

THE TRUTHLINE NETWORK

MEMORANDUM

Twenty Years, One Councilman: The George Smiley File

The Tax Court Record, the Property Chain, and the Questions Nobody Has Asked

Companion Document to “The Quiet Dismantling of Delaware’s Democratic Guardrails”

FROM: Karen Hartley-Nagle, President of New Castle County Council, 2016 to 2024

DATE: March 10, 2026

RE: Councilman George Smiley, District 7; the Ferrara-Stoltz development chain; T.C. Memo. 2024-59

PURPOSE: To assemble in one document every documented act by Councilman George Smiley in service of developer interests in the Wilmington Airport corridor, connect those acts to the properties and entities that benefited, identify the applicable ethics rules and statutes, and state the questions those facts and laws compel.

I. What the Federal Court Proved

On May 21, 2024, Chief Judge Kerrigan of the United States Tax Court issued T.C. Memo. 2024-59, Parkway Gravel Inc. and Subsidiaries v. Commissioner of Internal Revenue, Docket No. 10819-21. The IRS challenged a \$4.2 million transaction as a sham. The court ruled for the taxpayer. In the course of its Findings of Fact, documented under oath and subject to cross-examination, the court established the following:

The relationship: Nicholas Ferrara Jr. “began his political work in 2006 when he first broached the topic of rezoning with George Smiley, his county councilman. By March 2007 Mr. Smiley was in favor of changing the Freeway Pit’s zoning to commercial.”

The arrangement: “Mr. Stoltz and Messrs. Greggo and Ferrara understood that Messrs. Greggo and Ferrara would lead efforts to rezone the property.”

Why Ferrara was needed: “Mr. Ferrara’s labors were necessary because of his connections with county councilmen, Mr. Stoltz’s unfavorable reputation from prior development in New Castle County, and Apex’s lack of expertise in dealing with the political side of a deal.”

Stoltz’s reputation: “Mr. Stoltz had a checkered reputation in the New Castle community because of certain unpopular real estate developments that he had pursued.”

The FAA involvement: Apex “spent the next two years in technical discussions with DLU, DelDOT, the Delaware River and Bay Authority (DRBA), and the Federal Aviation Administration (FAA) about two principal issues: (1) the construction of roads bordering the airport and on the airport grounds and (2) the height of the proposed development, as some proposed construction would be in the airport’s flight path.”

The financial result: The Freeway Pit, appraised at \$6.9 million with industrial zoning in July 2006, sold for \$11.1 million in December 2012 after rezoning to commercial. V&N (the Ferrara-Greggo development partnership) received \$4.2 million for its option rights and political work. The court found this payment was valid consideration for services rendered.

The Tax Court did not find corruption. It found something more useful: a federal record, under oath, documenting exactly how a councilman and a developer worked together to rezone public land for private profit over six years. The court validated the transaction. This memo asks whether anyone has examined the relationship.

II. The Complete Smiley Timeline: 2006 to 2026

Every entry below is sourced to either the Tax Court memorandum, NCC Council records, published news reporting, or the author's firsthand knowledge as Council President. No entry is unsourced.

2006 Ferrara first broaches the topic of rezoning the Freeway Pit with Smiley, his county councilman. (T.C. Memo. 2024-59, p. 6.)

March 2007 Smiley is in favor of changing the Freeway Pit's zoning to commercial. (T.C. Memo. 2024-59, p. 6.)

2007–2012 Ferrara heads political efforts while Apex Engineering handles technical requirements. Ferrara talks to members of NCC Council, builds public support, negotiates with DNREC, and takes an active role on road work with DLU, DelDOT, DRBA, and FAA. (T.C. Memo. 2024-59, pp. 5–7.)

Aug. 21, 2012 NCC Council unanimously approves the Freeway Pit rezoning to commercial. Plan recorded the next day. (T.C. Memo. 2024-59, p. 7.)

