

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

LOCATION: Grass Dale Center
Delaware City DE 19706
May 10, 2017
8:30 a.m.

Meeting Minutes

Board Members

Richard Cathcart (Acting Director), Danny Episcopo, Michael Morton, Bert Scoglietti,
Sean Garvin, Herb Netsch, Dale Slotter

Advisory Council

Paul Parets

Staff

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

Members of the Public

Rachael Phillos, Tim Konkus, Tim Slavin, Andrew Roy,
Jake Miller, Carol Houck, Bob Malinowski

I. Call to Order

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

II. Minutes

Mr. Cathcart asked for a motion to accept the minutes from the April 11, 2017 Board of Directors Meeting. Mr. Morton made a motion to accept minutes, seconded by Mr. Netsch. Motion carried.

III. Treasurer's Report

The Treasurer's Report (Exhibit A) was presented by Mr. Scoglietti, with the following points noted:

- Items in red are changes approved at the last Board meeting.
- The funds for grading were zeroed out and reallocated to other projects.
- The total in unencumbered is \$197,764.54.
- With a reserve of \$40,000 for Operations and \$75,000 for Capital, \$84,764.51 remains available.

Mr. Scoglietti stated that he and Mr. Randol had a meeting with Luff and Associates and discussed changes in the way Profit and Loss statements are reported. The current system was good for the Corporation's initial operation, however, the CPA suggested transitioning to P&L reports for each project versus each individual contract. Future P&L reports will show allocation of state funds to individual projects. The Board will receive a quarterly consolidated P&L and a compiled annual P&L report that will include complete notes.

A motion to accept Treasurer's Report was made by Mr. Morton, seconded by Mr. Scoglietti. Motion carried.

IV. Legal

Mr. Walton commented as follows:

- A. Artesian Water Agreement – The Public Service Commission has approved Artesian's application for a Certificate of Public Convenience and Necessity ("CPCN"). The closing is pending a consent letter from DHSS.
- B. Rockwell Development Group Agreement: We are in the due diligence period. Discussions are ongoing on the HOA structure, if needed, approval of guidelines and housing plans.
- C. Quiet Title Action – Nothing to report. All that is needed at this point is an affidavit to the court that the notice has been publicly posted and advertising has run.
- D. State Agency Leases: Nothing to report. Waiting for revised draft for DHSS, expected later in May.
- E. 401K – Mr. Scoglietti has been working on a 401K plan for employees of the Corporation. Mr. Scoglietti stated that the Board previously authorized the setup of a 401k and noted that this type of retirement vehicle is a little more complex than most and would require the creation of a trust. The fiduciary manager of the trust would be the Corporation's Treasurer, with the Chairperson of the Corporation as the back-up fiduciary manager in the event the Treasurer should be out of town or unavailable. Mr. Walton asked that the back-up manager be included as part of the Board resolution authorizing the implementation of a 401K Resolution. (Exhibit B). Mr. Netsch made a motion to authorize the implementation of a 401K with the standing Chairperson as the back-up Fiduciary Manager, seconded by Mr. Episcopo. Motion carried.
- F. Fish and Wildlife Agreement – Nothing to report. Waiting for comments
- G. National Guard – (Exhibit C) – The resolution to convey the DNG parcel back to the State of Delaware was not included with today's agenda and will be moved to next month's Board meeting.

IV. Executive Director Report

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

Civil Engineering – WIAC approved approximately \$3,500,000 in Priority funding from state’s revolving loan fund, which included approximately \$2.2 million for the levee, \$500,000 for waste water infrastructure in the Canal District and Officers Row, and an additional \$800,000 for storm water improvements in the Canal District and Officers Row. The rate is 2% with up to 30-year amortization. Discussions on funding structure will be ongoing over next few weeks and will include the city.

The Levee will be constructed using soil from Reedy Point North and soil from the Marina. The Reedy Point North site is not suitable for residential fill, but can be used for commercial purposes and site development.

