

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

Delaware City, DE 19706
August 11, 2021
8:30 a.m.

Meeting Minutes

Board Members:

Bryon Short, Ruth Ann Jones, David Mangler, Courtney Stewart, David Edgell, Laura Lee, David Baylor, Eric Smith, Pam Scott, Neal Dangelo, Dan Scholl

Staff:

Jeff Randol, Executive Director
Peggy Thomas, Site Manager
Crystal Pini-McDaniel, Administrative Assistant
Bert Scoglietti, Treasurer
Richard Forsten, Saul Ewing
Terry Buchanan, Social Media Proxy

Members of the Public:

Chris Castagno, Tim Dilliplane, Lynn Dilliplane, Bob Malinowski, Tim Konkus, Robert Lucas, Mark Wise, Chris Robinson, Susan Rahn

I. Call to Order

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

II. Approval of Minutes

Mr. Short asked if there were any questions or comments regarding the May 2021 meeting minutes. A motion was made to approve the minutes of the May 2021 meeting by Ms. Stewart, seconded by Mr. Dangelo. A vote was taken, motion carried.

III. Treasurer's Report

Mr. Scoglietti asked to defer review of the July Financial Report until after he presented the proposed budget for FY2 due to the inclusion of the proposed budget numbers in the Financial Report. Mr. Short agreed to review the July report during the Financial Committee report.

- A. Financial Reports for 06/30/2021 & 07/31/2021. Mr. Scoglietti highlighted the following line items for the fiscal year of 07/01/2020 through 06/30/2021:
- Page 1, Line 4010 State Appropriation - All of the funds have been drawn.
 - Page 1, Line 4200 Real Estate Sales - The target was hit for the Canal District, there was a little less on phase 1D.
 - Page 1, Line 4811 OBL Duplexes - Reminded of the secure line of credit, no draws have been taken yet as construction hasn't begun.
 - Page 2, Line 6700 Improvements - Progress on the site includes completion of building 15, work on the batteries, stabilizing the theater, additional work on the chapel, work in the canal district, Old Elm work was mostly on the utilities, and minimal work on the duplexes.
 - Page 4, Line 7220 FDRPC RLF Repayment - Payments were made into the reserves.
 - Page 4, Net Ordinary Income - \$444,562.14.

A motion to accept the Financial Report as presented was made by Mr. Mangler, seconded by Ms. Scott. A vote was taken, motion carried.

IV. Executive Director Report

Mr. Randol provided the following updates:

1. Canal District. Rockwell has 13 lots to purchase and will be doing so over the next 3 months. Last road section, Cook Street, is almost completed. Curbs and sub-base installed. Top coating being done today and tomorrow on the other roads.
2. Chapel. Parking lot curbing and sub-base installed. Submitted to SHPO for HTCs. Building plans are being completed. Working on Flood Plain waiver.
3. Bike Path. Funding approved for \$1.4 million and final engineering designs are underway. Much of the engineering had been completed previously. Plan is to start moving dirt in the spring or early summer.
4. Recreation Amenities are out for bid and engineering of the site is underway.
5. Governor Bacon Health Center has come to an end. DHSS has cleaned out the 3 remaining buildings and returned the keys. Our staff will now be responsible for keeping the buildings maintained.
6. Maintenance Shop. We will be consolidating our maintenance operations into the former GHBC maintenance building. Currently we use 4 buildings, which is not very efficient. Once we have consolidated, we can work on plans for the sale or lease of the buildings currently used for maintenance operations.
7. We have opened up the Community Garden for residents and have also grown our beehives to 4. We had 1 hive last year. Our landscaping manager and crew have also been careful to incorporate flowering plants that support the pollinators.
8. Road Construction on N. Reedy Point and Polktown is scheduled to start this fall. Site prep is underway.
9. Theater. Exterior painting of the Theater is underway. This involves removing all of the lead-based paint, repairs to windows, reglazing and installation of gutters. We are also working on plans for replacement of side doors that have deteriorated.
10. Brick repairs have been completed on building 43, which is one of the NCO duplexes. Quite a bit of cracking due to deterioration of several lintels. We are also going to be replacing the roof with slate to match original.
11. Building 42 will also receive a new slate roof.
12. PX building. Will start on brick repairs soon and then trim, soffits and new roof.
13. Railings on Battery Elder completed.
14. Gas installation has been completed. Delmarva will provide instructions for connecting homes to natural gas.
15. Construction Manager position has been filled. Shane Martin is our new employee. Shane has years of experience in construction, both new and old. He has worked on historic preservation projects and is a former resident of Delaware City. Shane currently lives in Townsend.
 - Over 20 years of construction experience.
 - Superintendent and Construction Project Manager for the McKee Group.
 - Construction Project Manager for the Wilmington Housing Group
 - Has worked with several of our contractors, architects, engineers