Dec. 5, 2012 Freeway Pit sells for \$11.1 million to Churchmans 273 LLC (Stoltz). Parkway Gravel receives \$6.9 million; V&N receives \$4.2 million. (T.C. Memo. 2024-59, p. 7.)

2021 Stoltz's Blue Diamond Park, built on land purchased from Parkway Gravel (Ferrara subsidiary), opens Amazon ILG1 fulfillment center at 1.3 million square feet. (DBT reporting.)

July 13, 2021 Smiley introduces Resolution R21-123, declaring 16.34 acres at 1 Penns Way (Tax Parcel 10-013.00-023) as NCC Airport surplus land and approving its sale to Citibank for \$10 million. Proceeds to DRBA for airport operating expenses. (NCC Council agenda; DBT, July 2021.)

July 13, 2021 Smiley co-sponsors (with Cartier) the Tyler Technologies reassessment contract. The reassessment later produces the property tax shift documented in the EO 18 report: commercial property tax bills reduced, residential bills increased. (NCC Council agenda.)

Sept. 26, 2023 Smiley introduces Ordinance 22-143 (Application 2022-0335-S/Z), Walker Farm Industrial Development. Tax Parcel 10-024.00-219, 61.37 acres, south side of Churchmans Road, 2,900 feet east of Churchmans Road. Rezoning from S

(Suburban) to I (Industrial) for 837,200 sf warehouse. Same airport corridor as the Freeway Pit. (NCC Council agenda.)

- 2024** Smiley introduces Ordinance 24-042, comprehensive rezoning for Tax Parcel 10-017.00-003, 251 Churchmans Road (Churchmans Office Complex), in Council District 7. (NCC Land Use Committee agenda.)
- June 2024** Centreville rescission vote. The vote is 7-5 to rescind the developer-friendly cottage community plan championed by Kilpatrick. Smiley does not vote. His non-vote allows the rescission to pass without him going on record against the developer or against the residents. (Delaware Public Media, June 12, 2024.)
- Dec. 10, 2024** Impact fee ordinance (Ord. 24-008) passes NCC Council 7-2. Smiley votes YES. This would have raised developer impact fees for the first time since 1999. (NCC Council record; Spotlight Delaware, December 30, 2024.)
- Dec. 18, 2024** Walker Farm rezoning (Ord. 22-143) approved by Department of Land Use. (NCC records.)
- Dec. 26, 2024** Meyer vetoes impact fee ordinance in one of his final acts as County Executive. (Spotlight Delaware, December 30, 2024.)
- Jan. 14, 2025** Impact fee veto override vote. Smiley switches from YES to NO. Kilpatrick switches from Not Voting to No. Sheldon switches from Not Voting to No. George switches from Absent to No. Override fails 6-6 (needed 10). Had Smiley and the others maintained their original positions, the vote would have been different. (WDEL, January 16, 2025; Spotlight Delaware, January 16, 2025.)
- Jan. 17, 2025** Walker Farm rezoning recorded. Instrument No. 20250117-0003883. Two days before Meyer leaves county government. First Industrial Realty Trust begins installing infrastructure. (NCC Recorder of Deeds; DNREC WPCC 3046/24.)
- Feb. 26, 2026** Governor Meyer signs Executive Order 18, eliminating Traffic Impact Studies for Priority Housing Projects and creating 120-day accelerated permitting for designated developments in the same airport corridor where every Smiley-connected property sits.

2006: Ferrara works Smiley for the rezoning. 2025: Smiley switches his vote to protect developers from impact fees. Twenty years. The same corridor. The same interests. The same councilman.

III. The Property Chain: Seven Sites, One Corridor, One Councilman

Every property listed below sits in or adjacent to the Wilmington Airport corridor in Council District 7 or the Route 13 corridor extending south from it. Every property was either introduced, supported, or facilitated by Councilman Smiley, or involves a developer whose relationship with Smiley is documented by the U.S. Tax Court.

