Comparable deal · Colonial Parking + EDiS

Wilmington Transit Center: pitched vs. signed

A 50-year ground lease, $1 rent, and a share that waits 25 years.

Opened May 2020 at Front and Walnut Streets, next to Joseph R. Biden Jr. Station. Ground floor is the DART transfer hub; upper floors are private parking and rental cars. Jed Hatfield cited this 50-year lease when pitching a Rehoboth mobility center.

Parties and what was built

Public side: DelDOT and Delaware Transit Corporation (DART). Private side: Transit Center LLC — Colonial Parking, EDiS Company, and Emory Hill Real Estate Services. Sole qualified bidder. EDiS lists 88,000 square feet, designed by Tevebaugh Architecture. As opened: up to 10 bus bays, rental-car parking, and about 90 public spaces, including two EV chargers. A 2017 concept sheet showed 8 levels and 665 spaces; that program was not built.

Term	2017 public pitch	Signed / as-built (2020)
Lease length	50 years	50-year ground lease (Hatfield; 2017 DelDOT slide)
Ground rent to State	Land leased to the LLC	$1 per year
Who pays to build	LLC $16.5 million; DelDOT $1.5 million cleanup	State paid more than $7 million design/construction plus about $3 million cleanup. Billed as a $10 million project, “state and private funds.”
DART occupancy	DTC pays $50,000/year once open	DART subleases the ground floor from the LLC for $50,000 per year
Public profit share	Revenue sharing begins in year 26	25% of LLC operating income after year 25. A prior draft was 50%; cut because private uses shrank. DART rent excluded. No profit projections.
Parking program	665 spaces, 8 levels; 43 rental spaces	About 90 public spaces (DTC). Colonial lists 220 spaces under Transit Center LLC.

Who keeps the money

The State keeps the land and leases it for $1 a year. DART pays the LLC $50,000 a year to occupy the hall the State helped fund, and that rent is carved out of the sharing base. The public upside is a residual that does not start until year 26.

Years	Transit Center LLC	State / DART
1–25	100% of operating income, plus the $50,000 DART rent	$1 ground rent. DART pays $50,000; no share of income.
26–50	75% of operating income, plus 100% of the DART rent	25% of operating income. DART rent excluded. No floor or projection.

Why it matters for a City Hall garage

Same sponsors, same pitch shape: public land, private design-build-finance-operate, “no public debt,” share of income later. On this deal the public capital share grew, the private program shrank, the split was cut from 50 percent to 25 percent, and sharing was deferred 25 years — with no floor rent and no published pro forma. Early talk of sharing in year 10 or 15 became a fixed year-26 start. A Rehoboth term sheet should define NOI before debt service and affiliate fees, keep rate control, set a handback condition, and require a minimum annual payment that does not wait a quarter-century.

Figures are from a DelDOT briefing slide (August 2017), Delaware Online (May 22, 2020), the DTC opening release, and the EDiS project page — not the executed lease. Space counts differ by source (90 public vs. 220 managed).