Questions:

Mr. Short asked about updates regarding the meetings with the city for the dedication of the roads and dividing the canal. Mr. Baylor stated there is a lot involved with dedication of the roads; the engineers need to look at the conditions of the roads. The city would like to work through a resolution as the roads were never dedicated by the state. Other considerations to be worked through include how they will be maintained. Mr. Short asked if the Canal District roads meet state specs. Mr. Randol stated that the new roads meet DelDot specs as to thickness but not width. Mr. Baylor stated there will be discussions over the next six months.

Mr. Randol gave an update on the branch canal. The 5th street bridge is being transferred to the state, so Del Dot is taking the lead on the environment assessment, which is the last step. This could take up to a year to complete and transfer.

Mr. Baylor stated that both the city and Fort DuPont have interest in the branch canal but it's unknown who will pay for maintenance; the Governor's stance is also unknown, since he has to sign off. Mr. Smith asked if it's necessary that the branch canal be sold. Mr. Baylor stated yes, the Army Corp of Engineering already stated they would be selling off their land, the ball is rolling on this.

V. Committee Reports

Mr. Short discussed there have been meetings over the last year to work on improving communications between the Fort DuPont corporation & Delaware City. Mr. Short introduced Terry Buchanan from Social Media Proxy who will be handling PR for Fort DuPont.

A. Finance Committee.

i. FY22 Budget.

Mr. Scoglietti stated this is typically presented at the July meeting and he is requesting the board's review of the FY22 budget. The packet shows fiscal years 22, 23, and 24. No vote is requested today. A vote will be requested at the September meeting to allow the board time for review. The budget will be revisited in February or March of 2022. Mr. Scoglietti reviewed pages 1 and 2 stating more detailed breakdowns could be found in the remaining pages; there is increased support from the state including for the round-a-bout and bike path. Revenue and expenses also reflect completing the canal district; finishing the blue water deal; moving forward with the Lennar deal; the first round of duplexes; additional theater and PX work; chapel investments; and hiring a construction manager.

- Page 1, Revenue - The State Appropriation is typically \$2.5 mil, this year there's an additional \$800,000 for the Round-A-Bout as well as \$1.4 mil for the Bike Path.
- Page 1, Revenue - Rental Income will increase.
- Page 1, Revenue - Real Estate Sales include one lot on Officers Row, finishing phase 1D, the Lennar deal and Grassdale deal.
- Page 1, Revenue - Historic Tax Credits - Building 15, the first round of duplexes, and the chapel. Mr. Randol stated we received .87 on the dollar for the tax credits.
- Page 1, Expenses - Marketing includes the video project.
- Page 1, Expenses - Payroll & Benefits includes the construction manager.
- Page 1, Expenses - Improvements includes the roads, marina village, utilities, and canal district.
- Page 2, Expenses - Debt repayments.
- Page 2, Expenses - OBL Duplexes.

ii. July 2021 Profit and Loss.

Mr. Scoglietti presented the July Financial Report with the following highlights.

- Page 1, Line 4010 State Appropriation - There was a draw of \$775,000 in August which isn't shown as this report is just for July 2021.
- HTC Tax Credit sale on building 15 should be taking place within the next week.
- Page 3, Line 6700 - Continued infrastructure for the canal district.
- Balance of expenses are within the proposed budget and reflect a variety of capital improvement projects underway in addition to normal administration and operational expenses.