- 1. Freeway Pit:** 58 acres, Christiana Road/Churchmans Road. Adjacent to NCC Airport. Appraised \$6.9M industrial; sold \$11.1M commercial. Ferrara political work 2006-2012; Smiley support documented by Tax Court. Purchaser: Churchmans 273 LLC (Stoltz).

2. 550 Churchmans Road: 59 acres. Stoltz/KSIP I Piccard LLC (joint with Prudential Insurance). 890,348 sf warehouse. \$2.5M TIIF grant (2021) + \$2.9M TIIF grant (2024). Attorney: Shawn Tucker, Barnes and Thornburg. Tucker told TIIF board state subsidy helps Stoltz lower rent to attract Amazon.

3. Blue Diamond Park: 200+ acres, Hamburg Road/Federal School Lane off Route 13. Purchased from Parkway Gravel (Ferrara subsidiary). Amazon ILG1 (1.3M sf, opened 2021). Sold for \$246M (2022). \$10.8M+ in state grants across three years. Aldi \$560M distribution center announced April 2025 with \$4.8M CDF grant.

4. Walker Farm: 61.37 acres, Tax Parcel 10-024.00-219, south side of Churchmans Road. Introduced by Smiley as Ordinance 22-143. Rezoning S to I. 837,200 sf warehouse. Approved December 18, 2024. Recorded January 17, 2025. Developer: First Industrial Realty Trust (DNREC WPCC 3046/24).

5. 1 Penns Way (Citibank): 16.34 acres, Tax Parcel 10-013.00-023. NCC Airport surplus land. Smiley introduced R21-123 approving sale to Citibank for \$10M. Proceeds to DRBA for airport operations.

6. 251 Churchmans Road: Churchmans Office Complex. Smiley introduced Ord. 24-042, comprehensive rezoning in District 7. (NCC Land Use Committee, 2024.)

7. St. Georges Business Park: Approximately 1,500 acres, Route 13 corridor south of C&D Canal. Parkway Gravel (Ferrara). Plans: 3.24M sf warehouse/commercial, 366 residential units, Frightland demolished. Council members including Kilpatrick have stated plans are likely for data centers. (DBT, January 2026; Spotlight Delaware, December 2025.)

Seven properties. One corridor. One councilman. One developer family. The first transaction was proved by the U.S. Tax Court. The last transaction was recorded two days before the Governor left county government. The executive order that accelerates all of them was signed five weeks later.

IV. The Attorney Who Connects Every Transaction

Shawn Tucker of Barnes and Thornburg represented Stoltz at TIIF board hearings for the Churchmans Road warehouse, at CDF hearings for Blue Diamond Park, and previously served as General Manager of the New Castle County Department of Land Use. At the TIIF hearing, Tucker told the board directly that the state subsidy was intended to help Stoltz lower the rent it needed to charge, improving its competitive position in negotiating with Amazon.

At the March 10, 2026 NCC Council hearing on data center regulations, Tucker, now representing developers before the county he once managed, warned that applying the new regulations retroactively to projects in the pipeline could result in a lawsuit. He cited a 2002 Delaware Supreme Court precedent.

The same attorney who ran the county's land use department reviews applications from the developers he now represents. The same attorney who told the state that subsidies help his client lower rent to attract Amazon warns the county that regulating his clients' data centers could trigger litigation. The revolving door is not a metaphor. It is a documented career path.

V. The Vote That Changed: Impact Fees

On December 10, 2024, NCC Council passed Ordinance 24-008 by a vote of 7-2. The ordinance would have updated developer impact fees for the first time since 1999. Smiley voted YES.

On December 26, 2024, County Executive Matt Meyer vetoed the ordinance.

On January 14, 2025, the override vote was held. Four council members changed their positions: Smiley switched from Yes to No. Kilpatrick switched from Not Voting to No. Sheldon switched from Not Voting to No. George switched from Absent to No. The override failed 6-6 (needing 10).

