

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

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

Meeting Minutes

Board Members

Courtney Stewart, Richard Cathcart, Dan Episcopo, Michael Morton, Laura Lee, Damien DeStefano (designee for OMB Director)

Advisory Council

Jeff Bross

Staff

Jeff Randol, Executive Director; Peggy Thomas, Site Manager; Max Walton, Counsel, Matt Chesser.

Members of the Public

Rachael Phillos, Tim Konkus, Tim Slavin, Andrew Roy, Billy Trevolini, Jake Miller, Carol Houck, Vince Facchiano, Darren Lawson, Aaron Ferguson

1. Call to Order

Mr. Cathcart, Vice Chair, called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 8:34 a.m.

2. Minutes

Mr. Cathcart asked for a motion to accept the minutes from the March 8, 2017 Board of Directors Meeting. Mr. Morton made a motion to accept minutes, seconded by Ms. Lee. Motion carried.

3. Treasurer's Report

The Treasurer's Report (Exhibit A) was presented by Mr. DeStefano on behalf of Mr. Scoglietti. Mr. Randol provided the review to the group.

Looking at the Budget Adjustments report, Mr. Randol stated that after allowing for encumbered funds and \$52,000 for Administrative reserve and \$75,000 for Capital Reserve, the Corporation is left with \$6,988 in unencumbered funds for the balance of this fiscal year.

Mr. Randol recommended that the \$581,035 in encumbered funds set aside for rough grading and \$20,000 encumbered for fill placement be unencumbered. These funds were set aside for grading to begin, however, soil from Reedy Point North has been found not suitable for residential use. The soil is suitable for non-residential use, such as the dike or under parking lots. The new strategy is to move soil from Canal District locations to Officers Row and continue to source soil for the last phase of the Canal District. Reallocating these funds would bring the unencumbered total to \$608,023 after reserves. Mr. Randol stated that \$200,000 could then be allocated toward Phase 1 restoration (discussion to follow) and \$298,000 could be allocated for rough grading of Officers Row, E&S measures, and demolition of utilities in the Canal District. If these recommendations are approved, the unencumbered balance would total \$237,023.

There were no follow-up questions, and Mr. Randol referenced the Financial Report, with items in red showing overages that will need to be adjusted, most of those due to expenses related to engineering costs, renovation expenses and demolition of Building 62, as discussed at last month's Board meeting.

Ms. Lee asked how high the lots in Officers Row need to be raised. Mr. Randol explained those lots will need to be raised between six to twelve inches, not nearly as much as the other areas of the Canal District. The finished floor elevations would be similar to the existing historic homes now on Officers Row.

A motion to accept Treasurer's Report was made by Mr. Morton, seconded by Ms. Lee.

Continuing with financials, Mr. Randol reviewed funding of Phase and provided Sources and Uses spreadsheets for each building (Exhibit B). WSFS has come back with term sheets, one for construction and one for a permanent loan. Mr. Randol outlined the terms and recommended that the Corporation finance internally using \$200,000 from the Capital funds and \$1,000,000 from the Artesian sale. This would create a \$1.2 million line of credit to finance construction of two buildings and the remaining two from sale of tax credits and mortgages on the completed buildings.

Mr. Randol presented a plan for the funding of Phase 1 restoration and infrastructure (Exhibit C).

Mr. Cathcart expressed support for proceeding with Officers Row so that there is outward, visible sign of progress being made.

A motion was made to unencumbered \$581,035 set aside for rough grading in addition to the \$20,000 that had been encumbered for fill placement and to then allocate \$200,000 to the Phase 1 restoration and \$298,000 for the rough grading of Officers Row. Motion was made by Mr. Morton and seconded by Ms. Lee. Motion carried.

