John C. Carney

cc: Russell T. Larson, Controller General
Peter M. Ross, Budget Director

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21 st Century Fund portions of the following:	
SB 260 (FY 1996 Bond Bill)	
HB 700 (FY 1997 Bond Bill)	
HB 400 (FY 1998 Bond Bill)	

TWENTY-FIRST CENTURY FUND

OVERVIEW

As a result of a \$220 million legal settlement, the State of Delaware was presented with a unique opportunity to use one-time monies to make long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an on-going source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March of 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision, Delaware and New York reached a settlement whereby Delaware would receive \$220 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund -- authorizing the Secretary of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Twenty-First Century Fund was outlined in the FY 1996 Bond and Capital Improvements Act (Senate Bill No. 260 of the 138th General Assembly). The strategy, contained in ten programs, was designed to preserve the environment; revitalize communities; and improve education and economic competitiveness.

Twenty-First Century Fund Overview

Page 2

To stimulate private, non-profit and government involvement, the Fund includes match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community.

A total of \$225.9 million has been appropriated over the past three years – \$108.7 million in FY 1996, \$79.8 million in FY 1997 and \$37.3 million in FY 1998. Individual program appropriations for FY 1998 (and total appropriations to date) are as follows:

PRESERVE THE ENVIRONMENT

Open Space -- \$7 million (\$33 million to date) to continue the work of the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects.

Farmland Preservation -- \$7 million (\$33 million to date) to preserve farmland and protect the State's important agriculture industry.

Parks Endowment -- \$1 million (\$13 million to date) to fund a Parks endowment to improve the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization -- \$5 million (\$15 million to date) to create a revolving loan program targeted toward rehabilitation of existing neighborhoods.

Water/Wastewater Infrastructure -- \$0.3 million (\$25.3 million to date) to meet the State's infrastructure needs, supporting responsible economic development and preserving clean water supplies.

Resource Conservation and Development -- \$5 million (\$15.2 million to date) to enhance the health of communities by ameliorating watershed and drainage issues.

Community Redevelopment -- \$6.0 million (\$24.9 million to date) for capital investment projects to revitalize communities.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Education Technology -- \$4 million (\$26 million to date) to bring computer and telecommunication technology to the schools, preparing children for the 21st Century workforce.

Advanced Technology Centers -- \$2 million (\$11 million to date) to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century.

Port of Wilmington -- \$29.5 million in fiscal 1996 to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

The ensuing report provides the funding summary, a brief description and status update of each program of the Twenty-First Century Fund, and the members of the advisory council or committee responsible for each program. The legislation establishing the Twenty-First Century Fund as well as the relevant portions of the annual Bond and Capital Improvements Acts are enclosed in the Appendix hereto.

**Twenty-First Century Fund
Funding Summary
(\$ in millions)**

PROGRAMS	Original \$220M Plan		Appropriations		Appropriated To Date	Governor's Recommended FY99	Total Funding
	FY96	FY97	FY98	FY99			
Environment							
Open Space	12.0	14.0	7.0	7.0	33.0	7.0	40.0
Farmland Preservation	12.0	14.0	7.0	7.0	33.0	7.0	40.0
Parks Endowment	9.0	3.0	1.0		13.0	2.0	15.0
Communities							
Neighborhoods	5.0	5.0	5.0	5.0	15.0	0.0	15.0
Water/Wastewater	15.0	10.0	0.3	0.3	25.3	0.0	25.3
Resource Conservation & Development	5.2	5.0	5.0	5.0	15.2	4.5	19.7
Community Development	8.0	10.9	6.0	6.0	24.9	4.5	29.4
Education/Economic Competitiveness							
Education Technology	10.0	12.0	4.0	4.0	26.0	4.0	30.0
Advanced Technology Centers	3.0	6.0	2.0	2.0	11.0	4.0	15.0
Diamond State Port Corporation	29.5	0.0	0.0	0.0	29.5	0.0	29.5
Total	108.7	79.9	37.3	37.3	225.9	33.0	258.9

OPEN SPACE

I

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

Twenty-First Century Fund monies continue the State's efforts to preserve and protect valuable open space throughout the State through two programs. The Open Space Program coordinates the acquisition of various State lands: parks, fish and wildlife areas, forests, nature preserves, and cultural sites. The Delaware Land and Water Conservation Trust Fund Program provides funding assistance to municipalities and counties for the protection of parks and greenway corridors and the development of outdoor recreation facilities.

Open Space Program

Recognizing the need to preserve and protect open space from the spread of urban development, the General Assembly enacted the Delaware Land Protection Act of 1990. The legislation provided the means to:

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitat;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands;
- (3) provide for public outdoor recreation and enhance water resource conservation.

The legislation also created the Open Space Council, charged with establishing a system to review and recommend land and conservation easements to further State land protection efforts, as well as to promote and assist in the development and establishment of innovative and creative methods to secure open space — working in conjunction with private and non-profit organizations dedicated to the same task.

Since July 1990, through the sale of bonds, one-time cash appropriations and three funding cycles of the Twenty-First Century Fund, the Open Space Program has protected over 15,560 acres statewide. Annual expenditures have averaged \$7-10 million. To encourage participation from private and non-profit sources and maximize the amount of open space protected, the Twenty-First Century Fund legislation requires matching contribution of at least 1 (non-State) to 1 (State) ratio for the purchase of land and conservation easements. Match is

Open Space
Page 2

defined as donations of land, cash, conservation easements and/or acquisitions by and to recognized non-profit conservation organizations and/or the State.

Land and Water Conservation Trust Fund Program

To promote local involvement in preserving open space, the Twenty-First Century Fund provided funds to increase the corpus of the Land and Water Conservation Trust Fund Endowment Account. In addition, the Endowment Account receives annually a portion of State realty transfer tax revenues. At April 30, 1998, the Endowment Account totaled \$22.0 million.

Half of the interest generated from the Endowment Account funds municipal and county grants for park acquisition and development projects, as approved by the Open Space Council, and the remaining half funds greenway corridor acquisitions and trail development projects approved by the Council on Greenways and Trails. Grant funds are awarded to municipalities on a competitive basis. Under the Land and Water Trust Fund Act of 1991, these grant projects require a fifty percent matching contribution from local governments, local park districts or other sources.

PROGRAM PERFORMANCE:

Open Space Program

The FY 1998 Bond and Capital Improvements Act appropriated \$7 million for the purchase of additional open space (for a total of \$33 million to date). Since July 1997, the Open Space Program has protected nearly 1,300 additional acres at a cost of \$8.5 million (utilizing a portion of prior years' appropriations). A total of 19 properties were protected in the following areas: Brandywine Creek, White Clay Creek and Trap Pond state parks; Augustine Creek, Wilder, Milford Neck, Cedar Creek and Assawoman wildlife management areas; Port Penn, Seaford, New Castle, and Dover. Since July 1995, the total match generated exceeds \$28.9 million, as reflected in the chart attached hereto.

Greenways/Local Development Program

The Trust Fund Endowment Account now totals \$22.0 million. Since the first Trust Fund grants were awarded in 1988, 24 Delaware communities and two counties have received more than \$6.6 million for park and greenway projects. More than \$10 million of local or other funds were provided by project sponsors to match Trust Fund grants.

Open Space

Page 3

During FY 1997, the Trust Fund generated interest totaling \$608,328. Nearly \$400,000 additional was provided by FY 1997 realty transfer tax revenues, for a total of \$1 million available for park and greenway grants during FY 1998. (A portion of realty transfer taxes exceeding \$37.6 million annually flow to the Endowment Account and Greenways/Local Development programs.) Twenty-one park and greenway grant projects were awarded. Local match for these projects totaled \$1.4 million. The application deadline for FY 1998 grants is June 1, 1998.

Attachments

List of Eligible Match

Open Space Council

Council on Greenways and Trails

TWENTY FIRST CENTURY MATCH

(7/1/95 - 6/2/98)

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Conservation Easements					
May, J. Eric	Brandywine Conservancy	Brandywine Creek	10/31/95	5.957	115,000.00
duPont, Jr., Irene	Brandywine Conservancy	Brandywine Creek	12/28/95	4.200	91,980.00
Coverdale, Roland L.	DNREC	Milford Neck	01/29/96	15.000	8,250.00
Leitzinger	DNREC	Bombay Hook	05/27/97	9.4744	46,425.00
Sharp - Shaw	Department of State - HCA	Stand-Alone	06/30/97	1.25	686.80
Delaware Nature Society - Flint House	DNREC	Stand-Alone	07/18/97	5.271	52,710.00
Musumeci	DNREC	Stand-Alone	09/19/97	11.587	318,642.50
Silliman	Preservation Delaware, Inc.	Brandywine Creek	09/26/97	10.71	195,000.00
*Scott	North American Land Trust	Stand-Alone	12/23/97	2.455	171,500.00
*Garstin	Brandywine Conservancy	Stand-Alone	12/26/97	22.322	385,000.00
Mortenson	Preservation Delaware, Inc.	White Clay Creek	12/26/97	1.0672	60,000.00
Mortenson	Delaware Nature Society	White Clay Creek	12/26/97	5.4974	50,000.00
Silliman	Delaware Nature Society	Brandywine Creek	12/29/97	14.041	220,000.00
Archer	Nanticoke River Watershed	Stand-Alone	12/30/97	44.373	35,500.00
*The Nature Conservancy - Bull's Eye Ferry Landing	The Nature Conservancy	Inland Bays	12/31/97	154.33	269,868.00
*Thwaite	DNREC	Blackbird	01/07/98	23.34	58,350.00
*Gulf Stream	DNREC	Great Cypress Swamp	03/08/98	50.35	75,000.00
*Pettit	DNREC	Inland Bays	04/02/98	2.2544	85,000.00
*Delaware Nature Society - Rudin	DNREC	Stand-Alone	04/24/98	12.994	357,335.00
Donations					
Kersey	DNREC - Fish & Wildlife	Central Kent	08/25/95	6.250	7,500.00
Delmarva Capital Realty - Riveredge	DNREC - Parks & Rec.	Upper DE River	09/01/95	29.234	14,500.00
DuPont Company - Louviers	DNREC - Parks & Rec.	White Clay Creek	12/15/95	386.560	8,350,000.00
DuPont, Jr., S.H. - I	DNREC - Parks & Rec.	White Clay Creek	12/22/95	1.187	110,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	01/12/96	10.740	5,370.00
Warnell	DNREC - Fish & Wildlife	Primehook	01/25/96	9.940	46,500.00

