

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

LOCATION:
Grass Dale Center
Delaware City DE 19706
July 12, 2017
4:00 p.m.

Meeting Minutes

Board Members

Susan Frank, Richard Cathcart, Michael Morton, Bert Scoglietti, Courtney Stewart, Shawn Garvin, Laura Lee, Connie Holland

Advisory Council Members:

Jeff Bross

Staff

Jeff Randol, Executive Director

Peggy Thomas, Site Manager

Max Walton, Counsel

Members of the Public

Mike Hitch; Tim Konkus, Billie Travolini, Paul Morrill, Carol Houck, Chris Castagno

I. Call to Order

Ms. Frank called the Fort DuPont Redevelopment and Preservation Corporation Board of Directors meeting to order at approximately 4:00 p.m.

II. Minutes

Ms. Frank asked if there were any questions or comments regarding the June 2017 meeting minutes. No questions were presented and a motion was made to approve the minutes of the June meeting by Mr. Scoglietti and seconded by Mr. Morton. Motion carried.

III. Treasurer's Report

The treasurer's report (Exhibit A) was presented by Mr. Scoglietti as follows:

The monthly Financial Report shows receipt of the \$2,250,000 appropriation from the State for FY 2018. The report also shows income and expenses as of July 10, 2017, with adjusted line items in red. Adjustments include expenses for Officers Row road improvements and an additional increase for architectural plans for the Barracks and the PX buildings. An internal line of credit has been established from proceeds of the Artesian sale and will act as a bridge loan during Phase 1 (and future construction), as needed. Bridge loans will be paid down as each lot is sold. The July report shows an unencumbered, uncommitted, unreserved balance of \$2,770,606.49.

Also presented was the FY2018 Revolving Loan Fund Budget, which shows funds being allocated to Phase I water lines, utilities, grading, etc. and a quarterly Financial Report outlining Corporation

performance through March 31, 2017. Mr. Cathcart made a motion to accept the Treasurer's report and the motion was seconded by Ms. Holland. Motion carried.

IV. Legal

Mr. Walton commented as follows:

- A. HOA. The Corporation sought exemption from DUCIOA (25 Del. C. §§81-101 to 421) through the Bond Bill epilogue language, however, the exemption did not get included in the Bond Bill therefore, the HOA requirement remains unchanged.
- B. Rockwell Agreement. Mr. Walton asked the board to vote on an extension of the due diligence period between Rockwell Development Group and FDRPC in order to work through various strategies for addressing HOA, CAM costs and the guidelines. Mr. Morton made a motion to authorize the extension of the due diligence period for an additional 120 days. Mr. Cathcart seconded the motion and the motion carried. (Exhibit C – Copy of Agreement Addendum)
- C. Quiet Title. Action was approved by the court and documents have been forwarded to the Recorder of Deeds office. The matter is now considered closed.
- D. State Leases. Leases are now back with the State and lease negotiations continue. Leases now include CAM costs assessed proportionately between DHSS, OMB, and New Castle County based on their respective properties.
- E. Financing of four lots (39, 45, 25 and 43) with Applied Bank will close this month

V. Executive Director's Report

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

- A. Canal District and Officers Row - Civil Engineering is underway.
- B. Dike - Application is being made to WIAC for a grant to Engineer design of the dike.
- C. Maple Avenue and Engineers Road – In bad condition and will need to be repaired/paved. Timing to be determined.
- D. Gas & Electric Designs – Designs by Delmarva are completed, they are waiting on contract and deposit.
- E. Section 6F - On hold pending PH 1 Archeological Study.
- F. Road names – Street signs will be installed by end of July.
- G. Canal District - Preliminary Subdivision approved 6/5/17. Planning Commission toured site on 7/10.
- H. Next Planning Commission meeting is 8/7/17.
- I. Rough Grading – Soils testing on South Field in July for additional fill. Mr. Randol presented photos showing the grading along Officers Row from multiple points of view.
- J. Verizon FIOS – Verizon has agreed to cover the entire expense, which saves \$100,000 in Phase 1. Verizon also agreed to extend lines to the duplexes.

