

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

**LOCATION: The Sanders Room at the Grassdale Center
108 Old Reedy Point Bridge Road
Delaware City, DE 19706**

December 16, 2015 – 4:00 p.m.

Meeting Minutes

Council Members:

Susan Frank, Chairperson
David Small
Michael Morton
Kevin Kelley
Rick Geisenberger
Bert Scoglietti
Herb Inden
Richard Cathcart
Laura Lee
Dale Slotter
Herb Netsch

Advisory Council Members:

Nicole Majeski
Hughlett Kirby
Brendan Mackie
David Turley
Paul Parets
David Curran

Staff:

Jeff Randol, Executive Director
Max Walton, Counsel
John Taylor, DOJ

Members of the Public:

Stan Green, Mayor
Billie Travalini
Rachel Phillos, Park Superintendent
Ester Lovlie, Mainstreet DE City
William Cost, National Guard
Jim Brady, Long & Foster
Frank Brady
Roy Hilfertz
Tim Konkus
Joey Corrado
Bob Malinowski, DC City Council
Larry DiSabatino, DiSabatino Construction

I. Call to Order/Introductions/Announcements

Ms. Susan Frank, Chairperson, called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 4:00 p.m. and welcomed everyone for attending.

II. Old Business

a. Approval of Minutes:

A motion was made by Mr. Netsch and seconded by Mr. Kelley to approve minutes from the November 19, 2015 Board meeting. Motion carried.

b. Treasurer's Report

The Treasurer's Report was presented by Mr. Scoglietti, a copy of which is attached hereto as Exhibit A. The net balance shows \$1,362,960.98. Mr. Scoglietti reviewed the expenses and balances in Operating and Capital accounts. Mr. Kelley made a motion to accept the Treasurer's report. The motion was seconded by Mr. Cathcart. Motion carried.

c. Legal

i. Mr. Walton reviewed status of the Property Transfer and MOU with the various state agencies. The terms and conditions of the MOU have been agreed to by the DHSS, DNREC and OMB. The National Guard issue remains an open issue.

ii. Mr. Walton provided an update on the National Guard issue, which as stated previously, deals with ownership of the land. Without state ownership of the land, the National Guard's funding from the federal government could potentially be substantially reduced. The Attorney General's office has been in contact with Col. Bartel, who is the USPF&O for the National Guard. Col. Bartel's initial position was that the Corporation is not an agency of the state and in the event the land is transferred to the corporation, the National Guard would not receive federal reimbursement on capital improvements to the property. Col. Bartel and the Attorney General's office discussed the possibility of a Deed Restriction that would preserve the National Guard's rights to the property. Col. Bartel is going to explore this option with his superiors. The Deed Restriction, should it be approved, would be removed upon subdivision of the property.

Based on the above scenario with the National Guard, and need to subdivide the property, Mr. Walton asked the Board to authorize the Corporation's Executive Director to obtain the metes and bounds description. This metes and bounds description is needed for any eventual subdivision. Mr. Geisenberger made a motion to authorize the metes and bounds survey in an amount not to exceed \$10,000. Mr. Kelley seconded the motion. Motion carried.

iii. Discussion on the liabilities and risk to the Corporation upon transfer of the property took place. Mr. Walton noted that he and the Corporation's Executive Director has discussed the various liabilities and determined that the discussion did not require an executive session. Mr. Walton outlined the various issues and concerns, which included: a) a release of the deed restriction from the Federal Government that provided for a recapture of the property, b) environmental risks, c) general liability, and d) operation of the water system.

With regard to the deed restriction, which gives the federal government the right of transfer in the event of future military needs, the GSA's Real Property Utilization and Disposal Division has agreed to work with the state/corporation to facilitate a release. Mr. Randol distributed a letter from the GSA stating that position.

Mr. Walton also noted a title issue with the existing Chapel that he is working on.

It was also noted that the roads in Fort DuPont are private, a question that was raised at the last Board meeting. Mr. Randol noted that the roads would be included in the general liability coverage.

Mr. Walton discussed Title Insurance and that at this point it is likely not necessary. Once the Corporation begins to convey parcels or incurs secured debt, Title Insurance will become necessary in order to satisfy both buyer and lender of clean title.