Brown - Masseys Millpond	DNREC - Fish & Wildlife	Stand-Alone	12/31/96	40.170	44,187.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Inland Bays	10/04/96	6.900	5,175.00
Naval Reserve	DNREC - Parks & Rec.	Cape Henlopen	10/08/96	16.800	2,300,000.00
PNC Bank - Wilson	DNREC - Fish & Wildlife	Stand-Alone	12/03/96	35.975	170,950.00
Sharp - Gibraltar	Preservation Delaware, Inc.	Stand-Alone	06/30/97	6.11	850,000.00
Bestfield Builders - Riveredge II	DNREC - Parks & Rec.	Upper DE River	08/18/97	14.066	2,967.50
DuPont, G.E.	Delaware Nature Society	Stand-Alone	09/05/97	12.61	230,000.00
Phillips/Wilson	DNREC - Fish & Wildlife	Primehook	12/19/97	29.015	26,113.50
Marshall	Delaware Nature Society	Stand-Alone	12/30/97	74.74	3,250,000.00
Picho-Flint	Delaware Nature Society	Stand-Alone	02/06/98	2.3	157,000.00
Bargain Sales					
Muller	DNREC - Fish & Wildlife	Milford Neck	08/09/95	1559.432	414,716.00
Potomac MACO L.P. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	09/26/95	475.050	75,000.00
Mohr & Dugan, Inc.	DNREC - Parks & Rec.	C & D Canal	12/04/95	.206	5,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	01/12/96	90.060	340,000.00
Dayett Mills, Inc.	Dept of State - HCA	Christina River	01/16/96	31.960	199,000.00
duPont, Jr., S.H. - II	DNREC - Parks & Rec.	White Clay Creek	01/16/96	190.814	1,400,000.00
C & T Farms	DNREC - Fish & Wildlife	Lower DE River	02/01/96	283.460	62,000.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Inland Bays	02/28/96	258.530	40,000.00
Mt. Pleasant Church	DNREC - Parks & Rec.	Upper DE River	04/16/96	1.182	50,000.00
The Nature Conservancy - Short	DNREC - Parks & Rec.	Inland Bays	04/22/96	106.790	30,000.00
Bethany Pines L.P.	DNREC - Parks & Rec.	Inland Bays	06/07/96	19.980	93,000.00
Stallings	DNREC - Parks & Rec.	Upper Murderkill	08/28/96	36.497	36,000.00
Industrial Park Trust - Alapocas	DNREC - Parks & Rec.	Brandywine Creek	09/27/96	33.300	540,000.00
Short - Muddy Neck	DNREC - Fish & Wildlife	Inland Bays	03/03/97	85.100	42,000.00
Conner	Dept of State - HCA	St. Jones River	07/29/97	95.44	12,000.00
Gray Farm	DNREC - Fish & Wildlife	Milford Neck	10/03/97	232.9754	138,586.36
Hurley	DNREC - Fish & Wildlife	Nanticoke River	01/16/98	169.06	214,721.25
*Hollingsworth	DNREC - Fish & Wildlife	Inland Bays	04/29/98	170.3295	20,000.00
*Sea & Pines Partnership	DNREC - Parks & Rec.	Inland Bays	04/29/98	143.59	50,100.00
*Glasgow Farms, L.L.C.	DNREC - Parks & Rec.	Christina River	05/27/98	200.47	1,900,000.00

Other Purchases					
Muller	Delaware Wild Lands	Millford Neck	08/09/95	425.140	415,873.30
Muller	The Nature Conservancy	Millford Neck	08/09/95	209.943	415,872.30
PSE & G - Tarburton	DNREC - Fish & Wildlife	Bombay Hook	01/29/96	201.000	325,000.00
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Francis	Delaware Wild Lands	Lower DE River	05/20/96	54.000	80,000.00
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PSE & G - Bradley/Selway	DNREC - Fish & Wildlife	Lower DE River	09/19/96	183.404	403,490.56
Muller III	The Nature Conservancy	Millford Neck	06/09/97	356.000	187,862.00
Sport Fish Restoration - Masseys Landing	DNREC - Fish & Wildlife	Inland Bays	04/21/97	4.317	579,490.00
Stevens	The Nature Conservancy	Inland Bays	04/27/97	244.000	902,200.00
Wilson	The Nature Conservancy	Inland Bays	08/29/97	159.00	500,000.00
PSE & G - Tuthill	DNREC - Fish & Wildlife	Millford Neck	11/13/97	18.834	10,357.00
PSE & G - Claggett	DNREC - Fish & Wildlife	Lower DE River	11/15/97	1.515	22,000.00
Kux	Delaware Wild Lands	Lower DE River	01/08/98	300.00	900,000.00
TOTAL MATCH APPROVED					28,981,392.17
MATCH REQUIREMENT FOR FY96 APPROPRIATION (\$6,000,000)					-3,000,000.00
MATCH REQUIREMENT FOR FY97 APPROPRIATION (\$14,000,000)					-14,000,000.00
MATCH AVAILABLE FOR FY98 APPROPRIATION (\$7,000,000)					-7,000,000.00
EXCESS MATCH AVAILABLE					4,981,392.17

***New Projects**

- Conservation Easements = unrestricted fair market value minus restricted value
- Donations = fair market value
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- Other Purchases = value of lands acquired with nonstate funds

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As of April 1, 1998

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Lt. Governor
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Dover, DE 19903

The Honorable David H. Ennis
House of Representatives
304 Beechwood Road
Wilmington, DE 19809

The Honorable David B. McBride
State Senate
21 Andover Court
New Castle, DE 19720

The Honorable John R. Schroeder
House of Representatives
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Lewes, DE 19958

The Honorable Liane M. Sorenson
State Senate
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Hockessin, DE 19707

The Honorable Robert J. Voshell
State Senate
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**Council on Greenways and Trails
Page 2**

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**Ms. Gigi Windley, Director
Delaware Tourism Office
99 Kings Highway
P.O. Box 1401
Dover, DE 19903**

As of April 1, 1998

Twenty-First Century Fund **ANNUAL REPORT**

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*OPEN SPACE
FARMLAND PRESERVATION
PARKS ENDOWMENT
NEIGHBORHOOD REVITALIZATION
WATER & WASTEWATER INFRASTRUCTURE
RESOURCE CONSERVATION & DEVELOPMENT
COMMUNITY REDEVELOPMENT
EDUCATION TECHNOLOGY
ADVANCED TECHNOLOGY CENTERS
DIAMOND STATE PORT CORPORATION*

FOURTH EDITION
JUNE 1999



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

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June 1, 1999

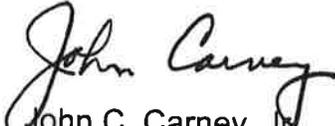
Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

Dear Members:

I am pleased to submit the fourth edition of the Twenty-First Century Fund Annual Report as required by Senate Bill No. 260 of the 138th General Assembly. This report describes the activity to date in the ten programs that comprise the Twenty-First Century Fund and provides policy-makers an opportunity to review the programs' achievements to date.

If I can provide further information, please contact me.

Sincerely,


John C. Carney, Jr.

cc: Russell T. Larson, Controller General
Peter M. Ross, Budget Director

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TWENTY-FIRST CENTURY FUND

OVERVIEW

The State of Delaware has invested nearly \$385.0 million over the past four years in a unique capital investment program called the Twenty-First Century Fund (the "Fund"). This annual report will provide the history, funding and status of the Fund and each of the programs which comprise it.

As a result of a \$220.0 million legal settlement in the mid-1990's, the State had an unprecedented opportunity to use one-time monies to make critical long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources. Over the ensuing years, the State has added millions of additional dollars to this program to continue to make wise investments in Delaware's future.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an on-going source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision, Delaware and New York reached a settlement whereby Delaware would receive \$220.0 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund which authorized the Secretary of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Twenty-First Century Fund was outlined in the FY96 Bond and Capital Improvements Act (Senate Bill No. 260 of the 138th General Assembly). Additional appropriations were made through subsequent years' capital budgets. The strategy, contained in ten programs in three broad program areas, was designed to preserve the environment; revitalize communities; and improve education and economic competitiveness. To stimulate private, non-profit and government involvement, many programs have dollar match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community.

A total of \$383.9 million has been appropriated over the past four years -- \$267.9 million of funds under the original Twenty-first Century Fund plus an additional \$116.0 million of newly-created Infrastructure Investment Plan funds -- as reflected on the attached chart. As all expected payments have been received from New York, future appropriations will be from State General Funds and from the interest earnings on unspent Twenty-First Century Fund balances.

The Infrastructure Investment Plan was created in the FY99 Capital Budget (House Bill 750 of the 139th General Assembly) with \$116.0 million of General Funds to continue funding certain Twenty-First Century Fund initiatives over the ensuing three fiscal years. The Plan was composed of a Growth Management Fund (\$69.0 million) designed to complement State and county land goals by directing investments in existing communities and growth areas and protecting critical farmland and open space from urban sprawl, and an additional \$47.0 million allocated to certain other economic development and educational initiatives. Of the total, \$78.0 million was appropriated for FY99, \$24.0 million for FY00 and \$14.0 million for FY01. For purposes of this report, both funding sources are considered in aggregate under the Twenty-First Century Fund.

The following is a summary of total appropriations in the Twenty-First Century Fund to date by the three major program areas:

PRESERVE THE ENVIRONMENT

Open Space – A total of \$66.0 million has been appropriated to fund property acquisitions approved by the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects. More than 18,000 acres of threatened open spaces have been acquired with this funding, an increase of 30% since 1993.

Farmland Preservation – A total of \$60.0 million has been appropriated to preserve farmland and protect the State's important agriculture industry. Delaware now ranks first nationally in the percentage of land permanently preserved for agricultural purposes, due largely to the Twenty-First Century Fund appropriations for Farmland Preservation.

Delaware's efforts were recognized earlier this year by the American Farmland Trust, a national farmland conservation group.

Parks Endowment – A total of \$15.0 million has been appropriated to fund a Parks endowment, the interest earnings on which are used to improve the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization – A total of \$23.0 million has been appropriated to date -- \$15.0 million to create a revolving loan program targeted toward rehabilitation of existing neighborhoods and \$8.0 million to bolster efforts of the Housing Development Fund to provide critical improvements to the State's housing infrastructure, finance new affordable housing in growth areas and leverage additional non-State sources to supplement existing efforts.

Water/Wastewater Infrastructure – A total of \$40.3 million has been appropriated to meet the State's water and wastewater infrastructure needs, support responsible economic development and preserve clean water supplies.

Resource Conservation and Development – A total of \$22.2 million has been appropriated to enhance the health of communities by ameliorating watershed and drainage issues.

Community Redevelopment – A total of \$35.9 million has been appropriated for capital investment projects to revitalize communities.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Education Technology – A total of \$43.0 million has been appropriated to bring computer and telecommunication technology to the schools, preparing children for the 21st century workforce. As a result, Delaware became the first state in the nation to have every public school classroom wired for computers.

Advanced Technology Centers – A total of \$15.0 million has been appropriated to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century.

Port of Wilmington – A total of \$49.5 million has been appropriated to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

Riverfront Development Corporation – Added to the program under the

Infrastructure Investment Plan in FY99, the RDC is engaged in revitalizing the riverfront area of the State's largest city, the City of Wilmington.

The ensuing report provides a brief description and status update of each program of the Twenty-First Century Fund, and the members of the advisory council or committee responsible therefor. The relevant portion of the FY99 Bond and Capital Improvements Act which appropriated funding for the current fiscal year is enclosed in the Appendix.

The first three editions of the Twenty-First Century Fund Annual Report, which describe annual activities from inception of the program in July 1995 through May 1999, are available upon request from the State Department of Finance. This document will be available over the Internet at www.state.de.us/finance.