4. Legal

Mr. Walton commented as follows:

- A. Artesian Water Agreement – The Public Service Commission is scheduled to take action on Artesian’s application for a Certificate of Public Convenience and Necessity (“CPCN”) on April 20. A call is scheduled with DHSS on April 14 to review the consent letter required for DHSS. Board members need to approve and sign a Resolution to Authorize Closing. Motion was made by Mr. Morton to accept the Resolution to Authorize Closing as written, seconded by Ms. Stewart. Motion carried.
- B. Rockwell Development Group Agreement - As authorized by the Board, Mr. Walton and Mr. Randol worked through the issues discussed at last month’s Board Meeting. First Right of Refusal will be offered if and when the Corporation intends to offer twenty lots or more for sale, but not until RDG has closed on twelve (12) units and remain current with the agreement. The Agreement was signed on March 29, 2017 and the due diligence period has commenced. The cost of impact fees and how they will be shared will be determined during the due diligence period.
- C. Quiet Title action on the out parcel at the entrance to the site was filed and the hearing is scheduled for June 19, 2017. A notice of the hearing will be posted.
- D. State Agency Leases - Draft leases were received from the state on March 22, 2017. The process is to work out terms of the agreement on the DHSS lease first, then move on to other agency leases.
- E. Fish and Wildlife MOU- There is an existing MOU for the boat ramp that was unknown to the Corporation until just prior to taking ownership of the property from the state. The MOU between DNREC Parks and Fish and Wildlife designates access to the boat ramp along the canal, which is not in use. An amendment to MOU was drafted by the Corporation to provide a blanket easement for access. This amended MOU was circulated on March 20, 2017.

5. Executive Director Report

Mr. Randol distributed a monthly progress report and discussed the items highlighted in red (Exhibit D):

Guidelines - The HPC has signed off on these guidelines, and we are waiting on comments from SHPO and Rockwell. Once comments are received, we will come back to the Board for action, which is anticipated to be at the June Board meeting. Mr. Walton noted that there will be easement language that will create a deed restriction to tie in the guidelines.

Mortar Bunker- Specs have been developed for the remediation and circulated to SHPO and DNREC for comment. The only issue to resolve at this point is approval from US Fish and Wildlife on tree removal due to impact on long-eared bats in the vicinity.

Zoning Ordinance – City of Delaware City approved changes to the zoning ordinance on March 20, 2017. Changes related primarily to setback requirements and height of buildings in the Marina District.

Canal District Subdivision – Scheduled for review at the May 1, 2017 Planning Commission meeting.

Historic Tax credits – We have received an offer on Building #43 at 91.5 cents/\$1. The original pro forma was based on 85 cents/\$1 of tax credits.

6. Committee Reports

The HPC, EDC, Advisory and Personnel Committees did not have any business requiring a meeting in March, therefore, there are no Committee Reports at this time.

7. New Business

Tim Slavin, Director and State Historic Preservation Officer, commented on the Cultural Resources Inner Agency Working Group, which was formed to streamline the process for reviewing Fort DuPont projects and improve the flow of information between multiple agencies. The group now meets biweekly and is working on: 1) a Phase 1 Cultural Resources Study that will review condition of existing assets and archeological issues, if any; 2) the Master Plan, and 3) the guidelines.

Mr. Randol noted that an RFP for Phase I Asset and Archaeological study was issued and bids for that are due April 21, 2017. Once reviewed, a recommendation will be made at the next Board meeting.

Ms. Lee asked that it be clarified that the guidelines approved by the HPC at this time are only for the Canal District and Officers Row. Mr. Randol confirmed that is the case.

8. Public Comment

Tim Konkus shared his observation that great progress had been made by the Corporation and that the baseline for what everybody wanted done had been accomplished. Non-historic buildings and uses not conducive to the site or community have been removed along with progress on restoration of buildings.

Billy Trevolini agreed with Mr. Konkus that the demolition and rehabilitation of facilities is progress and positive. Ms. Trevolini stated her main goal is to historically recognize the children of the Governor Bacon Health Center and its history. She advocates for a retreat/facility for the children.

9. Adjourn

There being no additional business to discuss, Ms. Stewart made a motion to adjourn the meeting, seconded by Mr. Morton, motion carried and meeting was adjourned at 9:25 am.