

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

LOCATION: Grass Dale Center
Delaware City DE 19706
June 14, 2017
8:30 a.m.

Meeting Minutes

Board Members

Susan Frank (Chair), Richard Cathcart, Bert Scoglietti, Connie Holland, Herb Netsch, Dan Episcopo, Dale Slotter, Laura Lee, Shawn Garvin, Secretary (9:17)

Staff

Jeff Randol, Executive Director, Max Walton, Counsel

Members of the Public

Carol Houck, Paul Parets, Bob Malinowski, Tim Konkus, and Billie Travelini,

I. Call to Order

Ms. Frank called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 8:35 am.

II. Minutes

Chair asked for Motion to approve the May 10, 2017 minutes as written. Motion was made by Mr. Netsch and seconded by Mr. Cathcart. Motion carried.

III. Treasurer's Report

Mr. Scoglietti reviewed the spreadsheets provided (Exhibit A) and he noted:

- There was a \$60,000 drawdown in the capital account. While the balance shows a negative account balance there is actually \$1.3 million dollars in the account. The negative balance relates to committed or approved funds.
- For the Artesian closing and other monies from private sources, a separate account will be made.

A motion to accept Treasurer's Report was made by Mr. Cathcart and seconded by Mr. Episcopo. Motion carried.

IV. Legal

Mr. Walton commented as follows:

A. Artesian Closing – The Sale of Water System to Artesian closed on Friday June 2nd. Of note, a Second Amendment to the Purchase and Sale Agreement was executed at closing to address a few clean-up issues with respect to maps and diagrams attached to the original agreement as well as to address two other more substance points: (1) reduction in purchase price and (2) further negotiation and drafting of no-build easement with respect to DNG parcel. With respect the reduction in purchase price, the price was reduced from \$1 million to \$851,500 due to the need for necessary repairs and improvements to certain of the assets which were not contemplated at the time of the original agreement. With respect to the form of no-build easement, the form of agreement attached to the original agreement was subsequently negotiated with DNG and Artesian, at the time of closing, was not prepared to accept the negotiated changes. As a result, language was added to the second amendment that basically requires the parties to further negotiate a mutually acceptable easement prior to the conveyance of the DNG parcel.

B. Rockwell Update - Very little to report at this time. The one big issue as it relates to closing is whether the Corporation can be exempted from the provisions of DUCIOA because the Corporation is retaining ownership and upkeep responsibilities for the open space. Mr. Walton was advised that there is some resistance to this proposal from the General Assembly. If the exemption is not granted, we will need to rework all of the open space maintenance strategies to try to comply with DUCIOA. We are stuck in a bit of a holding pattern until we know if the exemption will pass.

Mr. Walton also stated that they have hit a little bit of a roadblock regarding who will control the sewer system. The County will not allow Artesian to own the infrastructure and directly connect with the County treatment system. This presents an issue for Artesian control. We are working through this issue as promptly as possible.

C. Status of the Quiet Title Action - The hearing is Monday at 10:00. Mr. Walton will be filing a proposed order and an affidavit later today. He is hopeful that, by Monday, an order will be granted providing us title.

D. Lease Update with State Agencies – Mr. Walton states he has no update at this time on the leases with the State agencies other than that there have been some discussions regarding appropriate charges for common area maintenance. Once those discussions are complete, he was advised that he will be provided a revised template lease.

E. Fish and Wildlife Agreement – Mr. Walton has nothing to report. Mr. Randol sent the agreement out a couple of months ago, and was informed that this agreement will be incorporated into the State Agency Lease.

V. Executive Director Report

A. Updates: Mr. Randol distributed a monthly progress report and discussed the items highlighted in red on the report. (Exhibit B)

Canal District and Officers Row – Civil Engineering is underway and bidding on the Canal District infrastructure will be done in fall. Officers Row infrastructure was put out to bid and will be discussed in more detail under new business.

Dike - Application is being made to WIAC for a grant to Engineer design of the dike. Construction of the dike is targeted to start next spring.

Gas & Electric Designs – Designs by Delmarva completed. Will have design and pricing by July meeting.

Section 6F – On hold pending PH 1 Archeological Study, which was approved last month through a contract with Dovetail. The Archeological Study is underway.

Road names – Street signs are being installed. Mr. Randol provided photos of signs that have been installed.

Canal District – Preliminary Subdivision for 80 lots was approved 6/5.

Rough Grading – Moving forward on Officers Row, Phase 1. Working to source soil for Phase 2 and 3. Signed off on 6/13 and starting on 6/15.

Builder for Canal District – Consider extending Feasibility Period due to HOA and Guidelines.

Historic Tax Credits – Purchase Agreement signed on building #43, which will generate \$197,100 to FDRPC once the renovations are complete. Discussions are underway on sale of credits for the remaining 3 buildings.

Construction/Permanent Loan – Loan Commitment has been received from Applied.

Canal District Site Work – Presentation being completed for Bank line of credit.

State Revolving Loan Fund – Making application. Priority listing approved for \$3.5 million. This covers the dike and waste and storm water infrastructure for the Canal District.

Lease Terms – Draft received. Discussions in progress.

Military Museum – Vacating building #42. Mr. Randol is working on a new location for a Military museum that would consolidate the various exhibits in the Payntor Building.

Residential Properties – Leasing underway. Ready to start posting in September. 7 units ready, 3 units committed.

B. Revolving Loan Fund: Mr. Randol distributed and reviewed the attached sheet. (Exhibit C)

C. Guidelines and Standards Update: This is a work in progress. Revised the guidelines to reflect secretary standards and details on all districts.