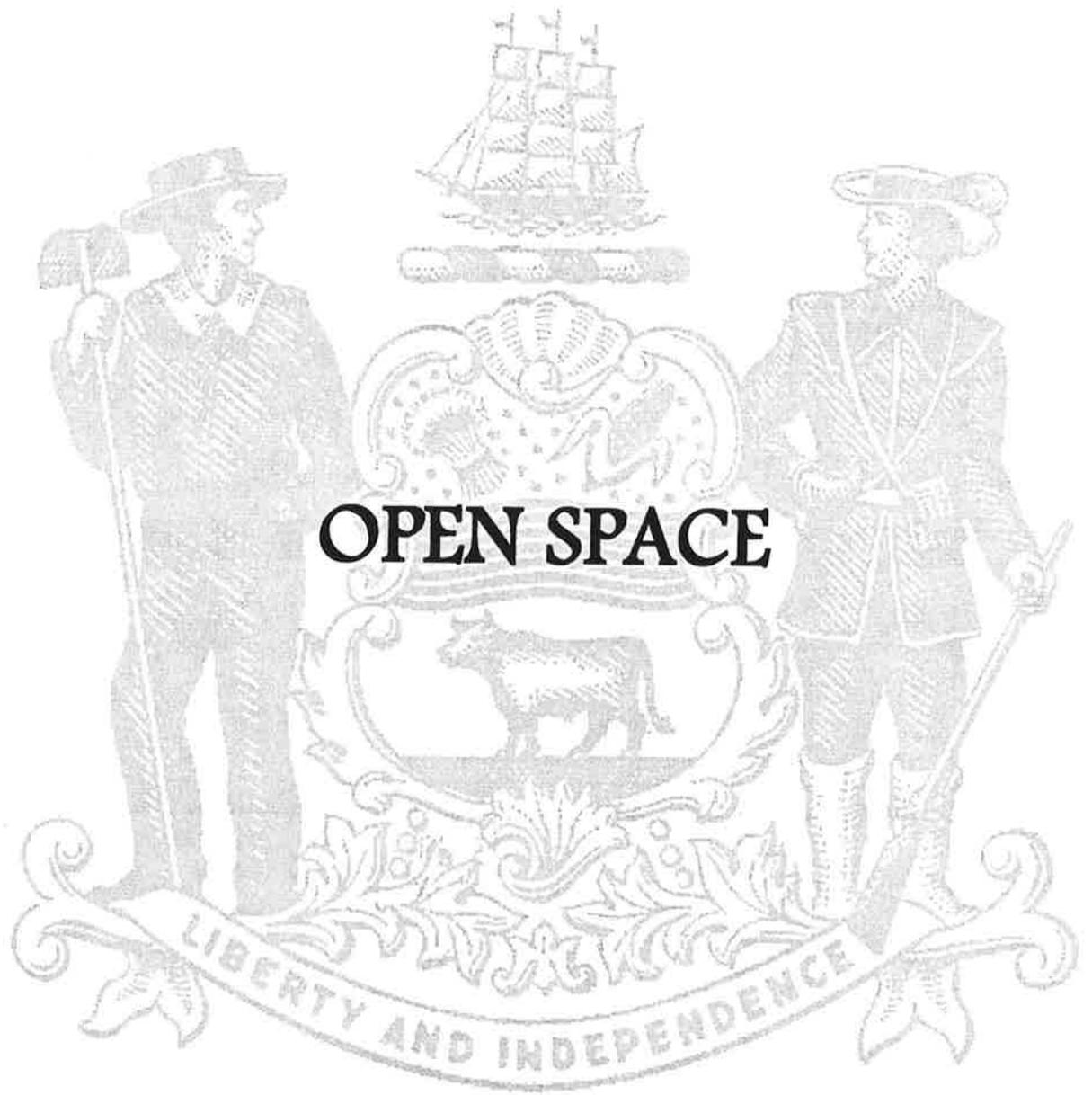
Attachment

Funding Summary

**Twenty-First Century Fund
Funding Summary
(\$ in millions)**

<u>PROGRAMS</u>	<u>Original \$220M Plan</u>	<u>Appropriations</u>				<u>FY99 21st Cent.</u>	<u>IIP (1)</u>	<u>Subtotal 21st Century Funding</u>	<u>Total Available To Date</u>	<u>Future Appropriations</u>		<u>Total Appropriations</u>
		<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>					<u>FY00</u>	<u>FY01</u>	
Environment												
Open Space	40.0	14.0	7.0	7.0	18.0	18.0	40.0	58.0	8.0	0.0	66.0	
Farmland Preservation	40.0	14.0	7.0	7.0	5.0	5.0	40.0	45.0	8.0	7.0	60.0	
Parks Endowment	15.0	3.0	1.0	2.0	0.0	0.0	15.0	15.0	0.0	0.0	15.0	
Communities												
Neighborhood Revitalization/HDF	15.0	5.0	5.0	5.0	3.0	3.0	15.0	18.0	3.0	2.0	23.0	
Water/Wastewater	25.0	10.0	0.3	0.0	15.0	15.0	25.3	40.3	0.0	0.0	40.3	
Resource Conservation & Development	0.0	5.0	5.0	7.0	0.0	0.0	22.2	22.2	0.0	0.0	22.2	
Community Development	15.0	10.9	6.0	11.0	0.0	0.0	35.9	35.9	0.0	0.0	35.9	
Education/Economic Competitiveness												
Education Technology	30.0	12.0	4.0	4.0	3.0	3.0	30.0	33.0	5.0	5.0	43.0	
Advanced Technology Centers	15.0	6.0	2.0	4.0	0.0	0.0	15.0	15.0	0.0	0.0	15.0	
Diamond State Port Corporation	25.0	0.0	0.0	0.0	20.0	20.0	29.5	49.5	0.0	0.0	49.5	
Riverfront Development Corporation	0.0	0.0	0.0	0.0	14.0	14.0	0.0	14.0	0.0	0.0	14.0	
Total	220.0	79.9	37.3	42.0	78.0	78.0	267.9	345.9	24.0	14.0	383.9	

(1) IIP is the Infrastructure Investment Plan created in FY99 under the Twenty-First Century Fund.



OPEN SPACE

I

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

Twenty-First Century Fund monies continue the State's efforts to preserve and protect valuable open space throughout the State through two programs. The Open Space Program coordinates the acquisition of various state lands: parks, fish and wildlife areas, forests, nature preserves, and cultural sites. The Delaware Land and Water Conservation Trust Fund Program provides funding assistance to municipalities and counties for the protection of parks and greenway corridors and the development of outdoor recreation facilities.

Open Space Program

Recognizing the need to preserve and protect open space from the spread of urban development, the General Assembly enacted the Delaware Land Protection Act of 1990. The legislation provided the means to:

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitats;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands;
- (3) provide for public outdoor recreation and enhance water resource conservation.

The legislation also created the Open Space Council, charged with establishing a system to review and recommend land purchases and conservation easements to further State land protection efforts, as well as to promote and assist in the development and establishment of innovative and creative methods to secure open space -- working in conjunction with private and nonprofit organizations dedicated to the same task.

Since July 1990, the Open Space Program has protected 19,682 acres statewide with funds received from a variety of sources. Annual expenditures have averaged \$11.0 million. To encourage participation from private and non-profit sources and to maximize the amount of open space protected, the Twenty-First Century Fund legislation requires matching contributions of at least 1 (non-State) to 1 (State) ratio for the purchase of land and conservation easements. Match is defined as donations of land, cash, conservation easements and/or acquisitions by and to recognized non-profit conservation organizations and/or the State.

Land & Water Conservation Trust Fund Program

To promote local involvement in preserving open space and to provide outdoor recreational opportunities, the Twenty-First Century Fund provided funds to increase the corpus of the Land and Water Conservation Trust Fund Endowment Account. Changes to the Realty Transfer Tax law enacted in fiscal 1999 authorized the transfer \$7.0 million annually to the Endowment Account until it reaches \$60.0 million. The Trust Fund Endowment totaled \$31.4 million on May 31, 1999, with a transfer of an additional \$7.0 million due June 30, 1999.

Interest earnings on the Endowment Account fund two programs. Half of the interest generated from the Endowment Account funds municipal and county grants for park acquisition and development projects, as approved by the Open Space Council, and the remaining half funds greenway corridor acquisitions and trail development projects approved by the Council on Greenways and Trails. Grants are awarded on a competitive basis. Under the Delaware Land and Water Conservation Trust Fund Act of 1991, grant projects require a 50 percent matching contribution from local governments or local park districts.

PROGRAM PERFORMANCE:

Open Space Program

The FY99 Bond and Capital Improvements Act appropriated \$25.0 million from the Twenty-First Century Fund and the Infrastructure Investment Plan for the purchase of additional open space (for a total of \$58.0 million to date). An additional \$8.0 million was appropriated for expenditure in FY00.

From July 1998 through May 1999, the Open Space Program protected 3,381 additional acres at a cost of \$29.9 million. A total of 22 properties were protected in the following state resource areas: Blackbird, Brandywine Creek, Cape Henlopen, Chesapeake and Delaware Canal, Christina River, Ellendale/Redden, Inland Bays, James Branch, Nanticoke River, and White Clay Creek. Matching funds have totaled \$53.5 million to date, as reflected in the chart attached hereto.

Greenway and Park Grants

The Endowment Account will total \$38.4 million on June 30, 1999, as noted above. Since the first Trust Fund grants were awarded in 1988, 26 Delaware communities and two counties have received over \$7.9 million for park and greenway projects. Over \$12.0 million of local or other funds were provided by project sponsors as match to Trust Fund grants. During FY98, the Trust Fund generated \$1.3 million in interest. Twenty-one (21) park and greenway grant projects were awarded. The application deadline for FY99 grants is June 1, 1999.

Attachments

List of Eligible Match
Open Space Council
Council on Greenways and Trails

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 4/30/99)**

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Conservation Easements					
May, J. Eric	Brandywine Conservancy	Brandywine Creek	10/31/95	5.957	115,000.00
duPont, Jr., Irene	Brandywine Conservancy	Brandywine Creek	12/28/95	4.200	91,980.00
Coverdale, Roland L.	DNREC	Milford Neck	01/29/96	15.000	8,250.00
Leitzinger	DNREC	Bombay Hook	05/27/97	9.4744	46,425.00
Sharp - Shaw	Department of State - HCA	Stand-Alone	06/30/97	1.25	686.80
Delaware Nature Society - Flint House	DNREC	Stand-Alone	07/18/97	5.271	52,710.00
Musumeci	DNREC	Stand-Alone	09/19/97	11.587	318,642.50
Silliman	Preservation Delaware, Inc.	Brandywine Creek	09/26/97	10.71	195,000.00
Scott	North American Land Trust	Stand-Alone	12/23/97	2.455	171,500.00
Garstin	Brandywine Conservancy	Stand-Alone	12/26/97	22.322	385,000.00
Mortenson	Preservation Delaware, Inc.	White Clay Creek	12/26/97	1.0672	60,000.00
Mortenson	Delaware Nature Society	White Clay Creek	12/26/97	5.4974	50,000.00
Silliman	Delaware Nature Society	Brandywine Creek	12/29/97	14.041	220,000.00
Archer	Nanticoke River Watershed	Stand-Alone	12/30/97	44.373	35,500.00
The Nature Conservancy - Bull's Eye Ferry Landing	The Nature Conservancy	Inland Bays	12/31/97	154.33	269,868.00
Thwaite	DNREC	Blackbird	01/07/98	23.34	58,350.00
Gulf Stream	DNREC	Great Cypress Swamp	03/08/98	50.35	70,000.00
Pettit	DNREC	Inland Bays	04/02/98	2.2544	85,000.00
Delaware Nature Society - Rudin	DNREC	Stand-Alone	04/24/98	12.994	357,335.00
Charles H. West Farms, Inc.	DNREC	Milford Neck	07/23/98	196.3515	471,243.60
Chapel Branch	Nanticoke River Watershed	Nanticoke River	12/15/98	190.00	\$600,000.00
duPont, Jr., Irene - Granogue	Brandywine Conservancy	Brandywine Creek	12/17/98	166.700	\$4,995,000.00
Flint	Delaware Nature Society	Stand-Alone	12/23/98	44.04	\$1,210,000.00

