

**FORT DUPONT REDEVELOPMENT AND PRESERVATION
CORPORATION
BOARD OF DIRECTORS MEETING**

LOCATION: Grass Dale Center

Delaware City DE 19706

March 8, 2017

8:30 a.m.

Meeting Minutes

Board Members

Susan Frank, Bert Scoglietti, Courtney Stewart, Richard Cathcart, Herb Netsch,
Connie Holland, Dan Episcopo, Kimberly Reinagel-Nietubicz (for Michael Morton)

Staff

Jeff Randol, Executive Director; Peggy Thomas, Site Manager; Max Walton, Counsel

Advisory Council

Jeff Bross

Members of the Public

Rachael Phillos, Tim Konkus, Tim Slavin, Andrew Roy, Sam Green

1. Call to Order

Ms. Frank called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 8:30 a.m.

2. Minutes

Ms. Frank asked if there were any changes, questions or comments regarding the February 8, 2017 meeting minutes. A motion was made by Ms. Holland to approve the minutes, second by Mr. Netsch. Motion carried.

3. Treasurer's Report

The treasurer's report (Exhibit A) was presented by Mr. Scoglietti as follows:

The Treasurer's Report shows income and expenses to March 6, 2017. Mr. Scoglietti noted that the items listed in red are updated projected adjustments to funds committed in the Capital account.

Mr. Scoglietti stated the items in red are changes to committed amounts in the Capital account, based on some unanticipated costs associated with construction and remediation. Also noted were increases to Duffield expenditures to account for incidental expenses. Street Signs were approved at the February Board for \$25,000, and funds were spent to cover demolition of building 62 for safety reasons. The building was starting to collapse due to snow and ice.

The Unencumbered, uncommitted balance is \$252,146.90. Accounting for \$55,000 in anticipated Operating Expenses through FY 2017 and Capital reserves of \$100,000, there remains approximately \$97,000 for capital improvements through FY 2017.

Mr. Randol explained that remediation on the first four buildings being restored is now complete, but unknown structural repairs were required once the remediation was completed. Structural repairs to rafters, floor joists and walls were required. All 4 buildings have been gutted & structural work completed.

Ms. Frank inquired as to how the construction contracting process works. Mr. Randol explained most the work has fixed contracts, however the unexpected repairs that come up are cost by time and materials.

Motion to approve Treasurer's report with noted changes was made by Mr. Cathcart; seconded by Ms. Holland. Motion carried, report approved with changes as noted above. Mr. Cathcart requested the addition of Capital and Administrative balances be added to Treasurer's report.

Mr. Scoglietti reviewed revisions to the corporation's disbursement policy (Exhibit B). It was noted that the addition of Site Manager creates another layer of checks and balances, resulting in more control. Motion to approve revision of Disbursement Policy made by Ms. Holland; second by Mr. Cathcart. Motion carried.

4. Legal

Mr. Walton commented as follows:

- A. Artesian Water Agreement: Signed 2/23/17, now in the 90-day Due Diligence period per LOI and Agreement. Artesian has submitted application to PUC for approval. Ms. Frank asked when we would likely expect to close. Mr. Walton indicated 60 days.
- B. Agreement with Rockwell Development Group update: Mr. Walton and Mr. Randol continue to work out details of the lengthy agreement. Mr. Walton wanted to inform the board of several changes that he felt might be outside the original Letter of Intent and should be presented to the Board for approval (Exhibit C).
 - The subdivision plan reduced from 85 lots to 80 lots. This was driven in large part by setback requirements and desired lot size by the builder. Motion to approve was made by Mr. Cathcart, seconded by Mr. Netsch. Motion carried.
 - Termination clause within the feasibility period was amended so that only RDG can terminate the agreement; previously the clause allowed either party to terminate the agreement. This proposed change from RDG was due to the investment they would be making during the feasibility period and they didn't want to invest money in the event that we could terminate. Mr. Randol felt this was a reasonable request and stated that we still retain control over the subdivision and house plans. Motion to approve by Mr. Cathcart, seconded by Mr. Netsch. Motion carried.