Mortar Bunker – Currently revising RFP based on comments from agencies. Approval from U.S. Fish and Wildlife has been received regarding Long-eared Bats found in the vicinity. Remediation on the Bunker is expected this summer. The Corporation will receive approximately \$65,000 from the Brownfields Development Fund to help cover cost of remediation.

Parade Ground – The west end of Parade Ground has some storm drainage issues. Consideration is being given to leveling it out to drain better using soil from Reedy Point North. Presently working through designs.

Guidelines – Waiting on comments from SHPO and Rockwell Development Group and hope to present at the June Board meeting.

Master Planning - Active recreation design is in underway. This would include things such as basketball, volleyball, playground, dog park and pavilions. Conceptual plans will be integrated into the levee planning.

Performing Arts Center – Feasibility study is complete. Whatever happens with the Arts Center will have to develop organically and be phased in over time as interest in the venue grows. We are still actively looking to host some festivals, The Grand is still interested and conversations continue.

Subdivision – The Canal District preliminary plan was submitted to the City for review. Comments were received May 9 from City’s engineer. The timeline is to go before the Planning Commission on June 5 for preliminary plan review, with the hope of final approval by City Council in August.

Officers Row – Preparations is being made to rough grade and bid the infrastructure improvements. Duffield will coordinate bidding process. Goal is to have the improvements completed by September.

Historic Tax credits – Sale of tax credits is underway. One purchase offer is in process and offers received for remaining three credits are being reviewed. Tax credit sales will generate just under \$1,000,000 at \$.90 per dollar.

Mr. Cathcart introduced Mr. Sean Garvin, the new DNREC Secretary and FDRPC Board Member.

Property Management & Administrative

DMHEF Museum – Mr. Randol and Ms. Thomas met with officers of DMHEF to discuss the group vacating their current location in the duplex on Staff Lane. Occupancy was terminated when NG terminated their curatorship on the PX. DMHEF has invested \$50,000 in renovations to the duplex, and FDRPC has proposed paying the group \$5000 per year over a ten-year period for reimbursement. DMHEF will be vacating the duplex over the summer. To retain DMHEF's value to the complex, a discussion was started with DMHEF about relocating to larger space in the Paynter building where a military museum could be established. A leasing plan is being compiled and will be presented in late May to the Delaware Historical Society. The goal is for DHS to take ownership of the museum project and incorporate displays that are already on site.

Phase 1 Restoration Financing

Applied Bank and WSFS term sheets and a side-by-side comparison were presented (Exhibit D) and Mr. Randol walked the group through the two term sheets. Applied Bank is offering more favorable terms and it was recommended that financing should proceed with them. Mr. Walton requested that the Board pass a resolution authorizing Mr. Randol to enter into a Letter of Intent with Applied Bank per the term sheet, and a motion for same was made by Mr. Scoglietti and seconded by Mr. Morton. Motion carried.

VI. Committee Reports

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

VII. New Business

A. Phase I Asset and Archaeological Study RFP

Three proposals were received. Mr. Randol along with cultural resource staff at DNREC and SHPO prepared the RFP and reviewed the responses. The archaeological study will research records and determine where historically sensitive areas on site are located. Recommendation was to accept the proposal submitted by Dovetail. A motion was made by Mr. Scoglietti to authorize Mr. Randol to enter a contract with Dovetail in the amount of \$18,877. Mr. Morton seconded the motion. Motion carried.

B. Owner's Insurance Coverage for Construction Liability

It is recommended that the liability coverage for FDRPC be expanded to include Construction Liability to better protect the Corporation in the event it should become party to a legal action due to one of the contractors (who are already covered for this)

C. Internal Line of Credit

Motion was made by Mr. Episcopo to authorize an internal line of credit be created and managed by the Executive Director and Treasurer. Mr. Scoglietti seconded the motion. Motion carried.

VIII. Public Comment

Mr. Netsch requested a copy of the map listing building numbers for easier reference.

IX. Adjourn

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