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 4/30/99)**

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Bargain Sales					
Muller	DNREC - Fish & Wildlife	Milford Neck	08/09/95	1559.432	414,716.00
Potomac MACO L.P. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	09/26/95	475.050	75,000.00
Mohr & Dugan, Inc.	DNREC - Parks & Rec.	C & D Canal	12/04/95	.206	5,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	01/12/96	90.060	340,000.00
Dayett Mills, Inc.	Dept of State - HCA	Christina River	01/16/96	31.960	199,000.00
duPont, Jr., S.H. - II	DNREC - Parks & Rec.	White Clay Creek	01/16/96	190.814	1,400,000.00
C & T Farms	DNREC - Fish & Wildlife	Lower DE River	02/01/96	283.460	62,000.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Inland Bays	02/28/96	258.530	40,000.00
Mt. Pleasant Church	DNREC - Parks & Rec.	Upper DE River	04/16/96	1.182	50,000.00
The Nature Conservancy - Short	DNREC - Parks & Rec.	Inland Bays	04/22/96	106.790	30,000.00
Bethany Pines L.P.	DNREC - Parks & Rec.	Inland Bays	06/07/96	19.980	93,000.00
Stallings	DNREC - Parks & Rec.	Upper Murderkill	08/28/96	36.497	36,000.00
Industrial Park Trust - Alapocas	DNREC - Parks & Rec.	Brandywine Creek	09/27/96	33.300	540,000.00
Short - Muddy Neck	DNREC - Fish & Wildlife	Inland Bays	03/03/97	85.100	42,000.00
Conner	Dept of State - HCA	St. Jones River	07/29/97	95.44	12,000.00
Gray Farm	DNREC - Fish & Wildlife	Milford Neck	10/03/97	232.9754	138,586.36
Hurley	DNREC - Fish & Wildlife	Nanticoke River	01/16/98	169.06	214,721.25
Hollingsworth	DNREC - Fish & Wildlife	Inland Bays	04/29/98	170.3295	20,000.00
Sea & Pines Partnership	DNREC - Parks & Rec.	Inland Bays	04/29/98	143.59	50,100.00
Glasgow Farms, L.L.C.	DNREC - Parks & Rec.	Christina River	05/27/98	200.47	1,900,000.00
Sniadowski	DNREC - Parks & Rec.	Christina River	11/16/98	105.25	1,400,000.00
Maresch	Dept. of Ag - Forestry	Ellendale/Redden	12/30/98	96.05	\$45,700.00

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 4/30/99)**

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Other Purchases					
Muller	Delaware Wild Lands	Milford Neck	08/09/95	425.140	415,873.30
Muller	The Nature Conservancy	Milford Neck	08/09/95	209.943	415,872.30
PSE & G - Tarburton	DNREC - Fish & Wildlife	Bombay Hook	01/29/96	201.000	325,000.00
PSE & G - Deakynville L.P.	DNREC - Fish & Wildlife	Lower DE River	04/19/96	98.558	142,952.60
Francis	Delaware Wild Lands	Lower DE River	05/20/96	54.000	80,000.00
Muller II	The Nature Conservancy	Milford Neck	06/04/96	152.900	76,452.50
PSE & G - Nine Foot Rod & Gun Club, Inc.		Bombay Hook	08/08/96	156.000	191,208.00
PSE & G - Bradley/Selway	DNREC - Fish & Wildlife	Lower DE River	09/19/96	183.404	403,490.56
Muller III	DNREC - Fish & Wildlife	Milford Neck	06/09/97	356.000	187,862.00
Sport Fish Restoration - Masseys Landing	The Nature Conservancy	Inland Bays	04/21/97	4.317	579,490.00
Stevens	DNREC - Fish & Wildlife	Inland Bays			
Wilson	The Nature Conservancy	Inland Bays	04/27/97	244.000	902,200.00
PSE & G -- Tuthill	The Nature Conservancy	Inland Bays	08/29/97	159.00	500,000.00
PSE & G -- Claggett	DNREC -- Fish & Wildlife	Milford Neck	11/13/97	18.834	10,357.00
Kux	DNREC -- Fish & Wildlife	Lower DE River	11/15/97	1.515	22,000.00
PSE & G - Cole	Delaware Wild Lands	Lower DE River	01/08/98	300.00	900,000.00
PSE & G - Holleger	DNREC - Fish & Wildlife	Bombay Hook	10/08/98	221.00	226,597.80
PSE & G - Berman	DNREC - Fish & Wildlife	Upper Murderkill	10/14/98	77.00	54,267.30
Rogers	DNREC - Fish & Wildlife	Bombay Hook	11/23/98	223.00	245,575.44
Spicer	The Nature Conservancy	Nanticoke River	08/13/98	83.36	150,048.00
Simpson	The Nature Conservancy	Nanticoke River	08/13/98	68.941	110,105.00
Chesapeake Forest Products	Trust for Public Land	Prime Hook	4/23/98	22.363	\$43,500.00
	The Nature Conservancy	Stand-Alone	3/31/99	451.00	\$400,000.00

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 4/30/99)**

PREVIOUSLY APPROVED					46,906,035.56
NEW MATCH					6,648,500.00
TOTAL MATCH					53,554,535.56
MATCH REQUIREMENT FOR FY96 21 ST CENTURY FUND APPROPRIATION (\$6,000,000)					-3,000,000.00
MATCH REQUIREMENT FOR FY97 21 ST CENTURY FUND APPROPRIATION (\$14,000,000)					-14,000,000.00
MATCH REQUIREMENT FOR FY98 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)					-7,000,000.00
MATCH REQUIREMENT FOR FY99 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)					-7,000,000.00
MATCH REQUIREMENT FOR FY99 INFRASTRUCTURE INVESTMENT PLAN APPROPRIATION (\$18,000,000)					-8,000,000.00
EXCESS MATCH AVAILABLE					14,554,535.56

***New Projects**

- Conservation Easements = unrestricted fair market value minus restricted value
- Donations = fair market value
- Bargain Sales = appraised value minus purchase price
- Other Purchases = value of lands acquired with nonstate funds

OPEN SPACE COUNCIL

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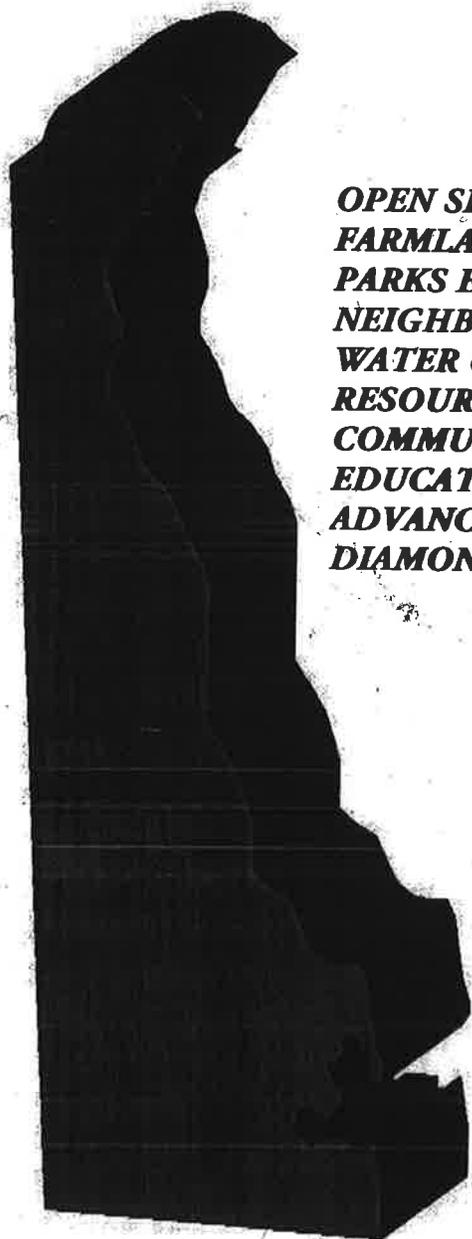
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Secretary of Transportation
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Delaware Economic Development Office
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Twenty-First Century Fund

ANNUAL REPORT

**D
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**OPEN SPACE
FARMLAND PRESERVATION
PARKS ENDOWMENT
NEIGHBORHOOD REVITALIZATION
WATER & WASTEWATER INFRASTRUCTURE
RESOURCE CONSERVATION & DEVELOPMENT
COMMUNITY REDEVELOPMENT
EDUCATION TECHNOLOGY
ADVANCED TECHNOLOGY CENTERS
DIAMOND STATE PORT CORPORATION**

**FIFTH EDITION
MAY 2000**



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

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May 22, 2000

Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

Dear Members:

I am pleased to submit the fifth edition of the Twenty-First Century Fund Annual Report as required by Senate Bill No. 260 of the 138th General Assembly. This report describes the activity to date in the ten programs that comprise the Twenty-First Century Fund and provides policymakers an opportunity to review the programs' achievements to date.

If I can provide further information, please contact me.

Sincerely,


John C. Carney, Jr.

cc: Russell T. Larson, Controller General
Robert L. Scoglietti, Budget Director

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TWENTY-FIRST CENTURY FUND

OVERVIEW

The State of Delaware has invested more than \$440.0 million over the past five years in a unique capital investment program – the Twenty-First Century Fund. This annual report will provide the history, funding and status of the Twenty-First Century Fund and each of the programs that comprise it.

As a result of a \$220.0 million legal settlement in the mid-1990's, the State had an unprecedented opportunity to use one-time monies to make critical long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund (hereinafter, together with its companion program – the Infrastructure Investment Plan – referred to as the "Fund") to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources. Over the ensuing years, the State has added millions of additional dollars to this program to continue to make wise investments in Delaware's future.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an on-going source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision, Delaware and New York reached a settlement whereby Delaware would receive \$220.0 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund which authorized the Secretary

of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Twenty-First Century Fund was outlined in the FY96 Bond and Capital Improvements Act (Senate Bill No. 260, 138th General Assembly). Additional appropriations were made through subsequent years' capital budgets. The strategy, contained in ten programs in three broad program areas, was designed to preserve the environment, revitalize communities, and improve education and economic competitiveness. To stimulate private, nonprofit and government involvement, many programs have dollar match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community.

A total of \$440.9 million has been appropriated over the past four years – \$324.9 million of funds under the original Twenty-First Century Fund, in addition to \$116.0 million of Infrastructure Investment Plan funds (the Plan was created in FY99 as explained below) – as reflected on the attached chart. As all expected payments have been received from New York, future appropriations, if any, will be made from State General Funds and from the interest earnings on unspent Twenty-First Century Fund balances.

The Infrastructure Investment Plan was created through the FY99 Bond and Capital Improvements Act (House Bill 750, 139th General Assembly) with \$116.0 million of General Funds to continue funding certain Twenty-First Century Fund initiatives over the ensuing three fiscal years. The Plan was composed of a Growth Management Fund (\$69.0 million) designed to complement State and county land goals by directing investments in existing communities and growth areas, and by protecting critical farmland and open space from urban sprawl. An additional \$47.0 million was allocated to certain other economic development and educational initiatives. Of the total, \$78.0 million was appropriated for expenditure in FY99, \$24.0 million for expenditure in FY00 and \$14.0 million for expenditure in FY01. For purposes of this report, both funding sources are considered in aggregate under the Twenty-First Century Fund.

The following is a summary of total appropriations to date in the Twenty-First Century Fund (including the Infrastructure Investment Plan) under the three major program areas:

PRESERVE THE ENVIRONMENT

Open Space – A total of \$89.0 million has been appropriated to fund property acquisitions approved by the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects. Nearly 29,000 acres of threatened open spaces have been acquired to date with this funding.

Farmland Preservation – A total of \$65.0 million has been appropriated

to preserve farmland and protect the State's important agriculture industry. Delaware now ranks first nationally in the percentage of land permanently preserved for agricultural purposes, due largely to the Twenty-First Century Fund appropriations for Farmland Preservation. Delaware's efforts were recognized last year by the American Farmland Trust, a national farmland conservation group.

