

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

LOCATION:
Grass Dale Center
Delaware City, DE 19706
December 12, 2018
4:00 p.m.

Meeting Minutes

Board Members:

Susan Frank, Bert Scoglietti, Shawn Garvin, Courtney Stewart, Dale Slotter, Laura Lee, Carol Houck, Julie Fedele (on behalf of Michael Morton), Herb Netsch, Connie Holland

Advisory Council Members: Paul Parets

Staff:

Jeff Randol, Executive Director
Peggy Thomas, Accounting/Site Manager
Max Walton, Connolly Gallagher
Christina Thompson, Connolly Gallagher LLP

Members of the Public:

Michael Hitch, Bob Malinowski, Billie Travalini, Ross McGinn

I. Call to Order

Ms. Frank called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 4:00 p.m.

II. Minutes

Ms. Frank asked if there were any questions or comments regarding the October meeting minutes. No questions were presented, and a motion was made to approve the minutes of the October meeting by Ms. Stewart and seconded by Mr. Scoglietti. Motion carried.

III. Treasurer's Report

Mr. Scoglietti reported as follows:

Referring to the Financial Report (handout), page one, under Income, line item 4202, Real Estate Sales, assumes closing on three Officers Row lots; line 4203, Canal District sales, represent purchases by Rockwell for five lots, per their agreement. Line 4500, Historic Tax Credits, include credits for Buildings 25 and 45 that have been sold but not yet realized. Line 4010, State Appropriations, reflects a balance through November of \$1,650,000 out of a total of \$2,250,000

appropriated for the year. Another draw for \$525,000 has been requested, leaving a balance of \$75,000 which will be used for administrative purposes. At the bottom of first page are the expenses for Fortify Music Festival. Income for the Festival is included in line item 4100, Rental Income at the top of the page.

On page two, under Improvements, 6717 Utilities and 6725 Engineers Road are new budget lines to address storm drainage issues on the site. The last page shows Net Income of (\$250,000), versus budget, reflects the front-loaded costs of construction projects early in the fiscal year.

Fiscal Year 2018 financial reports have been received from accountant, Horthy and Horthy. A motion was made to approve the financial reports as presented by Ms. Stewart and seconded by Mr. Garvin. Motion carried.

IV. Legal

Mr. Walton reported as follows:

A. State Agency Leases – The lease agreement with DNREC is materially similar to the agreements made with the other state agencies. There are some issues to address with the boat ramp, but the plan is to deal with the boat ramp separately in the future. The lease should be ready for signature early next year.

B. HOA/Rules & Regulations – Matters B, C and D on the agenda relate to a confidential memo Mr. Walton sent previously to the Board and will be discussed in Executive Session.

E. Parke Bank – Ms. Thompson explained the details of the loan as follows:

The loan with Parke Bank is \$1,200,000 for site improvements in the Canal District. Funds will be taken in draws, with the first draw at closing. The term of the loan is twenty-four months with one option to extend for six months. The rate is Prime plus one percent. Interest will be paid monthly, principal is due at maturity. Loan collateral is the 74 lots in the Canal District. Parke Bank will also secure an interest in all contracts relating to the Canal District. Origination fees are \$18,000 plus some additional fees such as title work, appraisals, etc. Ms. Thompson noted that under this loan agreement, the Corporation will need the bank's consent to make major changes to the Canal District plan.

A resolution was presented to the Board for adoption to Authorize Mr. Randol, as Executive Director, to act on all matters relating to the loan including pledging collateral, taking advances, signing documents, communicating directly with Parke Bank on behalf of the Corporation, and certifies that Mr. Randol is the Executive Director of the Corporation. A motion to approve the Resolution as presented was made by Ms. Holland, seconded by Mr. Scoglietti. Motion carried.

F. NCC Sewer Agreement – The sewer agreement with New Castle County has been finalized and will be recorded. The issue regarding compensation to the Corporation for the County's use of the roads has been resolved.