Mr. Walton also reviewed the Section 6F issue. Section 6F is an encumbrance on certain portions of the property. Basically the restriction states that the area designated 6F cannot be developed except for park and recreational purposes. The restriction was placed on the property as a result of federal funding for DNREC. Secretary Small discussed the restriction and stated that it can be modified through the restriction of other property that is like kind in size or of greater value. The Parade Ground is an example of like kind property that could be swapped out for a portion of the property currently restricted under 6F. The process requires interior of the secretary approval. Next step is to identify that portion of the Section 6F that is proposed for development and evaluate lands that could be swapped.

iv. Revisions to the Property Transfer Resolution were distributed as per comments received at the November 19th Board meeting. It was agreed to table the Resolution until the Board is prepared to take action on the MOU.

v. Title Insurance was discussed and Mr. Walton recommending holding off until the Corporation begins transferring parcels. Title insurance will be required at that time by buyer.

d. Executive Director and Committee Reports:

i. Project Plan Review and Update. Mr. Randol distributed and discussed the Project Plan. Highlights included approval of the Surface Water Planning Grant for \$49,500; results of the parade ground infiltration and soils report; brownfield testing and certification for the proposed marina site; schedule for abatement, remediation and demolition; and an overview of the funding for Phase 1. Mr. Randol distributed a schedule for the abatement studies, remediation and demolition. A copy is attached hereto.

With regard to the \$40,500 Surface Water Planning Grant, it was noted that an increase to the design standards of 25% was a condition to the approval. Mr. Randol will investigate and report back to the Board.

As noted in the project plan review, funding of the brownfield site for the proposed marina site has yet to be approved. An agreement is being prepared between DNREC and the Corporation that would provide \$625,000 in funding through HISCA. Both Secretary Small and Mr. Randol provided the Board with an overview of the process, which should be completed in January.

Historic Preservation Committee: David Turley, Chair of the committee gave an update on their committee. Focus of the committee is revisions to the Guidelines and Standards. The committee has met twice.

Project Funding Committee: Hughlett Kirby, Chair of the committee gave an update. Their committee has met twice and has worked with the Executive Director on the first phase. The project-funding plan has been revised and is now under consideration by M&T Bank. A term sheet is expected within the next three weeks.

Economic Development Committee: Dave Curran, Chair of the committee gave an update. The committee is still in the process of formation. Until the Master Plan is further along, the committee is not in a position to actively promote the project. Mr. Curran has been working on the Master Plan with other members. He and Mr. Randol will be working with prospective developers and tenants. They will also be meeting with the New Castle County Chamber of Commerce to work on a strategy that would include assistance from the Chamber of Commerce.

ii. Mr. Randol stated that he is working with Lockton Insurance on quotes for general liability, property, environmental and directors and officers coverage. Lockton is proposing a blanket policy that could be adjusted as assets are added or removed. Lockton will be touring the property on the 22nd. Environmental reports and property details have been provided.

- iii. Mr. Randol reminded Board Members and Advisory Council Members to complete their Conflict of Interest Statements.

III. New Business

a. Master Plan. Mr. Randol presented revisions to the Master Plan. The proposed revisions are recommendations from the Site Development Committee and the Guidelines and Standards Committee. As noted by Mr. Randol, the master plan in its current stage is illustrative only. The next step, pending approval of the revisions, would be to engineer the plan and fine-tune the site and building guidelines.

Highlights of the plan include: a) expanded retail, office and apartments within the Marina District, b) a hotel/restaurant and conference center, c) residential condos adjacent to the River, d) a cultural arts district, d) a School district, and e) a large animal rescue.

On a motion by Mr. Cathcart and second by Mr. Kelley, the Board voted to approve the revised Master Plan.

b. As previously discussed, abatement studies are currently underway. \$22,500 was previously allocated for abatement reports on the cottages, school and service club. In addition, Mr. Randol proposed to complete abatement reports on buildings 25, 39, 43 and 45. These four buildings are slated for rehabilitation in Phase 1. The abatement report and remediation of these four buildings will allow the architect to move forward with specifications and drawings for the rehabilitation. Additional cost for the abatement studies is estimated at \$19,000. Motion to approve was made by Mr. Geisenberger and seconded by Mr. Morton. Motion was approved

IV. Public Comment

None

V. Adjourn

Ms. Frank asked for a motion to adjourn. The meeting was adjourned at 5:33 pm.