Parks Endowment – A total of \$15.0 million has been appropriated to fund a permanent Parks endowment, the interest earnings on which are used to improve the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization – A total of \$23.0 million has been appropriated to date – \$15.0 million to create a revolving loan program targeted for the rehabilitation of existing neighborhoods, and \$8.0 million to bolster efforts of the Housing Development Fund to provide critical improvements to the State's housing infrastructure, finance new affordable housing in growth areas, and leverage additional non-State sources to supplement existing efforts.

Water/Wastewater Infrastructure – A total of \$50.3 million has been appropriated to meet the State's water and wastewater infrastructure needs, support responsible economic development, and preserve clean water supplies.

Resource Conservation and Development – A total of \$29.2 million has been appropriated to enhance the health of communities by ameliorating watershed and drainage issues statewide.

Community Redevelopment – A total of \$47.9 million has been appropriated for capital investment projects to revitalize communities.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Education Technology – A total of \$43.0 million has been appropriated to bring computer and telecommunication technology to the schools, preparing children for the 21st century workforce. As a result, Delaware became the first state in the nation to have every public school classroom wired for computers.

Advanced Technology Centers – A total of \$15.0 million has been appropriated to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century.

Port of Wilmington – A total of \$49.5 million has been appropriated to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

Riverfront Development Corporation – Added to the program under the Infrastructure Investment Plan in FY99 with an appropriation of \$14.0 million, the RDC is engaged in revitalizing the riverfront area of the State's largest city, the City of Wilmington.

The ensuing report provides a brief description and status update of each program of the Twenty-First Century Fund, and the members of the advisory council or committee responsible therefor. The relevant portion of the FY00 Bond and Capital Improvements Act that appropriated funding for the current fiscal year is included in the Appendix.

The first four editions of the Twenty-First Century Fund Annual Report, which describe annual activities from inception of the program in July 1995 through May 1999, are available upon request from the State Department of Finance. This document will be available over the Internet at www.state.de.us/finance.

Attachment

Funding Summary

**Twenty-First Century Fund
Funding Summary
(\$ in millions)**

PROGRAMS	Original \$220M Plan	Appropriations				FY99		FY00		Future Appr. FY01 IIP(1)	Total Available To Date	Total Appropriations To Date
		FY96	FY97	FY98	21st Cent.	IIP(1)	21st Cent.	IIP(1)				
Environment												
Open Space	40.0	12.0	14.0	7.0	7.0	18.0	23.0	8.0	0.0	89.0	89.0	
Farmland Preservation	40.0	12.0	14.0	7.0	7.0	5.0	5.0	8.0	7.0	58.0	65.0	
Parks Endowment	15.0	9.0	3.0	1.0	2.0	0.0	0.0	0.0	0.0	15.0	15.0	
Communities												
Neighborhood Revitalization/HDF	15.0	5.0	5.0	0.0	0.0	3.0	0.0	3.0	2.0	23.0	23.0	
Water/Wastewater	25.0	10.0	10.0	0.3	0.0	15.0	10.0	0.0	0.0	50.3	50.3	
Resource Conservation & Development	0.0	5.0	5.0	7.0	0.0	0.0	7.0	0.0	0.0	29.2	29.2	
Community Development	15.0	8.0	10.9	6.0	11.0	0.0	12.0	0.0	0.0	47.9	47.9	
Education/Economic Competitiveness												
Education Technology	30.0	10.0	12.0	4.0	4.0	3.0	0.0	5.0	5.0	38.0	43.0	
Advanced Technology Centers	15.0	3.0	6.0	2.0	4.0	0.0	0.0	0.0	0.0	15.0	15.0	
Diamond State Port Corporation	25.0	29.5	0.0	0.0	0.0	20.0	0.0	0.0	0.0	49.5	49.5	
Riverfront Development Corporation	0.0	0.0	0.0	0.0	0.0	14.0	0.0	0.0	0.0	14.0	14.0	
Total	220.0	108.7	79.9	37.3	42.0	78.0	57.0	24.0	14.0	426.9	440.9	

(1) IIP is the Infrastructure Investment Plan created in FY99 under the Twenty-First Century Fund.

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

Twenty-First Century Fund monies continue the State's efforts to preserve and protect valuable open space throughout the State through two programs. The Open Space Program coordinates the acquisition of various state lands: parks, fish and wildlife areas, forests, nature preserves, and cultural sites. The Delaware Land and Water Conservation Trust Fund Program provides funding assistance to municipalities and counties for the protection of parks and greenway corridors and the development of outdoor recreation facilities.

Open Space Program

Recognizing the need to preserve and protect open space from the spread of urban development, the General Assembly enacted the Delaware Land Protection Act of 1990. The legislation provided the means to:

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitats;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands;
- (3) provide for public outdoor recreation and enhance water resource conservation.

The legislation also created the Open Space Council, charged with establishing a system to review and recommend land purchases and conservation easements to further State land protection efforts, as well as to promote and assist in the development and establishment of innovative and creative methods to secure open space – working in conjunction with private and nonprofit organizations dedicated to the same task.

Since July 1990, the Open Space Program has protected 28,679 acres statewide. Annual expenditures have averaged over \$12.3 million. To encourage participation from private and nonprofit sources and to maximize the amount of open space protected, the Twenty-First Century Fund legislation requires matching contributions of at least 1 (non-State) to 1 (State) ratio for the purchase of land and conservation easements. Match is defined as donations of land, cash, conservation easements and/or acquisitions by and to recognized nonprofit conservation organizations and/or the State.

Land & Water Conservation Trust Fund Program

To promote local involvement in preserving open space and to provide outdoor recreational opportunities, the Twenty-First Century Fund provided funds to increase the corpus of the Land and Water Conservation Trust Fund Endowment Account. Changes to the Realty Transfer Tax law enacted in FY99 authorized the transfer of \$7.0 million annually to the Endowment Account until such time as the Endowment Account reaches \$60.0 million. The Endowment Account currently totals \$38.4 million. On June 30, 2000, an additional \$7.0 million will be transferred to the fund, at which time the Endowment will total \$45.4 million.

Interest earnings on the Endowment Account fund two programs. Half of the interest generated from the Endowment Account funds municipal and county grants for park acquisition and development projects, as approved by the Open Space Council, and the remaining half funds greenway corridor acquisitions and trail development projects approved by the Council on Greenways and Trails. Grants are awarded on a competitive basis. Under the Delaware Land and Water Conservation Trust Fund Act of 1991, grant projects require a 50 percent matching contribution from local governments or local park districts.

PROGRAM PERFORMANCE:

Open Space Program

The FY00 Bond and Capital Improvements Act appropriated \$23.0 million from the Twenty-First Century Fund for the purchase of additional open space. In addition, the FY99 Bond and Capital Improvements Act appropriated \$8.0 million from the Infrastructure Investment Plan available for expenditure in FY00. A total of \$89.0 million has been provided to date from the Twenty-First Century Fund for the purchase of open space statewide.

From July 1999 through May 2000, the Open Space Program protected 8,532 additional acres at a cost of \$27.7 million. A total of 20 properties were protected in the following state resource areas: Blackbird, Brandywine Creek, Cape Henlopen, Christina River, Ellendale/Redden, James Branch, Lower Delaware River, St. Jones, Upper Delaware River, White Clay Creek, and one stand-alone site. Matching funds total \$63.7 million to date, as reflected in the chart attached hereto.

Greenway and Park Grants

The Endowment Account will total \$45.4 million on June 30, 2000, as noted above. Since the first Trust Fund grants were awarded in 1988, 27 Delaware communities and two counties have received over \$8.9 million for park and greenway projects. Over \$14.0 million of local or other funds were provided by project sponsors to match Trust Fund grants. During FY99, the Trust Fund generated \$1.4 million in interest. Eighteen (18) park and greenway grant projects were awarded during FY99. The application deadline

for FY00 grants is June 9, 2000.

Attachments

- List of Eligible Match
- Open Space Council
- Council on Greenways and Trails

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 3/21/00)**

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
Conservation Easements					
May, J. Eric	Brandywine Conservancy	Brandywine Creek	10/31/95	5.957	115,000.00
duPont, Jr., Irene	Brandywine Conservancy	Brandywine Creek	12/28/95	4.200	91,980.00
Coverdale, Roland L.	DNREC	Millford Neck	01/29/96	15.000	8,250.00
Leitzinger	DNREC	Bombay Hook	05/27/97	9.4744	46,425.00
Sharp - Shaw	Department of State - HCA	Stand-Alone	06/30/97	1.25	686.80
Delaware Nature Society - Flint House	DNREC	Stand-Alone	07/18/97	5.271	52,710.00
Musumeci	DNREC	Stand-Alone	09/19/97	11.587	318,642.50
Silliman	Preservation Delaware, Inc.	Brandywine Creek	09/26/97	10.71	195,000.00
Scott	North American Land Trust	Stand-Alone	12/23/97	2.455	171,500.00
Garstin	Brandywine Conservancy	Stand-Alone	12/26/97	22.322	385,000.00
Mortenson	Preservation Delaware, Inc.	White Clay Creek	12/26/97	1.0672	60,000.00
Mortenson	Delaware Nature Society	White Clay Creek	12/26/97	5.4974	50,000.00
Silliman	Delaware Nature Society	Brandywine Creek	12/29/97	14.041	220,000.00
Archer	Nanticoke River Watershed	Stand-Alone	12/30/97	44.373	35,500.00
The Nature Conservancy - Bull's Eye Ferry Landing	The Nature Conservancy	Inland Bays	12/31/97	154.33	269,868.00
Thwaite	DNREC	Blackbird	01/07/98	23.34	58,350.00
Gulf Stream	DNREC	Great Cypress Swamp	03/08/98	50.35	70,000.00
Pettit	DNREC	Inland Bays	04/02/98	2.2544	85,000.00
Delaware Nature Society - Rudin	DNREC	Stand-Alone	04/24/98	12.994	357,335.00
Charles H. West Farms, Inc.	DNREC	Millford Neck	07/23/98	196.3515	471,243.60
Chapel Branch	Nanticoke River Watershed	Nanticoke River	12/15/98	190.00	600,000.00
duPont, Jr., Irene - Granogue	Brandywine Conservancy	Brandywine Creek	12/17/98	166.700	4,995,000.00
Flint	Delaware Nature Society	Stand-Alone	12/23/98	44.04	1,210,000.00
*Frederick	Delaware Nature Society	Red Clay	04/12/99	11.00	600,000.00
Zober	DNREC	Stand-Alone	08/06/99	41.34	100,000.00
Nemours Foundation	DNREC	Brandywine Creek	11/04/99	70.36	6,175,736.00
*Layton Family Tract	The Nature Conservancy	Prime Hook	12/30/99	5.25	390,000.00

