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Fort DuPont annexation plan riles Delaware City

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Voters Thursday to decide on expanding boundaries to include 1800s former military post being developed into homes, businesses



(Photo: WILLIAM BRETZGER/THE NEWS JOURNAL)

A plan to extend Delaware City's borders to include the site of a massive residential and retail project being built near the deteriorating Fort DuPont has become an election issue in the quaint community, raising fears the riverfront town will lose its charm.

Voters on Thursday will decide whether to annex 325 acres surrounding the former military post, including a 150-slip marina, restaurant, hotel and as many as 500 residential units being developed on the land. In March, ownership of the land was transferred from the state to a new corporation set up to organize redevelopment.

"I want to see historic preservation," said Jennifer Hough, a fourth-generation Delaware City resident whose grandfather was stationed at the fort, which hasn't been used for military purposes since the 1940s

(<http://www.dnrec.delaware.gov/parks/Information/Documents/Fort%20Dupont/Presentations/Fort%20DuPont%20RFP%202012.pdf>). "It is crumbling right now, but that is an opportunity."

By extending the municipal border southeast across the Branch Canal, the town could diversify its tax base and generate more money from property and permit fees, officials said. Real estate taxes make up about 38 percent of the town's \$1.8 million annual budget (<http://delawarecity.delaware.gov/files/2014/12/FY16-Budget-public.pdf>).

The community of about 1,700 residents has struggled with a limited amount of developable land. The 1.3-square-mile town is hemmed in by the canal, Delaware River and Delaware City Refinery, the largest employer in the area. Rows of shops and eateries are clustered along Clinton Street, which dead-ends into the river, offering views of Pea Patch Island.



The former barracks at Fort DuPont where German prisoners of war were housed during World War II are shown on April 7. The site is being redeveloped. (Photo: JENNIFER CORBETT/THE NEWS JOURNAL)

"It is once-in-a-lifetime opportunity for this town because we are so land-locked," said City Manager Richard Cathcart. "This is an opportunity for us to bring in a huge amount of revenue with little cost to the city."

Cathcart called annexation "a no-brainer."

Town officials have visions of hosting large festivals and creating the premier waterfront destination north of the Delaware beaches.

Construction is expected to occur over the next decade and be funded through private and public money.

Some residents see the expansion plan as putting municipal finances at risk, since the town will have to provide law enforcement and other services to the new area, which has a history of flood problems ([/story/news/local/2014/03/29/fort-dupont-development-plan-raising-eyebrows/7066085/](http://story/news/local/2014/03/29/fort-dupont-development-plan-raising-eyebrows/7066085/)). The issue has bled into the race for City Council, which also will be decided Thursday.

At a town meeting about the issue on Tuesday, some worried the small town vibe could be damaged.



Construction along the Branch Canal that runs through Delaware City and the Fort DuPont property is shown on Monday. The site is being redeveloped into house and other buildings. (Photo: JENNIFER CORBETT/THE NEWS JOURNAL)

"The concerns that residents are bringing to us is the impact on crowded schools, trash service, police and how much it costs to run government," said Natalie Greene, one of five candidates running for three seats on council. "If you ride down Clinton Street you bump, bump, bump all the way down it. How are they going to provide services to this development if the rest of the city is already lacking?"

Preston Carden, who runs PSC Electric Contractor in Delaware City and owns more than a dozen properties in town, worries the annexation will be a drain.

"I know you are going to need more inspectors. They haven't showed us the numbers on the cost and how we will benefit," Carden said.

If approved, the annexation would increase the town's size by 39 percent, and the population could nearly double to nearly 3,400 if all units are built and occupied.

The project is being managed by the Fort Dupont Redevelopment and Preservation Corp., which the state created in 2014 to improve the 1899 fort and surrounding areas. The state took control of the property in the 1940s and built the Governor Bacon Health Center, but many of the buildings sit vacant and are crumbling. Some of the barracks had been used to house German prisoners of war during World War II.



Fort DuPont buildings are shown beyond the overhang of the base theater Tuesday. Delaware City voters on Thursday will vote on annexing the property.
(Photo: WILLIAM BRETZGER/THE NEWS JOURNAL)

Demolition of the non-historic buildings, including cottages, started in March. Restoration of homes once used by military officers is expected to start in the fall and new construction is scheduled by the end of next year. Between now and then, the bulk of the work will be elevating land that sits in the flood plain, a key criticism of the plan when it was announced two years ago.

Initial design and permitting of the marina is also underway.

Seed money from the state is funding the first phase of work.

Whether or not the annexation goes through, the project will take place, said Jeffrey Randol, executive director of the redevelopment corporation.



Jeffrey Randol, director of the Fort DuPont Redevelopment Corporation, discusses the master plan for the fort's reuse and possible annexation by Delaware City at the Delaware City Library Tuesday. (Photo: WILLIAM BRETZGER/THE NEWS JOURNAL)

The vision is outlined in a 100-page master plan that sets out how it will revitalize existing historic structures, shepherd the residential development and create other planned amenities. They are also in negotiation with the Colonial School District about a kindergarten-eighth grade school to be built on the land.

Under the blueprint, the majority of the fort would remain open space for recreational and park use, a wildlife habitat and sea-level rise mitigation. The parade ground will be used for festivals and playing fields.