- K. Builder for Canal District – Request made for extending the Feasibility Period due to HOA and Guidelines.
- L. Engineering plans and permitting – Will be discussed later in agenda.
- M. Historic Tax Credits - Purchase Agreement signed on building #43, which will generate \$197,100 to FDRPC
- N. Construction/Permanent Loan – Closing scheduled for 7/19/17.
- O. Canal District Site Work – Working with Applied Bank on line of credit for construction
- P. State Revolving Loan Fund - Making application. Priority listing approved for \$3.5 million.
- Q. Lease Terms – Waiting on revisions from state.
- R. Military Museum – Building #42 has been vacated.
- S. Residential Properties – Leasing underway on #42, #43 and #39 leased.
- T. 2018 Budget – Mr. Randol reviewed the proposed 2018 Budget for the Corporation, including a budget for Revolving Loan Fund. The FY 2018 Budget includes three new capital improvement projects. The first, remediation and renovation of the Payntor Building at \$600,000 which would result in 30% tax credits. Second, renovation of the PX, which will also be eligible for tax credits; projected time to completion is approximately two years. Third, remediation of the Mortar Bunker interior (Exhibit E).
- U. The Mortar Bunker will cost approximately \$100,000 to remediate allowing the opportunity for touring and marketing to prospective businesses. A motion to accept the FY 2018 Budget was made by Mr. Cathcart, seconded by Mr. Scoglietti. The motion carried. Mr. Randol presented a comparison of bids received for the Mortar Bunker remediation project. Mr. Randol recommends that just the interior and pits be remediated now, the clearing of exterior to be done at a future time. Total bid by Astec is \$80, 951 (lowest) and Mr. Randal requested the Board approve the remediation of the bunker as submitted by Astec, with a budget of \$100,000. A motion was made by Mr. Scoglietti and seconded by Mr. Morton. Motion carried.
- V. A Construction Manager, possibly part-time, will need to be hired to handle day-to-day construction operations and manage ongoing projects
- W. Building 42 – DMHEF has vacated the building. Under the Termination Agreement, FDRPC would repay DMHEF \$833 per month over a five-year period to reimburse the group for renovations made to building #42 (\$50,000). Mr. Randol stated that DMHEF provided him with all receipts related to renovations in #42. A motion was made by Mr. Cathcart to approve the Termination Agreement, seconded by Mr. Morton. Motion carried.
- X. Marina Engineering – Duffield has been selected as the engineering contractor for the final design plans for the marina and relocation of force main under canal, and this includes permitting, design and layout fees for the marina (docks). Mr. Morton questioned whether these plans will include the bridge over the canal. Mr. Randol stated these plans will not include plans for the bridge. A discussion followed and Mr. Walton verified that Mr. Randol was previously authorized by the Board to contract, without bid, for site development and construction up to \$250,000. A motion to approve the Duffield contract for the marina was made by Ms. Holland, seconded by Mr. Garvin. Motion carried.

Y. Delmarva Electric and Gas Agreement – A copy of the Agreement is included (Exhibit OOOO) and includes \$269, 661 in non-refundable costs (see page 5 of Agreement) and a refundable fee of \$37, 360 applied against each lot. The cost includes primary feed for gas, primary electric, electric and gas to 15 lots on Officers Row, and designed to allow for future expansion through the complex. A motion was made by Mr. Cathcart to approve the Agreement, seconded by Mr. Morton. Motion carried.

VI. Committee Reports

Economic Development Committee – The committee met on June 28 and reviewed floorplans for both the Payntor Building and PX. The committee was tasked with finding business incubator prospects to be sought first. The plan for the PX is to become the Community Center.

Project Funding Committee – The committee set up the Revolving Loan Fund account, a second checking account at WSFS for disbursing funds for construction that will be repaid as lots are sold.

Historic Preservation Committee – No meeting scheduled until Design Guidelines for other districts are drafted.

Personnel Committee – No meeting since June, at which time Proposal A was approved by in Executive Session.

VII. New Business – No new business

VIII. Public Comment – Ms. Travolini has approached industry professionals to join committee to research opportunities for a respite care facility and will bring that information to the Board in the near future.

IX. Adjourn

There being no additional business to discuss Mr. Scogliett made a motion to adjourn the meeting. Mr. Garvin seconded. Motion carried.