Donations							
Kersey, G.	DNREC - Fish & Wildlife	Central Kent	07/19/95	6.250	3,750.00		
Kersey, G.	DNREC - Fish & Wildlife	Central Kent	07/19/95	8.250	10,106.25		
Kersey, O.	DNREC - Fish & Wildlife	Central Kent	08/25/95	6.250	3,750.00		
Delmarva Capital Realty - Riveredge	DNREC - Parks & Rec.	Upper DE River	09/01/95	29.234	14,500.00		
DuPont Company - Louviers	DNREC - Parks & Rec.	White Clay Creek	12/15/95	386.560	8,350,000.00		
DuPont, Jr., S.H. - I	DNREC - Parks & Rec.	White Clay Creek	12/22/95	1.187	110,000.00		
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	01/12/96	10.740	5,370.00		
Warnell	DNREC - Fish & Wildlife	Primehook	01/25/96	9.940	46,500.00		
Brown - Masseys Millpond	DNREC - Fish & Wildlife	Stand-Alone	12/31/96	40.170	44,187.00		
Piney Point, Inc.	DNREC - Fish & Wildlife	Inland Bays	10/04/96	6.900	5,175.00		
Naval Reserve	DNREC - Parks & Rec.	Cape Henlopen	10/08/96	16.800	2,300,000.00		
PNC Bank - Wilson	DNREC - Fish & Wildlife	Stand-Alone	12/03/96	35.975	170,950.00		
Bancroft-Bredin	Delaware Nature Society	Red Clay Creek	02/25/97	2.775	1,000.00		
Sharp - Gibraltar	Preservation Delaware, Inc.	Stand-Alone	06/30/97	6.110	850,000.00		
Bestfield Builders - Riveredge II	DNREC - Parks & Rec.	Upper DE River	08/18/97	14.066	2,967.50		
DuPont, G.E.	Delaware Nature Society	Stand-Alone	09/05/97	12.610	230,000.00		
Phillips/Wilson	DNREC - Fish & Wildlife	Primehook	12/19/97	29.015	26,113.50		
Marshall	Delaware Nature Society	Stand-Alone	12/30/97	74.740	3,250,000.00		
Picho-Flint	Delaware Nature Society	Stand-Alone	02/06/98	2.300	157,000.00		
Old Kennett Foundation - Coverdale Farm	Delaware Nature Society	Red Clay Creek	06/17/98	229.700	11,500,000.00		
*Polkhill Island	The Nature Conservancy	Inland Bays	12/18/98	12.10	215,000.00		
River Gardens, Inc.	DNREC - Parks & Rec.	Brandywine Creek	12/23/98	12.1894	2,800,000.00		
Pepper Homestead	Preservation Delaware	Stand-Alone	12/31/98	5.00	315,000.00		

Bargain Sales

Muller	DNREC - Fish & Wildlife	Milford Neck	08/09/95	1559,432	414,716.00
Potomac MACO L.P. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	09/26/95	475,050	75,000.00
Mohr & Dugan, Inc.	DNREC - Parks & Rec.	C & D Canal	12/04/95	.206	5,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	Inland Bays	01/12/96	90,060	340,000.00
Dayett Mills, Inc.	Dept of State - HCA	Christina River	01/16/96	31,960	199,000.00
duPont, Jr., S.H. - II	DNREC - Parks & Rec.	White Clay Creek	01/16/96	190,814	1,400,000.00
C & T Farms	DNREC - Fish & Wildlife	Lower DE River	02/01/96	283,460	62,000.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Inland Bays	02/28/96	258,530	40,000.00
Mt. Pleasant Church	DNREC - Parks & Rec.	Upper DE River	04/16/96	1,182	50,000.00
The Nature Conservancy - Short	DNREC - Parks & Rec.	Inland Bays	04/22/96	106,790	30,000.00
Bethany Pines L.P.	DNREC - Parks & Rec.	Inland Bays	06/07/96	19,980	93,000.00
Stallings	DNREC - Parks & Rec.	Upper Murderkill	08/28/96	36,497	36,000.00
Industrial Park Trust - Alapocas	DNREC - Parks & Rec.	Brandywine Creek	09/27/96	33,300	540,000.00
Short - Muddy Neck	DNREC - Fish & Wildlife	Inland Bays	03/03/97	85,100	42,000.00
Conner	Dept of State - HCA	St. Jones River	07/29/97	95.44	12,000.00
Gray Farm	DNREC - Fish & Wildlife	Milford Neck	10/03/97	232,9754	138,586.36
Hurley	DNREC - Fish & Wildlife	Nanticoke River	01/16/98	169.06	214,721.25
Hollingsworth	DNREC - Fish & Wildlife	Inland Bays	04/29/98	170,3295	20,000.00
Sea & Pines Partnership	DNREC - Parks & Rec.	Inland Bays	04/29/98	143.59	50,100.00
Glasgow Farms, L.L.C.	DNREC - Parks & Rec.	Christina River	05/27/98	200.47	1,900,000.00
Sniadowski	DNREC - Parks & Rec.	Christina River	11/16/98	105.25	1,400,000.00
Marsch	Dept. of Ag - Forestry	Ellendale/Redden	12/30/98	96.05	45,700.00
Reynolds	Dept. of Ag - Forestry	Blackbird	04/12/99	395.00	101,985.05
Townsend - Dodd	DNREC - Parks & Rec.	Cape Henlopen	05/03/99	642.3507	243,275.00
*D.B. Thompson	DNREC - Parks & Rec.	Cape Henlopen	12/30/99	12.70	1,500.00
*Conservation Fund - Chesapeake	DNREC - Fish & Wildlife	Stand Alone	1/28/00	4581.00	1,900,000.00

MATCH REQUIREMENT FOR FY96 21 ST CENTURY FUND APPROPRIATION (\$6,000,000)	-3,000,000.00
MATCH REQUIREMENT FOR FY97 21 ST CENTURY FUND APPROPRIATION (\$14,000,000)	-14,000,000.00
MATCH REQUIREMENT FOR FY98 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)	-7,000,000.00
MATCH REQUIREMENT FOR FY99 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)	-7,000,000.00
MATCH REQUIREMENT FOR FY2000 INFRASTRUCTURE INVESTMENT PLAN APPROPRIATION (\$18,000,000)	-8,000,000.00
MATCH REQUIREMENT FOR FY2000 INFRASTRUCTURE INVESTMENT PLAN APPROPRIATION (\$8,000,000)	-8,000,000.00
EXCESS MATCH AVAILABLE	-13,500,000.00
	3,199,048.61

***New Projects**

- Conservation Easements = unrestricted fair market value minus restricted value
- Donations = fair market value
- Bargain Sales = appraised value minus purchase price
- Other Purchases = value of lands acquired with nonstate funds

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Twenty-First Century Fund ANNUAL REPORT

*RESOURCE CONSERVATION & DEVELOPMENT
RIVERFRONT DEVELOPMENT CORPORATION
WATER & WASTEWATER INFRASTRUCTURE
DIAMOND STATE PORT CORPORATION
ADVANCED TECHNOLOGY CENTERS
NEIGHBORHOOD REVITALIZATION
COMMUNITY REDEVELOPMENT
FARMLAND PRESERVATION
EDUCATION TECHNOLOGY
PARKS ENDOWMENT
OPEN SPACE*

SIXTH EDITION
JUNE 2001



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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June 22, 2001

Members, Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19901

Dear Members:

I am pleased to submit the sixth edition of the Twenty-First Century Fund Annual Report as required by Senate Bill No. 260 of the 138th General Assembly. This report describes the activity during Fiscal Year 2001 and to date in the ten programs that comprise the Twenty-First Century Fund. The report is meant to provide policymakers an opportunity to review the programs' achievements.

If I can provide further information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "David W. Singleton".

David W. Singleton
Secretary of Finance

cc: Russell T. Larson, Controller General
Pete Ross, Budget Director

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TWENTY-FIRST CENTURY FUND OVERVIEW

The State of Delaware has invested nearly \$490.0 million over the past six years in a unique capital investment program – the Twenty-First Century Fund. This annual report will provide the history, funding and status of the Twenty-First Century Fund and each of the programs that comprise it.

As a result of a \$220.0 million legal settlement in the mid-1990's, the State had an unprecedented opportunity to use one-time monies to make critical long-term investments to meet the economic challenges of the next century. Recognizing this opportunity to ensure that Delaware remains an attractive place to live and do business, Governor Carper and the General Assembly created the Twenty-First Century Fund (hereinafter, together with its companion program – the Infrastructure Investment Plan – referred to as the "Fund") to invest in the State's infrastructure and foster public-private partnerships to leverage additional resources. Over the ensuing years, the State has added millions of additional dollars to this program to continue to make wise investments in Delaware's future.

The Fund was established with the following guiding principles:

- Fund long-term capital investments, not operating expenditures or personnel, over the next ten years.
- Utilize existing funding structures (avoiding additional bureaucracy) and develop new ones -- i.e., endowments and loan programs to provide an on-going source of funds.
- Leverage monies to maximize private and public sector leadership and investment.
- Establish clear guidelines for program expenditures, consistent with policies of the Cabinet Committee on State Planning Issues.

The impetus for the Twenty-First Century Fund was a Supreme Court decision in March 1993 in the Delaware v. New York case which affirmed Delaware's right to collect abandoned property ("escheat") held by Delaware incorporated brokers. As a result of the Court's decision, Delaware and New York reached a settlement whereby Delaware would receive \$220.0 million over a five-year period. In early 1994, through Senate Bill No. 288 of the 137th General Assembly, the General Assembly created the Twenty-First Century Fund which authorized the Secretary of Finance to deposit proceeds from the settlement in the Fund.

The investment strategy for the Fund was outlined in the FY96 Bond and Capital Improvements Act (Senate Bill No. 260, 138th General Assembly). Additional appropriations were made through subsequent years' capital budgets. The strategy, contained in ten programs in three broad program areas, was designed to preserve the environment, revitalize communities, and improve education and economic competitiveness. To stimulate private, nonprofit and government involvement, many programs have dollar match requirements and/or loan programs to leverage monies from foundations, local governments, the federal government and the business community.

A total of \$486.9 million has been appropriated over the past six years – including \$116.0 million of Infrastructure Investment Plan funds (the Plan was created in FY99 as explained below) – as reflected on the attached chart. As all expected payments have been received from New York, future appropriations, if any, will be made from State General Funds and from the interest earnings on unspent Twenty-First Century Fund balances.

The Infrastructure Investment Plan was created through the FY99 Bond and Capital Improvements Act (House Bill 750, 139th General Assembly) with \$116.0 million of General Funds to continue funding certain Twenty-First Century Fund initiatives over the ensuing three fiscal years. The Plan was composed of a Growth Management Fund (\$69.0 million) designed to complement State and county land goals by directing investments in existing communities and growth areas, and by protecting critical farmland and open space from urban sprawl. An additional \$47.0 million was allocated to certain other economic development and educational initiatives. Of the total, \$78.0 million was appropriated for expenditure in FY99, \$24.0 million for expenditure in FY00 and \$14.0 million for expenditure in FY01. For purposes of this report, both funding sources are considered in aggregate under the Twenty-First Century Fund.

The following is a summary of total appropriations to date in the Twenty-First Century Fund (including the Infrastructure Investment Plan) under the three major program areas:

PRESERVE THE ENVIRONMENT

Open Space – A total of \$104.0 million has been appropriated to fund property acquisitions approved by the Open Space Council, protecting the State's natural resources and providing funds for Greenways and local development projects.

Farmland Preservation – A total of \$72.0 million has been appropriated to preserve farmland and protect the State's important agriculture industry. The Foundation has purchased development rights on nearly 61,000 acres to date. A total of 274 farms have been permanently preserved, and the \$1,013 average per acre cost of development rights is

the lowest in the region.

Parks Endowment – A total of \$15.0 million has been appropriated to fund a permanent Parks endowment, the interest earnings on which are used to improve the quality of the State's parks and outdoor recreational facilities.

REVITALIZE COMMUNITIES

Neighborhood Revitalization – A total of \$23.0 million has been appropriated to date – \$15.0 million to create a program targeted for the rehabilitation of existing neighborhoods, and \$8.0 million to bolster efforts of the Housing Development Fund to provide critical improvements to the State's housing infrastructure, finance new affordable housing in growth areas, and leverage additional non-State sources to supplement existing efforts.

Water/Wastewater Infrastructure – A total of \$60.3 million has been appropriated to meet the State's water and wastewater infrastructure needs, support responsible economic development, and preserve clean water supplies. To date, \$27 million has been loaned or granted to enhance public and private water and wastewater facilities.

Resource Conservation and Development – A total of \$34.2 million has been appropriated to enhance the health of communities by ameliorating watershed and drainage issues statewide. To date, 347 projects have been completed and 50 others are either ready for or under construction. An additional 266 projects are in various stages of planning or design.