Ambitious proposals to save historic Fort DuPont

(<http://www.delawareonline.com/story/news/local/2014/03/29/ambitious-proposals-save-historic-fort-dupont/7066263/>).

Fort DuPont development plan raising eyebrows

(<http://www.delawareonline.com/story/news/local/2014/03/29/fort-dupont-development-plan-raising-eyebrows/7066085/>).

Randol described the redevelopment as a 10- to 20-year buildout that will be fluid with market demands, and no budget has been set. The development agency is similar to the one the General Assembly created to shepherd redevelopment along the Brandywine and Christina River in Wilmington.

If the annexation goes through, the corporation will begin the re-subdivision process in order to start selling plots for homes. The group will rely on the proceeds from selling land to developers, especially for the housing portion, and the money will be used to fund future construction and to pay back any debt the corporation may incur in its role in the project.

Randol said they'll also take advantage of tax credits on historic buildings and pursue state and federal grant funding. It will also go after money from foundations to help fund cultural amenities.



Boats along the Branch Canal are shown on Monday. Delaware City voters are deciding whether to annex the area around Fort Dupont on Thursday. (Photo: JENNIFER CORBETT/THE NEWS JOURNAL)

He said seeing revenue from the housing portion is key to getting the process started.

"It gets the ball rolling on the site and generates revenue and activity and brings attention to the site that something is happening," Randol said.

Flood mitigation also is a critical component, he said. The fort site is on a triangle-shaped parcel between the Delaware River, Chesapeake & Delaware Canal and Delaware City Branch Canal.

"What we have to do is build the infrastructure to incentivize builders coming in to take the risk for building houses and the marina and so on," Randol said.

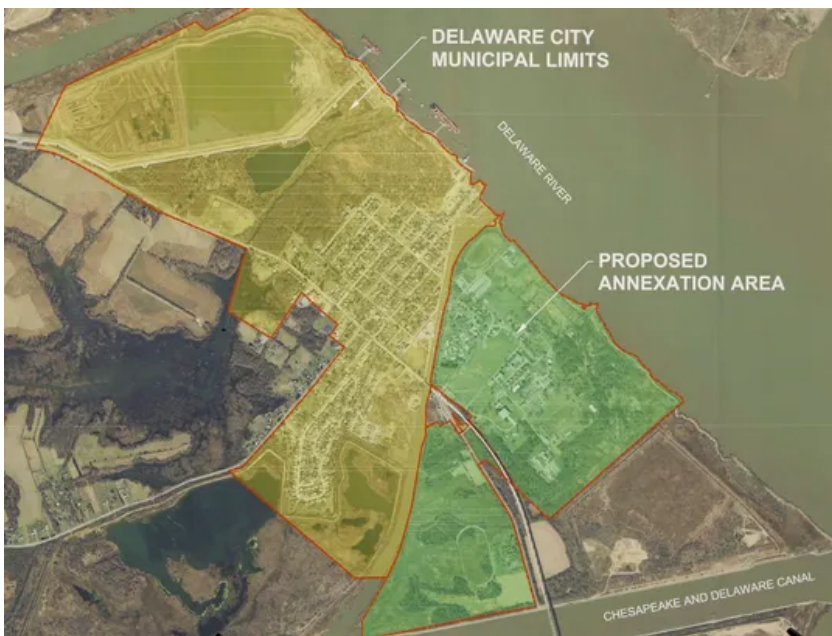
In recent years, similar annexations have been proposed by Dover, for the land used by the Firefly Music Festival, and by Cheswold for developable land just outside its borders in Kent County.

"I think it will promote positive growth," Hough said. "If Delaware City annexes the property, we will be able to keep the small-town zoning. Our board will be able to keep influence over it." Hough said she supports the annexation because it should give local officials a say in protecting the city's character. Currently, zoning and development issues on the fort property are in New Castle County government's jurisdiction.

But Councilwoman Betty Barrett said the city is already over its annual budgeted amount on legal fees and said those are likely because of the annexation. She raised further issues about future funding needs for the police and code enforcement departments.

"The money isn't in here," she said.

Cathcart calls questions about the town's ability to handle the increase in population "misinformation." The revenue generated by permitting fees, taxes and increased business in the redevelopment will cover any increased need for services. The city recently took control of building inspections from New Castle County, is considering adding a full-time code enforcement officer and is on course to go to a 24-7 Police Department even without the redevelopment being included in the city, he said. Currently, police services are offered part time.



The area under possible annexation by Delaware City is shown on a map during an information session on the Fort DuPont master plan and possible annexation at the Delaware City Library Tuesday. (Photo: WILLIAM BRETZGER/THE NEWS JOURNAL)

"That is the sweet thing about this: as far as the services that are expensive, as far as maintenance of open space and roads, they are all going to be paid for by the Redevelopment Corp.," Cathcart said.

Randol said making Fort Dupont officially part of Delaware City would benefit both.

"We are functioning as a chamber of commerce, economic development organization and a tourism agency, as well as a property development agency. We need to do that as a holistic community," Randol said. "We are going to do that without the annexation, but why should we do that separately from what Delaware City is doing to promote itself?"

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