V. Executive Director's Report

Mr. Randol commented as follows:

A. Improvements

- i. Canal District - Mr. Randol provided a PowerPoint overview on site work in the Canal District.
- ii. Restoration of Buildings 25 & 45 – New residents have moved into 25A and unit 25B is almost complete. Visual presentation included interior photos of Building 25 and exterior photos of Building 45.

B. Battery Lane Duplexes – Mr. Marshall completed a structural report that Mr. Randol forwarded to Tim Slavin, SHPO. The report concluded that the buildings were not structurally sound and recommended that they be demolished. The issue is whether or not demolition will impact the historic district status and use of historic tax credits. Mr. Slavin is making inquiry to the National Park Service for a determination.

C. WRDA – Federal Legislation was signed October 23rd, 2018 regarding the branch canal transfer to the Corporation. There is a 180-day time period in which the process is to be completed. Mr. Randol stated that it is not likely we can meet the time limit and he is now working with the Army Corps of Engineers on a long-term lease. Secretary Garvin noted that one of the matters to be addressed is where to put future dredge spoils from routine dredging of the Canal.

D. Master Plan Update – The most recent version of the Master Plan was presented. Highlights of the update included: a) the County's support of relocating the waste treatment facility, which now involve the evaluation of options and costs associated with the relocation; b) additional apartment buildings and recreational facilities in the Marina Village; c) the levee and bike path with amenities; and d) Mr. Randol noting that the Corporation and Delaware City need to start working through the details of a pedestrian bridge so that it can be properly incorporated into the overall plan. Mr. Slotter asked to be involved with the committee.

VI. Committee Reports

A. Economic Development

- i. Design and planning of an Aquaponic and U-Pick It Farm continues.
- ii. A Kombucha brewery from Maryland, is interested in expanding operations into one of the existing buildings near the Farm.
- iii. VFW Post 838 is interested in relocating into the former Guard House.
- iv. A rum distillery, micro-brewery and restaurant is currently designing plans for the former PX building with the goal of being operational in the Summer of 2020.
- v. An RV park operator is interested in creating a park at Grass Dale.

B. Project Funding – Parke Bank funding of the Canal District was noted under Legal reports.

C. Historic Preservation

- i. The HPC met in early October and approved house plans for Lot 14. Plans on the building were distributed.

- ii. Guidelines & Standards – The recommended Guidelines for Officers Row and the Canal District were distributed and Mr. Randol noted in the overview that three items needed to be corrected. One was that the roof detail in the canal district is shown as the same as Officers Row, which is not correct. The detail needed to be revised. In addition, there was language included that would prohibit building in the flood plain. The City’s Flood Plain ordinance would govern and as such no need to include the prohibition. The final correction was with the use of vinyl siding. It had been previously agreed to by the HPC that vinyl could be used so long as its thickness was a minimum of 0.46”. A motion was made by Mr. Slotter and seconded by Mr. Netsch to approve the Guidelines with changes as outlined by Mr. Randol. Motion carried.

D. Personnel – No report this month.

E. Governance Committee – Ms. Holland presented recommendations from the committee on proposed amendments to the Corporation’s enabling legislation. Those recommendations included: 1) potential expansion of the Board of Directors from eleven to fifteen; 2) replacing the Advisory Council with sub-committees created by the Board; 3) removing terms and allow directors to serve at the pleasure of the appointing authority; 4) requiring vacancies to be filled within 60 days; and 5) allowing the majority of directors present to constitute a quorum. Discussion followed and a motion to approve the five items as presented by Ms. Holland was made by Mr. Garvin and seconded by Ms. Stewart. Motion carried.

VII. New Business

VIII. Public Comment

Ms. Travalini encouraged the use of the Theatre as an economic and social draw to the community.

IX. Adjourn to Executive

A motion was made to enter Executive Session by Mr. Garvin, seconded by Mr. Scoglietti. Motion carried.

X. Public Session

Following the executive session, the Board voted to approve the proposed first amendment to the Rockwell agreement, to amend the declarations accordingly, and to adopt the Rockwell sale resolution.

XI. Adjourn - There being no additional business or comments, Mr. Scoglietti made a motion to adjourn the meeting, seconded by Ms. Stewart. Motion carried. Meeting adjourned at 5:45 pm.