Community Redevelopment – A total of \$56.9 million has been appropriated for capital investment projects to revitalize communities. To date, 251 projects have been funded.

IMPROVE EDUCATION AND ECONOMIC COMPETITIVENESS

Education Technology – A total of \$43.0 million has been appropriated to bring computer and telecommunication technology to the schools, preparing children for the 21st century workforce. As a result, Delaware became the first state in the nation to have every public school classroom wired for computers.

Advanced Technology Centers – A total of \$15.0 million has been appropriated to support applied and basic research to attract and retain high-tech jobs in Delaware for the next century. To date, five centers were awarded funding. By April 2001, almost \$11.0 million dollars in state funds had been expended on all five centers. In addition, the centers successfully brought in over \$9.3 million dollars in federal grant funds from

other sources.

Port of Wilmington – A total of \$49.5 million has been appropriated to acquire the Port and invest in capital improvements to ensure that the Port remains a world-class shipping operation.

Riverfront Development Corporation – Added to the program under the Infrastructure Investment Plan in FY99 with an appropriation of \$14.0 million, the RDC is engaged in revitalizing the riverfront area of the State's largest city, the City of Wilmington. Eleven capital projects were financed in part with Twenty-First Century Funds.

The ensuing report provides a brief description and status update of each program of the Twenty-First Century Fund, and the members of the advisory council or committee responsible therefor. The relevant portion of the FY01 Bond and Capital Improvements Act that appropriated funding for the current fiscal year is included in the Appendix.

The first five editions of the Twenty-First Century Fund Annual Report, which describe annual activities from inception of the program in July 1995 through May 2000, are available upon request from the State Department of Finance. This document will be available over the Internet at www.state.de.us/finance.

Attachment
Funding Summary

25-0101-8600

**Twenty-First Century Fund
Appropriations Summary
(\$ in millions)**

PROGRAMS	Original \$20M Plan	Appropriations						FY01 21st Cent.	IIP(1)	Total Appropriations To Date
		FY96	FY97	FY98	FY99 21st Cent.	FY00 21st Cent.	IIP(1)			
Environment										
40-0604 Open Space	40.0	12.0	14.0	7.0	7.0	18.0	23.0	8.0	104.0	
65-0107 Farmland Preservation	40.0	12.0	14.0	7.0	7.0	5.0	5.0	8.0	72.0	
40-0604 Parks Endowment	15.0	9.0	3.0	1.0	2.0	0.0	0.0	0.0	15.0	
Communities										
10-0304 Neighborhood Revitalization/HDF	15.0	5.0	5.0	5.0	0.0	3.0	0.0	3.0	23.0	
40-0801 Water/Wastewater	25.0	15.0	10.0	0.3	0.0	15.0	10.0	0.0	60.3	
40-0702 Resource Conservation & Development	0.0	5.2	5.0	5.0	7.0	0.0	7.0	0.0	34.2	
10-0201 Community Development	15.0	8.0	10.9	6.0	10.0 (2)	0.0	12.0	0.0	56.9	
Education/Economic Competitiveness										
95-0701 Education Technology	30.0	10.0	12.0	4.0	4.0	3.0	0.0	5.0	43.0	
10-0303 Advanced Technology Centers	15.0	3.0	6.0	2.0	4.0	0.0	0.0	0.0	15.0	
20-0101 Diamond State Port Corporation	25.0	29.5	0.0	0.0	0.0	20.0	0.0	0.0	49.5	
Riverfront Development Corporation	0.0	0.0	0.0	0.0	0.0	14.0	0.0	0.0	14.0	
Total	220.0	108.7	79.9	37.3	41.0	78.0	57.0	24.0	486.9	

(1) IIP is the Infrastructure Investment Plan created in FY99 under the Twenty-First Century Fund.
 (2) Reflects the reprogramming of \$1.0 million from prior year.

TWENTY-FIRST CENTURY FUND ANNUAL REPORT

OPEN SPACE

PROGRAM:

Two programs which preserve and protect valuable open space throughout the state, the Open Space Program and the Delaware Land and Water Conservation Trust Fund Program, have received Twenty-First Century Fund appropriations. The Open Space Program coordinates the acquisition of various state lands including: parks, fish and wildlife areas, forests, nature preserves, and cultural sites. The Delaware Land and Water Conservation Trust Fund Program provides funding assistance to municipalities and counties for the protection of parks and greenway corridors and for the development of outdoor recreation facilities.

Open Space Program

Recognizing the need to preserve and protect open space from the spread of urban and suburban development, the General Assembly enacted the Delaware Land Protection Act of 1990. The legislation provided the means to:

- (1) protect and conserve all forms of natural and cultural resources, including the biological diversity of plants and animals and their habitats;
- (2) protect existing or planned parks, forests, wildlife areas, nature preserves or other recreation, conservation or cultural sites by controlling the use of contiguous or nearby lands; and,
- (3) provide for public outdoor recreation and enhance water resource conservation.

The legislation also created the Open Space Council. The Council is charged with establishing a system to review and recommend land purchases and conservation easements to further State land protection efforts. Also, the Council promotes and assists in the development and establishment of innovative and creative methods to secure open space, including working in conjunction with private and nonprofit organizations dedicated to the same task.

Since July 1990, the Open Space Program protected 33,849 acres statewide. Annual expenditures have averaged over \$13.5 million. To encourage participation from private and nonprofit sources and to maximize the amount of open space protected, the Twenty-First Century Fund legislation requires matching contributions of at least a 1 (non-State) to 1 (State) ratio for the purchase of land and conservation easements. Match is defined as donations of land, cash, conservation easements and/or acquisitions by and to recognized nonprofit conservation organizations.

Land & Water Conservation Trust Fund Program

To promote local involvement in preserving open space and to provide outdoor recreational opportunities, the Twenty-First Century Fund provided funds to increase the corpus of the Land and Water Conservation Trust Fund Endowment Account. Changes to the Realty Transfer Tax law enacted in FY99 authorized the transfer of \$7.0 million annually to the Endowment Account until such time as the Endowment Account reaches \$60.0 million. The Fiscal Year 2001 Bond and Capital Improvements Act altered this funding stream, appropriating \$3.0 on June 30, 2001 into the Endowment Account, instead of \$7.0 million. In February 2001, the Bond Bill was amended to change the date of the funding ratio change retroactively to June 30, 2000. The net result was that the Endowment Account received \$3.0 million and the Project Account for open space acquisitions received \$7.0 million. The Endowment Account currently totals \$41.4 million.

Interest earnings on the Endowment Account fund two programs. Half of the interest generated from the Endowment Account funds municipal and county grants for park acquisition and development projects, as approved by the Open Space Council, and the remaining half funds greenway corridor acquisitions and trail development projects approved by the Council on Greenways and Trails. Grants are awarded on a competitive basis. Under the Delaware Land and Water Conservation Trust Fund Act of 1991, grant projects require a 50 percent matching contribution from local governments or local park districts.

PROGRAM PERFORMANCE:

Open Space Program

The FY01 Bond and Capital Improvements Act appropriated \$15.0 million from the Twenty-First Century Fund for the purchase of additional open space. A total of \$104.0 million has been provided to date from the Twenty-First Century Fund for the purchase of open space statewide.

From July 2000 through May 2001, the Open Space Program protected 8,562 additional acres at a cost of \$22.7 million. A total of 15 projects resulted in the protection of conservation lands in the following state resource areas: Blackbird, Cape Henlopen, Ellendale/Redden, Inland Bays, Nanticoke River, White Clay Creek, and two stand-alone sites. Matching funds total \$70.3 million to date, as reflected in the attached chart.

Land and Water Conservation Trust Fund

The Endowment Account will total \$48.4 million on June 30, 2001, as noted above. Since the first Trust Fund grants were awarded in 1988, 30 Delaware communities and two counties have received over \$10.2 million for park and greenway projects. Over \$17.0 million of local or other funds were provided by project sponsors to match Trust Fund

grants. During FY00, the Trust Fund generated \$1.3 million in interest. Sixteen (16) park and greenway grant projects were awarded during FY00. The application deadline for FY01 grants is June 1, 2001.

Attachments

List of Eligible Match
Open Space Council
Council on Greenways and Trails

**TWENTY FIRST CENTURY
and
INFRASTRUCTURE INVESTMENT PLAN
MATCH TABLE
(7/1/95 - 3/6/01)**

PROJECT TYPE/NAME	OWNERSHIP/GRANTEE	SRA	DATE	ACRES	MATCH VALUE
<u>Conservation Easements</u>					
May, J. Eric	Brandywine Conservancy	Brandywine Creek	10/31/95	5.957	115,000.00
duPont, Jr., Irene	Brandywine Conservancy	Brandywine Creek	12/28/95	4.200	91,980.00
Coverdale, Roland L.	DNREC	Milford Neck	01/29/96	15.000	8,250.00
Leitzinger	DNREC	Bombay Hook	05/27/97	9.4744	46,425.00
Sharp - Shaw	Department of State - HCA	Stand-Alone	06/30/97	1.25	686.80
Delaware Nature Society - Flint House	DNREC	Stand-Alone	07/18/97	5.271	52,710.00
Musumeci	DNREC	Stand-Alone	09/19/97	11.587	318,642.50
Silliman	Preservation Delaware, Inc.	Brandywine Creek	09/26/97	10.71	195,000.00
Scott	North American Land Trust	Stand-Alone	12/23/97	2.455	171,500.00
Garstin	Brandywine Conservancy	Stand-Alone	12/26/97	22.322	385,000.00
Mortenson	Preservation Delaware, Inc.	White Clay Creek	12/26/97	1.0672	60,000.00
Mortenson	Delaware Nature Society	White Clay Creek	12/26/97	5.4974	50,000.00
Silliman	Delaware Nature Society	Brandywine Creek	12/29/97	14.041	220,000.00
Archer	Nanticoke River Watershed	Stand-Alone	12/30/97	44.373	35,500.00
The Nature Conservancy - Bull's Eye Ferry Landing	The Nature Conservancy	Inland Bays	12/31/97	154.33	269,868.00
Thwaite	DNREC	Blackbird	01/07/98	23.34	58,350.00
Gulf Stream	DNREC	Great Cypress Swamp	03/08/98	50.35	70,000.00

Pettit									
Delaware Nature Society - Rudin	DNREC	Inland Bays	04/02/98	2.2544	85,000.00				
Charles H. West Farms, Inc.	DNREC	Stand-Alone	04/24/98	12.994	357,335.00				
Chapel Branch	DNREC	Milford Neck	07/23/98	196.3515	471,243.60				
duPont, Jr., Irene - Granogue	Nanticoke River Watershed	Nanticoke River	12/15/98	190.00	600,000.00				
Flint	Brandywine Conservancy	Brandywine Creek	12/17/98	166.700	4,995,000.00				
Frederick	Delaware Nature Society	Stand-Alone	12/23/98	44.04	1,210,000.00				
Zober	Delaware Nature Society	Red Clay	04/12/99	11.00	600,000.00				
Nemours Foundation	DNREC	Stand-Alone	08/06/99	41.34	100,000.00				
Layton Family Tract	DNREC	Brandywine Creek	11/04/99	70.36	6,175,736.00				
Spruance	The Nature Conservancy	Prime Hook	12/30/99	5.25	390,000.00				
Diffenderffer	Brandywine Conservancy	Stand Alone	12/21/99	23.3931	350,000.00				
Gahagan	Brandywine Conservancy	Brandywine Creek	12/22/99	44.091	840,000.00				
Frederick - Turkey Run Tracts	Brandywine Conservancy	Brandywine Creek	08/05/99	8.101	390,000.00				
*Conservation Fund - Chesapeake II	Delaware Nature Society	White Clay Creek	10/10/00	89.283	700,000.00				
*Mervine	Department of Ag - Forestry	Stand Alone	12/14/00	4,289.00	870,721.00				
*Layton Family Trust	Nanticoke River Watershed	Ellendale/Redden	12/19/00	0	25,500.00				
*Lunger	Con.	Prime Hook	12/22/00	1.300	311,000.00				
*Masten Partners, L.P.	The Nature Conservancy	Stand Alone	12/27/00	2.000	900,000.00				
	Delaware Nature Society	Milford Neck	12/29/00	31.370	126,500.00				
	The Nature Conservancy			101.100					
Donations									
Kersey, G.	DNREC - Fish & Wildlife	Central Kent	07/19/95	6.250	3,750.00				
Kersey, G.	DNREC - Fish & Wildlife	Central Kent	07/19/95	8.250	10,106.25				
Kersey, O.	DNREC - Fish & Wildlife	Central Kent	08/25/95	6.250	3,750.00				
Delmarva Capital Realty - Riveredge	DNREC - Parks & Rec.	Upper DE River	09/01/95	29.234	14,500.00				

