

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

LOCATION: Grass Dale Center
Delaware City DE 19706
January 11, 2017
8:30 a.m.

Meeting Minutes

Board Members:

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

Advisory Council Members:

Jeff Bross

Members of the Public:

Rachael Phillos
Tim Konkus
Stan Green
Bob Malinowski
Billie Travolini
Tim Slavin

Staff:

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

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 December 14, 2016 meeting minutes. There were no comments; a motion was made by Mr. Netsch and seconded by Mr. Morton to approve the minutes. Motion carried.

3) Treasurer's Report

The Treasurer's Report (Exhibit A) was presented by Mr. Scoglietti. Adjustments were made to the budgeted amounts of several line items that have been completed. The adjustments increased the amount of unencumbered funds, which as of 1/6/17 totaled \$499,055.52. Motion was made by Mr. Cathcart and seconded by Mr. Netsch to accept the Treasurer's Report. Motion Carried.

Mr. Scoglietti also noted that the Governor's budget is being submitted Thursday, January 12.

Mr. Randol presented a Capital Budget Adjustment report. The Corporation has a receivable of \$55,773 from the Brownfield Fund for reimbursement of expenses.

4) Legal

Mr. Walton commented as follows:

- A. Change of Agent. Mr. Walton requested a vote to authorize filing of a Change of Registered Agent and Registered Office form with the State. Purpose being to change the address from DNREC's address to the Corporation's address. Motion was made by Mr. Inden and seconded by Mr. Kelley. Motion carried. (Exhibit B)
- B. The Agreement of Sale has been received from Artesian for the purchase of the Fort DuPont water systems. There are several items in the Agreement that need to be resolved prior to final approval. Items noted include warranties requested by Artesian, which were previously held by DHSS, easements that need to be granted, and clearly defining the due diligence period of the Agreement. Mr. Walton and Mr. Randol will work over the next month with DHSS to gather information regarding warranties. (Exhibit C)
- C. The Agreement of Sale has been received from Rockwell Development Group for the Canal District. As with the Artesian agreement, there are items within the RDG Agreement that will need to be resolved prior to final approval. Items noted include: rep and warranty for historical site; right of first refusal for other project areas; need for a HOA, deed restrictions and enforcement mechanism. Due diligence period for the RDG Agreement is clearly defined at 120 days. (Exhibit D)
- D. Mr. Walton requested a vote by the Board to authorize Mr. Randol and Mr. Walton to negotiate the Agreement and execute an Agreement in accordance with the parameters set forth in the LOI. Currently, any contract or use of funds over \$50k requires Board approval. The concern is that the approval process, and hence the construction progress of the project would be slowed because the scope (dollar amounts) negotiated in this Agreement will often be above the \$50k threshold. The hope (goal) is to have the Agreement finalized by the next Board meeting on Wednesday, February 8, 2017. Discussion followed with Mr. Scoglietti commenting about concern with 4 new board members having to vote on this Agreement at their very first meeting (Feb 2017) and not having sufficient familiarity with the Agreement or overall redevelopment project. Mr. Cathcart commented that negotiating and executing the Agreement is time sensitive due to the due diligence period and

suggested providing new Board members with an orientation. Mr. Geisenberger commented that new Board members should be informed that their predecessors authorized and fully supported the RDC Agreement. Motion made by Mr. Cathcart, second by Mr. Kelly, to allow Mr. Walton and Mr. Randol to negotiate a final Agreement within the scope of the LOI. Motion carried.

- E. The transfer of the National Guard parcel to the State of Delaware is in process; a deed is being prepared. Because the NG parcel located close to the water infrastructure, the new deed will include a 150' buffer for well-head protection. This should not affect the transfer of the deed.
- F. A small parcel of land, approximately 5500 sq. ft., has been identified as having no official record of ownership and Mr. Walton requested authorization to file action in Court of Chancery to obtain title to the parcel. Mr. Inden moved to authorize the court filing, second by Mr. Kelly. Motion carried. (Exhibit E)

5) Executive Director Report

- A. Mr. Randol provided a Status Report and stated updates were noted in red. (Exhibit F)
- B. Summary of Adjustments to budget were provided (Exhibit G). In reviewing Adjustments, Mr. Randol noted that most line items were under committed amounts, however, building # 25 was slightly over because structural issue were more involved in this building.
- C. Historic tax credits had been approved and total \$1,109,238. Hughlett Kirby is working with Mr. Randol to place the credits. (Exhibits H1-4)
- D. Appraisals have been completed for Officer's Row. Mr. Randol has asked the appraiser to re-evaluate their estimate (approx. \$75k per lot) considering that the appraisal for the adjacent lots in the Canal District were approximately \$100k/lot for smaller parcels.
- E. M&T Bank has notified Mr. Randol that the mortgage request for Phase 1 Restoration is being transferred from their Commercial division to their Real Estate division. Loan documents should be finalized for the February Board meeting.

6) Committee Reports

- A. Economic Development Committee – No official report was submitted. EDC met on Tuesday, January 4th. Committee is compiling an RFP for Marina Village. Map of the Marina Village was distributed and discussed. (Exhibit I). Question was raised concerning height of the bridge and condos on the point. Mr. Randol said the next step is to socialize the concept with the state and City. Laura Lee had questions regarding height of condo/hotel in the Marina District. General discussion took place regarding a pedestrian bridge over the Canal Branch, how it

would work, its height, etc. Tim Kunkus stated the highest height of boats passing through Canal Branch would be 70 feet.

- B. Historic Preservation Committee – Next meeting is on January 24th to review windows and guidelines.

7) New Business

- A. Ms. Frank recognized and thanked outgoing Board members for their time, commitment and dedication to the Corporation and its mission and praised the four outgoing members individually - Mr. Inden, Mr. Kelly, Mr. Geisenberger, and Mr. Small. Each outgoing Board member was presented with a copy of the Fort DuPont book.
- B. Mr. Geisenberger acknowledged and thanked Mr. Small and the Parks staff for being the persons who really pushed to see the FDRPC project come to life.
- C. Mr. Slavin, from SHPO, was also recognized and thanked for the work that went into procuring tax credits for the renovation of historic buildings.

8) Public Comment

Billie Travolini expressed her desire to see the children of Governor Bacon Health Center, who resided there between 1949-1984, be honored in keeping with history of the site.

9) Adjourn

There being no additional business to discuss, Mr. Kelley made a motion to adjourn the meeting. Second by Mr. Cathcart . Motion carried.