With no further discussion a motion to approve the July Financial Report was made by Mr. Edgell and seconded by Mr. Dangelo. Motion carried.

iii. FY21 Audit.

Mr. Scoglietti gave an update that the five-year audit was completed in the spring and now it's time to consider if an audit should be conducted for FY21. A proposal was provided to the board with the handouts. Part of the testing will include a look at credit card. The price of the audit would be a flat fee of \$15,000.

A motion to approve an audit for FY21 and engage Belfint, Lyons & Shuman was made by Mr. Dangelo, seconded by Ms. Stewart. A roll call vote was taken, motion carried.

- B. Historic Preservation. Ms. Lee stated the last meeting was held on July 28, 2021. The chapel work has started and will include an addition which is not original to the building but will make the building more community friendly. The NCO houses were renovated for which she applauds the corporation for saving. Battery Elder's historic landscape has been restored and the invasive trees and plants remove. Eleven historic structures have been saved to date after taking a bold stance; seven are now occupied and bringing in rental income to support the project. This year three more buildings are being adaptively restored to be used. The bakery has been stabilized and now the Battery Lane duplexes are being looked at. More attention is being paid to the gun batteries to watch for vandalism and they've been secured. Ms. Lee would like the word to get out as to what has been done; adaptive reuse works. It's complementary and helping to save Fort DuPont.

Questions:

Mr. Smith asked where the July meeting details were posted. Mr. Randol stated it's a standing meeting and is posted on our website calendar. Ms. Lee stated the standing day is the fourth Wednesday of each month at 4 pm.

- C. Governance & Personnel.

- i. Committee Appointments. Ms. Stewart requested approval for adding David Edgell to the committee.

A motion to approve David Edgell joining the Governance & Personnel committee was made by Mr. Baylor, seconded by Mr. Dangelo. A roll call vote was taken, motion carried.

- ii. Rental Policy. Ms. Stewart presented this policy to the board and asked that they review prior to the September Board meeting when it would be presented for a vote. Mr. Short stated that suggestions can be made and that the committees are making a conscious effort to give board more time to review items before voting.

VI. Legal

- A. Bluewater Agreement**.

Mr. Forsten gave an update on the Bluewater Agreement stating they are anxious to close, but that recent issues came up regarding environmental reports that need to be worked out with the lender prior to closing and caused a delay. Bluewater is asking for an amendment to the agreement, which include a) closing date of 09/30/2021 or earlier; b). relocation dates for DNREC extended to 3/1/22; c) extension of the water and sewer lines to be completed by 05/01/2022; and d) Bluewater would take responsibility for construction of N. Reedy and Polktown Road and credit the \$1.4 million charge against the \$3.5 million note.

Questions:

Mr. Baylor asked when the Polktown road needs to be built by as he's concerned how it will impact the Polktown residents. Mr. Randol stated Fort DuPont is looking to start this fall prior to the round-a-bout which is scheduled for February through May of 2022.

Mr. Smith asked for details about the environmental concern. Mr. Forsten stated they will not be able to water from the site unless the water is treated because there are traces of mercury and nickel in the ground water. He also stated that Bluewater is fine with not using shallow groundwater wells being that the site is already served by Artesian. The additional environmental testing was for a chemical compound called PSFA, which is typically tested for, but was not required by DNREC due to the low risk.

Ms. Stewart asked for further clarification of the change in the agreement regarding the \$1.4 million reduction on the note for the roads and round-a-bout. Mr. Randol explained that Fort DuPont is obligated

under the agreement to building N. Reedy and Polktown Road, but that the cost was capped at \$1 million. Bluewater has agreed to do the work and credit the \$1 million plus interest and construction management expense for a total of \$1.4 million against the outstanding note of \$3.5 million. The balance of \$2.1 million is payable in 4 years from closing. The round-a-bout remains the responsibility of FDRPC.