DuPont Company - Louviers	DNREC - Parks & Rec.	White Clay Creek	12/15/95	386,560	8,350,000.00
DuPont, Jr., S.H. - I	DNREC - Parks & Rec.	White Clay Creek	12/22/95	1.187	110,000.00
Beach Loans, L.L.C. - Fresh Pond Warnell	DNREC - Parks & Rec.	Inland Bays	01/12/96	10.740	5,370.00
Brown - Masseys Millpond	DNREC - Fish & Wildlife	Primehook	01/25/96	9.940	46,500.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Stand-Alone	12/31/96	40.170	44,187.00
Naval Reserve	DNREC - Fish & Wildlife	Inland Bays	10/04/96	6.900	5,175.00
PNC Bank - Wilson	DNREC - Parks & Rec.	Cape Henlopen	10/08/96	16.800	2,300,000.00
Bancroft-Bredin	DNREC - Fish & Wildlife	Stand-Alone	12/03/96	35.975	170,950.00
Sharp - Gibraltar	Delaware Nature Society	Red Clay Creek	02/25/97	2.775	1,000.00
Bestfield Builders - Riveredge II	Preservation Delaware, Inc.	Stand-Alone	06/30/97	6.110	850,000.00
DuPont, G.E.	DNREC - Parks & Rec.	Upper DE River	08/18/97	14.066	2,967.50
Phillips/Wilson	Delaware Nature Society	Stand-Alone	09/05/97	12.610	230,000.00
Marshall	DNREC - Fish & Wildlife	Primehook	12/19/97	29.015	26,113.50
Picho-Flint	Delaware Nature Society	Stand-Alone	12/30/97	74.740	3,250,000.00
Old Kennett Foundation - Coverdale Farm	Delaware Nature Society	Stand-Alone	02/06/98	2.300	157,000.00
Polkhill Island	Delaware Nature Society	Red Clay Creek	06/17/98	229.700	11,500,000.00
River Gardens, Inc.	The Nature Conservancy	Inland Bays	12/18/98	12.10	215,000.00
Pepper Homestead	DNREC - Parks & Rec.	Brandywine Creek	12/23/98	12.1894	2,800,000.00
*Lefren	Preservation Delaware	Stand-Alone	12/31/98	5.00	315,000.00
	Delaware Nature Society	Red Clay Creek	11/30/00	10.04	300,000.00

Bargain Sales					
Muller					
Potomac MACO L.P. - Fresh Pond	DNREC - Fish & Wildlife	Milford Neck	08/09/95	1559.432	414,716.00
Mohr & Dugan, Inc.	DNREC - Parks & Rec.	Inland Bays	09/26/95	475.050	75,000.00
Beach Loans, L.L.C. - Fresh Pond	DNREC - Parks & Rec.	C & D Canal	12/04/95	.206	5,000.00
Dayett Mills, Inc.	DNREC - Parks & Rec.	Inland Bays	01/12/96	90.060	340,000.00
duPont, Jr., S.H. - II	Dept of State - HCA	Christina River	01/16/96	31.960	199,000.00
C & T Farms	DNREC - Parks & Rec.	White Clay Creek	01/16/96	190.814	1,400,000.00
Piney Point, Inc.	DNREC - Fish & Wildlife	Lower DE River	02/01/96	283.460	62,000.00
Mt. Pleasant Church	DNREC - Fish & Wildlife	Inland Bays	02/28/96	258.530	40,000.00
The Nature Conservancy - Short	DNREC - Parks & Rec.	Upper DE River	04/16/96	1.182	50,000.00
Bethany Pines L.P.	DNREC - Parks & Rec.	Inland Bays	04/22/96	106.790	30,000.00
Stallings	DNREC - Parks & Rec.	Inland Bays	06/07/96	19.980	93,000.00
Industrial Park Trust - Alapocas	DNREC - Parks & Rec.	Upper Murderkill	08/28/96	36.497	36,000.00
Short - Muddy Neck	DNREC - Parks & Rec.	Brandywine Creek	09/27/96	33.300	540,000.00
Conner	DNREC - Fish & Wildlife	Inland Bays	03/03/97	85.100	42,000.00
Gray Farm	Dept of State - HCA	St. Jones River	07/29/97	95.44	12,000.00
Hurley	DNREC - Fish & Wildlife	Milford Neck	10/03/97	232.9754	138,586.36
Hollingsworth	DNREC - Fish & Wildlife	Nanticoke River	01/16/98	169.06	214,721.25
Sea & Pines Partnership	DNREC - Fish & Wildlife	Inland Bays	04/29/98	170.3295	20,000.00
Glasgow Farms, L.L.C.	DNREC - Parks & Rec.	Inland Bays	04/29/98	143.59	50,100.00
Sniadowski	DNREC - Parks & Rec.	Christina River	05/27/98	200.47	1,900,000.00
Maresch	DNREC - Parks & Rec.	Christina River	11/16/98	105.25	1,400,000.00
Reynolds	Dept. of Ag - Forestry	Ellendale/Redden	12/30/98	96.05	45,700.00
Townsend - Dodd	Dept. of Ag - Forestry	Blackbird	04/12/99	395.00	101,985.05
D.B. Thompson	DNREC - Parks & Rec.	Cape Henlopen	05/03/99	642.3507	243,275.00
Conservation Fund - Chesapeake	DNREC - Parks & Rec.	Cape Henlopen	12/30/99	12.70	1,500.00
	DNREC - Fish & Wildlife	Stand Alone	1/28/00	4581.00	1,900,000.00

Townsend - Forestlands Townsend - Forestlands II Townsend - Harley Joseph *Krapf	Dept. of Ag - Forestry Dept. of Ag - Forestry DNREC - Parks & Rec. DNREC - Parks & Rec.	Ellendale/Redden Ellendale/Redden Cape Henlopen White Clay Creek	4/14/00 08/31/00 09/28/00 12/11/00	2164.00 1778.270 5 110.00 11.12	323,000.00 666,951.00 35,000.00 500,000.00
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Other Purchases						
Muller	Delaware Wild Lands	Milford Neck	08/09/95	425.140	415,873.30	
Muller	The Nature Conservancy	Milford Neck	08/09/95	209.943	415,872.30	
PSE & G - Tarburton	DNREC - Fish & Wildlife	Bombay Hook	01/29/96	201.000	325,000.00	
PSE & G - Deakynneville L.P.	DNREC - Fish & Wildlife	Lower DE River	04/19/96	98.558	142,952.60	
Francis	Delaware Wild Lands	Lower DE River	05/20/96	54.000	80,000.00	
Muller II	The Nature Conservancy	Milford Neck	06/04/96	152.900	76,452.50	
PSE & G - Nine Foot Rod & Gun Club, Inc.		Bombay Hook	08/08/96	156.000	191,208.00	
PSE & G - Bradley/Selway	DNREC - Fish & Wildlife	Lower DE River	09/19/96	183.404	403,490.56	
Muller III	DNREC - Fish & Wildlife	Milford Neck	06/09/97	356.000	187,862.00	
Sport Fish Restoration - Masseys Landing	The Nature Conservancy	Inland Bays	04/21/97	4.317	579,490.00	
Stevens	DNREC - Fish & Wildlife	Inland Bays	04/27/97	244.000	902,200.00	
Wilson	The Nature Conservancy	Inland Bays	08/29/97	159.00	500,000.00	
PSE & G - Tuthill	DNREC - Fish & Wildlife	Milford Neck	11/13/97	18.834	10,357.00	
PSE & G - Claggett	DNREC - Fish & Wildlife	Lower DE River	11/15/97	1.515	22,000.00	
Kux	Delaware Wild Lands	Lower DE River	01/08/98	300.00	900,000.00	
PSE & G - Cole	DNREC - Fish & Wildlife	Bombay Hook	10/08/98	221.00	226,597.80	
PSE & G - Holleger	DNREC - Fish & Wildlife	Upper Murderkill	10/14/98	77.00	54,267.30	
PSE & G - Berman	DNREC - Fish & Wildlife	Bombay Hook	11/23/98	223.00	245,575.44	
Rogers	The Nature Conservancy	Nanticoke River	08/13/98	83.36	150,048.00	
Spicer	The Nature Conservancy	Nanticoke River	08/13/98	68.941	110,105.00	
Simpson	Trust for Public Land	Prime Hook	04/23/98	22.363	43,500.00	
Chesapeake Forest Products	The Nature Conservancy	Stand-Alone	03/31/99	451.00	400,000.00	
Jones	The Nature Conservancy	Prime Hook	06/08/99	34.00	295,000.00	
PSE&G - Bonk	DNREC - Fish & Wildlife	St. Jones	05/27/99	96.86	92,017.00	
Simpson		Milford Neck				

<p>PSE & G - Malone Conservation Fund - Chesapeake</p>	<p>The Nature Conservancy DNREC - Fish & Wildlife Delaware Wild Lands</p>	<p>Lower DE River Great Cypress Swamp</p>	<p>12/29/99 07/27/00 10/20/00</p>	<p>37.00 22.50 87.00</p>	<p>30,000.00 125,000.00 137,500.00</p>
<p>PREVIOUSLY APPROVED</p>					<p>67,266,499.61</p>
<p>NEW MATCH</p>					<p>3,033,721.00</p>
<p>TOTAL MATCH</p>					<p>70,300,220.61</p>

MATCH REQUIREMENT FOR FY96 21 ST CENTURY FUND APPROPRIATION (\$6,000,000)	-3,000,000.00
MATCH REQUIREMENT FOR FY97 21 ST CENTURY FUND APPROPRIATION (\$14,000,000)	-14,000,000.00
MATCH REQUIREMENT FOR FY98 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)	-7,000,000.00
MATCH REQUIREMENT FOR FY99 21 ST CENTURY FUND APPROPRIATION (\$7,000,000)	-7,000,000.00
MATCH REQUIREMENT FOR FY2000 INFRASTRUCTURE INVESTMENT PLAN APPROPRIATION (\$18,000,000)	-8,000,000.00
MATCH REQUIREMENT FOR FY2000 BOND BILL APPROPRIATION (\$8,000,000)	-8,000,000.00
MATCH REQUIREMENT FOR FY2001 BOND BILL APPROPRIATION (\$15,000,000)	-13,500,000.00
EXCESS MATCH	-7,361,800.00
	2,438,420.61

*New Projects

Conservation Easements = unrestricted fair market value minus restricted value

Donations = fair market value

Bargain Sales = appraised value minus purchase price

Other Purchases = value of lands acquired with nonstate funds

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