The Home Builders Association of Delaware had opposed the ordinance. Mike Oleck of the HBA showed up to voice concerns. Five weeks later, the HBA was in the room when the Governor signed Executive Order 18.

December 10: Smiley votes to charge developers impact fees. December 26: Meyer vetoes. January 14: Smiley switches to No. The councilman who voted to charge developers then voted to protect them. The only thing that changed between those two votes was the Governor's veto.

VI. The Legal Framework: Ethics Rules, State Statutes, and Federal Law

This section does not accuse any individual of violating any law. It identifies the specific rules and statutes that govern the conduct documented in this memo and states the questions those rules require someone to ask.

A. New Castle County Ethics Code (NCC Code Chapter 2, Article 10)

The county ethics code requires county officials to disclose conflicts of interest and to recuse themselves from voting on matters in which they have a personal or financial interest. The Tax Court documented that Ferrara used his relationship with Smiley as the mechanism for a \$4.2 million transaction. The court did not find that Smiley received anything. But the court was examining tax liability, not political ethics. The question the ethics code raises: did Smiley receive anything of value, directly or indirectly, from Ferrara, Stoltz, or any related entity, at any point during the twenty-year period documented by the court? Did he disclose the Ferrara relationship before voting on the Freeway Pit rezoning, the Walker Farm rezoning, or any other airport corridor matter? The county ethics commission has the authority to investigate.

B. Delaware Public Integrity Act (29 Del.C. Chapter 58)

Section 5806(d). Prohibits a state or local official from using their office to obtain an unwarranted privilege, benefit, or advantage for themselves or others. Twenty years of rezoning votes in a single corridor, benefiting a documented network of related developers, raises the question of whether those votes constituted use of office for others' benefit.

Section 5806(e). Prohibits an official from acting in a matter in which they have a personal or private interest that conflicts with their official duties. If Smiley had any

financial relationship with Ferrara, Stoltz, or any entity in the development chain, every rezoning vote was a potential conflict.

Section 5805. Requires annual financial disclosure by officials. If Smiley received campaign contributions from the Greggo and Ferrara Group, from Stoltz entities, or from any related party, those contributions appear in public filings. Whether they were disclosed in the context of specific rezoning votes is a separate question. The State Public Integrity Commission has jurisdiction.

C. Delaware Campaign Finance Law (15 Del.C. Chapter 80)

Delaware campaign finance law requires itemized disclosure of all contributions over \$100 in the aggregate per election period. If Ferrara, Stoltz, or any entity in their corporate structure contributed to Smiley's campaigns, those contributions are in the public record. The question is whether anyone has assembled the contribution history alongside the rezoning timeline. This memo does that for the properties. The campaign finance records would complete the picture.

D. Federal Criminal Statutes

18 U.S.C. § 666 (Theft or bribery concerning programs receiving federal funds). New Castle County receives more than \$10,000 annually in federal funds (CDBG, HOME, CARES Act, and other programs). This statute makes it a federal crime for an agent of a local government receiving federal funds to solicit, accept, or agree to accept anything of value in connection with any transaction worth \$5,000 or more. The Freeway Pit transaction was worth \$11.1 million. The Walker Farm rezoning created development value in the millions. If any thing of value passed from Ferrara or Stoltz to Smiley in connection with either transaction, this statute applies. This is the same statute under which New Castle County officials were prosecuted in the Slawik corruption cases documented in Section 1 of the EO 18 report.

18 U.S.C. § 1346 (Honest services fraud). This statute criminalizes schemes to defraud the public of the honest services of a government official. A councilman who votes to rezone property for a developer with whom he has an undisclosed financial relationship deprives the public of his honest services. The Tax Court documented the relationship. The question is whether anything undisclosed accompanied it.

18 U.S.C. § 1951 (Hobbs Act). Covers any county official who obtains property from another under color of official right. A pattern of rezoning votes benefiting a single developer family over twenty years, documented by a federal court, is the kind of pattern federal prosecutors examine under this statute.