D. Phase I Restoration Financing: Term sheet from Applied Banks was approved last meeting, but no formal Resolution was given. Mr. Scoglietti asked if Mr. Randol was comfortable with the right of first refusal (item 6, page 5) on the Canal District. Mr. Randol stated that we don't have to accept their terms, unless it is a competitive offer. Mr. Walton noted that we may want to add clarifying language.

A motion to approve the Financing Commitment with additional clarifying language was made by Mr. Cathcart and seconded by Ms. Holland. Motion carried.

A motion to approve the Borrowing resolution was made by Ms. Holland and seconded by Mr. Netsch. Motion carried.

E. Officer Row RFP: Mr. Randol distributed and reviewed the attached sheet, which summarized the bids for the Officers Row road improvements. (Exhibit D)

This was put out to bid and came back with 3 proposals. Proposals were received from Corrado (\$398,000), Diamond (\$507,000), and Eastern (\$640,000). Corrado's bid did not include sidewalks. Artesian will supply water lines, but not install them. Alternate #1 – estimates to install water lines were Corrado (\$53,466), Diamond (\$90,000), and Eastern (\$113,500).

Corrado was the lowest bid, even with adding in the cost of sidewalks; Mr. Randol requested authorization to enter into a contract. This would be paid out of the line of credit. We have allocated \$550,000 (originally budgeted for \$750,000). Mr. Cathcart asked if this included awarding Alternate #1 as well. Mr. Randol confirmed. Mr. Randol asked if we should approve numbers as submitted and later add in sidewalks. Mr. Cathcart asked if we should include that as a part of the motion. Mr. Walton stated we should approve what we have in front of us and revisit later. Mr. Cathcart asked if Alternate #1 was a fixed number. Mr. Randol stated it is an estimate and is subject to change. A motion to authorize entering into the contract with Corrado without sidewalks for \$398,311 was made by Mr. Cathcart. The motion was seconded by Mr. Netsch. Motion carried.

F. Mortar Bunker RFP Update: The RFP date was extended from June 9th to June 16th. Mr. Randol will come back to the Board in July with the proposed budget. The RFP is for remediation. The abatement study was done, and there is only asbestos on the tile. Mold treatment is needed. Need to clear out debris, mortar pit, and remove trees.

Ms. Lee had a question regarding bats. Mr. Randol stated that we were required to obtain written approval from U.S. Fish and Wildlife before disturbing trees within .25 miles of a known habitat for the Long Ear Bats. There were no bats in the mortar bunker, but they have been detected in nearby bunkers. We submitted the request and received approval to remove the trees.

G. Building 42 – DMHEF Termination Agreement

Delaware Division of Parks and Recreation (“DPR”) entered into a Curatorship Agreement (the “Burton Hall Agreement”) on May 18, 2007 with the Delaware National Guard. On November 19, 2008, DPR entered into a separate Curatorship Agreement (the “Duplex Agreement”) with the Delaware Military Heritage and Education Foundation, Inc. (“DMHEF”). On December 13, 2013, DNG notified DPR of its intent to terminate the Burton Hall Agreement effective as of March 1, 2014 and DMHEF continued to use and occupy the Duplex as a month-to-month tenant. Occupying the Duplex on a month-to-month basis, they have managed the property and spent over \$50,000 in restoration and rehabilitation of the Duplex. Mr. Randol has prepared a Termination Agreement whereby DMHEF will vacate the Duplex and terminate the month-to-month tenancy; and FDRPC would reimburse DMHEF for the costs and expenses of restoration and rehabilitation in the amount of \$50,000 (60 consecutive payments of \$833.33). DMHEF has also expressed interest in assisting FDRPC in future efforts to construct a military museum at a new location.

A question was raised by Ms. Lee regarding what the \$50,000 was for. Mr. Randol listed upgrades, heating, new walls, new floors. It was also asked if they have provided documentation yet. Mr. Randol stated that the agreement requires a list of improvements, but has not yet been submitted. Mr. Cathcart asked if DMHEF would be willing to invest any capital toward improvements to a new building. Mr. Randol said he would explore the option. Ms. Lee stated they didn’t follow guidelines for improvements in the past and she has concerns about paying them back when they didn’t follow terms of the curatorship. Ms. Lee also stated there was a lot of misinformation in Delaware City saying that the Corporation threw DMHEF out. Mr. Randol said he responded to Natalie Greene’s posting and has communicated with others so that the facts were clear and that the Corporation would be continuing to work with DMHEF on a new location that would be more suitable for the use. Ms. Lee stated that she would like to see what improvements were made and see their numbers. The Board decided to table this item until we have the documentation.

VI. Committee Reports

A. Economic Development Committee: Already covered efforts underway on the Payntor building and PX.

B. Project Funding Committee: Already covered efforts with Phase 1 funding.

C. Historic Preservation Committee: Nothing to report.

D. Personnel Committee: Entering into Executive Session

VII. New Business

None.

VIII. Public Comment

Billie Travelini asked about the military museum. Would there be any parking? What about security, temperature control, additional insurance? Mr. Randol met with the Delaware Historical Society about putting together a financial plan for operating and procedures. Mr. Randol stated there is space for parking on the west side of the museum.

Ms. Travelini also commented on being promised something would be done to honor the children that were detained here, that had no rights and were put into lockup. She was there for 18 months. She would like consideration to have the Board appoint a committee about feasibility for funding a respite for autistic children.

IX. Adjourn

Ms. Frank made a motion to enter into Executive Session. Mr. Cathcart seconded the motion.

Following executive session, a motion was made to accept proposal A as set forth in executive session and the motion was seconded. The motion carried unanimously.

A motion to adjourn was voted upon and approved. The meeting was adjourned at approximately 10:00 am.