- RDG requested reduction in deposit amount due to loss of number of lots. A motion to reject a decrease in the deposit from RDG was made by Mr. Cathcart, second by Mr. Scoglietti. Motion carried.
 - Impact Fees: RDG has agreed to pay \$5,000 toward impact fees, which are currently estimated to be \$4,000-\$5,000. However, with the expected addition of school impact fees from Colonial School District at \$6400/lot, Mr. Walton and Mr. Randol suggested this amount should be negotiated. Mr. Walton requested a motion by the Board to authorize Mr. Randol to negotiate the final fee credit with RDG. Ms. Holland made motion to approve, second by Mr. Cathcart. Motion carried.
 - There has been a moderate change to takedown schedule, however, it still calls for six (6) units per quarter, as per the LOI. Motion made to approve change in takedown schedule by Mr. Scoglietti, second by Ms. Stewart. Motion carried.
 - RDG is requesting a First Right of Refusal within the Fort DuPont complex on single family detached and townhome developments consisting of 20 or more units. This means that if RDG matches other bids, then they would get first right on the contract. Ms. Frank said she is not comfortable with this option, especially without a history of working with RDG. Mr. Cathcart concurred. Mr. Walton stated he could work on the language and negotiate an “out” clause. Ms. Holland suggested that perhaps the agreement could allow first right after a specific number of units are built to satisfaction. Motion made by Ms. Holland, seconded by Mr. Cathcart, to allow Mr. Walton and Mr. Randol to negotiate language for First Right of Refusal with an out clause or performance requirement. Motion carried.
- C. MOU/Leases: Mr. Walton has made multiple requests for a timetable from AG’s office on when a draft agency lease would be provided. The leases were supposed to go into effect as of March 14, 2017. Until new leases are executed, maintenance and repairs remain the obligation of the state.

5. Executive Director Report

Mr. Randol provided the Board with the following:

- A. Status Report with updates noted in red was distributed and reviewed. (Exhibit D).
- B. Tax credits: Offers have come in for the purchase of tax credits, with two parties quoting 90 cents/\$1. The original pro forma was based on 85 cents/\$1 of tax credits.
- C. Phase 1 Restoration Funding: WSFS responded with basically same concerns as M&T did previously, which is not having a guarantor. USDA has a Rural Development Guarantee program for which FDRPC qualifies, but mortgage must be originated by a bank. The guarantee would cover 80% of the risk. Mr. Randol related this info to WSFS, and will, most likely, contact M&T with this new information. TD Bank has expressed some interest, and a conversation has been started with Applied Bank.

6. Committee Reports

A. Economic Development Committee – No written report was submitted. The EDC met on March 1, 2017 and will be reviewing the final Arts Center feasibility study on April 21, 2017. The committee also discussed potential ideas for incubator programs in various industries. The idea is to partner with a university to facilitate business growth. Ms. Frank stated she would like to see Fort DuPont participate in Healthy Neighborhoods program. Ms. Holland concurred with Ms. Frank, stating that the focus in the State Planning Office is on healthy communities. Ms. Holland also stated she would like to work with the economic development process.

B. Project Funding Committee – See financial updates in Executive Director overview, above.

C. Historic Preservation Committee – Met February 28, 2017 and worked on design guideline details. The HPC has now generated a draft for Board approval.

D. Personnel Committee – No report

7. New Business

A. **Design Guidelines:** Mr. Randol included a final draft of the Design Guidelines, 43 pages, in the handouts. The Historic Preservation Committee has approved this document, and it will be sent to SHPO for review. The guidelines will need to be approved within the next 120 days per the agreement with Rockwell Development Group. Mr. Randol stated that a procedure will need to be established to allow review and approval of plans submitted by homeowners. Ms. Holland asked if the guidelines are recorded with the Master Plan, her concern being that the Master Plan will change. She stated that she has seen too many plans change due to economic conditions and market dictates. Mr. Walton stated under Delaware City's zoning, regarding HPC designation, where there are guidelines versus the zoning code, the more restrictive of the two supersedes the other. Mr. Cathcart noted that the Design Guidelines are much more restrictive than the city's code, and he considers the guidelines an excellent product. Mr. Randol stated that an easement will be placed on each property that will make the Design Guidelines more enforceable. Randol also stated a Plant Palette has been developed and is now under review by DNREC. Board members were asked to review the Design Guidelines and be prepared to discuss at the April Board Meeting.

B. Mr. Randol projected a massing plan that illustrated the buildings three-dimensionally. The massing plan will be presented to the City Council on March 20th when they are expected to take action on amendments to the zoning ordinance.

8. Public Comment

Mr. Cathcart asked Mr. Konkus to talk about Delaware City's Main Street program. Mr. Konkus, president of Delaware City's Main Street, shared that in 2011 DCMS began working on branding strategies, with that year's campaign called "Take A Walk". This year, DCMS is working to address the "food desert" that exists with Delaware City at its center. Mr. Konkus explained that Delaware City residents must drive the furthest to buy food, especially fresh fruits and vegetables, hence it is the largest food desert in northern Delaware. In 2017, DCMS will create a non-profit garden that will provide fruits, vegetables, plants to its own Farmers Market.

9. Adjourn

There being no additional business to discuss, Mr. Walton made a motion to adjourn the meeting. Mr. Netsch seconded. Motion carried.