E. For Ferrara

The Tax Court examined Ferrara's conduct and found no tax fraud. The transaction was legitimate. But the Tax Court was examining tax liability, not political corruption. The court documented that Ferrara used his "connections with county councilmen" as the basis for a \$4.2 million payment. That finding sits in the public record. Whether those connections involved anything beyond political persuasion is a question the Tax Court did not examine and was not asked to examine.

The Tax Court proved the relationship. The council records prove the pattern. The ethics code, the state integrity statute, and the federal bribery statute establish the legal framework.

What no one has done is put all three together and ask the questions they compel. This memo does that. What the authorities do with it is their decision.

VII. Why This Matters to Executive Order 18

Every Ferrara-Stoltz property sits in the airport corridor that EO 18's Priority Project designations are designed to accelerate. The TIS exemption Meyer signed on February 26, 2026 eliminates the traffic impact studies that would have been the last remaining friction point for warehouse projects at exactly this scale. The TIIF grants that subsidized Stoltz's Churchmans Road project flow through the same infrastructure pipeline that EO 18 now accelerates.

The relationship between Ferrara and Smiley did not need Executive Order 18. It had county council. What EO 18 does is scale the model. The concierge coordinator, the parallel review, the TIS exemption, the 120-day timeline: these are the services Ferrara had to obtain through personal political relationships with individual councilmen over six years of work documented by the Tax Court. The executive order industrializes that access. What took Ferrara twenty years of political work, EO 18 delivers by designation.

Smiley's twenty-year record in the airport corridor is not separate from the EO 18 story. It is the proof of concept. The county-level system that produced the Freeway Pit rezoning, the Walker Farm rezoning, the Citibank airport land sale, and the impact fee switch is the same system that EO 18 replaces with an executive mechanism requiring no council vote, no public hearing, and no individual councilman's relationship. The Governor's office becomes the concierge. The designation becomes the rezoning. The 120-day timeline becomes the political work that took Ferrara six years.

***The county system required twenty years and one councilman.
EO 18 requires one signature and 120 days. The beneficiaries
remain the same. The public hearing does not.***

VIII. Source Documents

Primary: T.C. Memo. 2024-59, Parkway Gravel Inc. and Subsidiaries v. Commissioner of Internal Revenue. U.S. Tax Court. Chief Judge Kerrigan. Docket No. 10819-21. Filed May 21, 2024. Decision entered for petitioner.

PDF: <https://kpmg.com/kpmg-us/content/dam/kpmg/taxnewsflash/pdf/2024/05/tc-memo-2024-59-may21-2024.pdf>

Court: <https://www.ustaxcourt.gov/>

Council Records: NCC Council agendas and minutes, July 13, 2021 (R21-123, Citibank sale; Tyler Technologies contract); September 26, 2023 (Ord. 22-143, Walker Farm); 2024 (Ord. 24-042, Churchmans Office Complex); December 10, 2024 (Ord. 24-008, impact fees); January 14, 2025 (override vote).

News Sources: Delaware Business Times (Citibank sale, July 2021; Stoltz site readiness; Aldi Blue Diamond Park); Spotlight Delaware (impact fee veto, December 30, 2024; override failure, January 16, 2025; data center regulations, March 2026); WDEL (override vote, January 16,

2025); Delaware Public Media (Centreville rescission, June 12, 2024; data center vote, March 11, 2026).

Legal Framework: NCC Code Chapter 2, Article 10 (County Ethics); 29 Del.C. Chapter 58 (State Public Integrity Act); 15 Del.C. Chapter 80 (Campaign Finance); 18 U.S.C. § 666 (Federal funds bribery); 18 U.S.C. § 1346 (Honest services fraud); 18 U.S.C. § 1951 (Hobbs Act).

*The Tax Court proved the relationship. The council records prove the pattern.
This memo puts them together. What the authorities do with it is their decision.*

— End of Memorandum —

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