Ms. Stewart asked regarding the relocation of the DNREC offices what will happen if there is no space at Fort DuPont; are we locked in to Fort DuPont and how many employees do they have. Mr. Randol stated space within Fort DuPont has been identified and construction plans are underway. The buildings in a maintenance shop, gunpowder magazine, archive and park offices for approximately full-time and seasonal employees.

Mr. Smith asked if this would replace the previous amendment. Mr. Forsten stated this will be a further amendment.

Mr. Short asked if Fort DuPont is obligated to provide choices at the Fort. Mr. Randol explained that the lease states Fort DuPont has the right to relocate with DNREC's approval, but it does not specify where.

A motion to authorize the Executive Director to sign the second amendment to the Bluewater Agreement was made by Mr. Dangelo, seconded by Ms. Scott. Motion carried.

B. Update on Delaware City Ordinances***.

On August 5, 2021, the ordinances were voted on and approved. Mr. Baylor expressed that these ordinances allow Delaware City to have a say in the development and that Delaware City wants to be a partner in development.

C. MOU with City on Dedication of Streets.

Discussed during Executive Director Report.

D. Corporation Counsel***.

Mr. Short stated that after years of service, Max Walton with Connolly Gallagher has resigned. A resignation letter was provided. The corporation will seek to identify new council, but not yet sure of the process. An RFI or RFP will be considered.

Questions:

Mr. Smith asked if this resignation is from Connolly Gallagher as a whole? Mr. Short stated that collectively, no.

Mr. Baylor stated he believes there could be a conflict with the firm if FDRPC were to keep Connolly Gallagher and that the city might have concerns. Mr. Baylor also stated that he is in a precarious position with being both City Manager as well as a board member and that his decisions must first consider what is best for Delaware City. If going forward he is excluded from an email due to potential conflict, he asked that other board members understand why and to please not copy him. If there is a question as to his involvement on an issue to address the question to the Executive Director. Mr. Short stated he agrees with what was said and that we should all be cognizant of Mr. Baylor's position.

VII. Delaware City Communications

Nothing additional to add

VIII. New Business

- i) Future Board Meetings. Mr. Randol stated that if everyone is comfortable, the board will continue with the in-person format.

Mr. Scholl requested that calendar invites for the balance of our current FY be sent out to lock in the dates.

IX. Public Comment

Robert Lucas, residing at 917 Reynolds Street: Mr. Lucas stated he received a summary of community association expenses for FY20 back in December 2020. Per the declarations section 4.4 Mr. Lucas sent a letter on March 8, 2021, to IPS and the Fort requesting an audit. It has been five months and he hasn't heard anything back regarding expenses. He has no idea what the hold-up is and is not comfortable with the numbers. FY20 was a partial year with not many residents, the numbers seemed extremely high. Without providing back-up for the expenses, he doesn't feel that he should have to pay anything.

Susan Rahn, residing at 1313 Officers Row: Ms. Rahn asked where the HPC committee meeting dates are listed as she isn't seeing on the website. Mr. Randol stated that they are on the Fort DuPont calendar that is easily accessible on the corporation's website.

Chris Robinson residing at 1664 Maple Blvd: Mr. Robinson stated he is the former maintenance manager at Fort DuPont and is appealing his eviction. Mr. Robinson's employment started in July 2018 and in January 2020 he moved into the rental unit with a verbal agreement to pay \$500/month. On February 22, 2021, he was notified rent would increase to \$1,000/month starting May 01, 2021. Mr. Robinson stated he is suffering from long-term effects of COVID, and that the eviction moratorium is still in effect. Mr. Robinson is asking the board for an official lease, a copy of the landlord tenant agreement, repairs to be done, a refund of over payments, and to remain at the unit.

Susan Rahn, residing at 1313 Officers Row: Ms. Rahn stated it is hard to keep quiet when things are not fair or equitable. She feels that Mr. Randol is a bully.

Tim Konkus: Mr. Konkus asked about the \$110,000 video and if we were hiring Brad Pit.

X. Adjourn

Mr. Short asked if there were any questions or comments and asked for a motion to adjourn. A motion was made by Ms. Scott, seconded by Ms. Stewart. A roll call vote was taken, motion carried.