

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

LOCATION:
Grass Dale Center
Delaware City, DE 19706
March 14, 2018
8:30 a.m.

Meeting Minutes

Board Members:

Susan Frank, Bert Scoglietti, Michael Morton, Courtney Stewart, Herbert Netsch,
Danny Episcopo, Dale Slotter

Staff:

Jeff Randol, Executive Director
Peggy Thomas, Site Manager
Jack Strong, Construction Manager
Max Walton, Connolly Gallagher

Members of the Public:

Tim Konkus, Jake Miller, Billie Travolini, Michael Hitch, Bob Malinowski

I. 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.

II. Minutes

Ms. Frank asked if there were any questions or comments regarding the February 2018 meeting minutes. No questions were presented, and a motion was made to approve the minutes of the December meeting by Ms. Stewart and seconded by Mr. Scoglietti. Motion carried.

III. Treasurer's Report

Mr. Scoglietti reviewed the financial report, which shows a total in unencumbered funds of \$1,211,399. The previous month's report was understated due to some road expenses being booked twice.

Mr. Scoglietti stated the Corporation will present its budget to the Bond Bill Committee on May 17th and that the amount in the budget for the Corporation is \$2,250,000, which includes \$300,000 for Administration. In the past the Administrative allocation has been \$250,000.

Ms. Frank asked for clarification on proceeds from the tax credits. Mr. Randol explained that we received \$200,418 for the sale of Historic Tax Credits ((\$0.915 for each \$1 of HTC) on building 43. We paid out \$3,333 in fees for a net of \$197,085 tax credit sale. Those funds were received

in December. We still have to work through details for the sale of the remaining credits on Phase 1. Interest has been expressed and discussions are underway.

Company 401k Plan - Mr. Scoglietti requested that changes to the Corporation's 401k plan be addressed in executive session.

V. Legal

Mr. Walton commented as follows:

Historic Flood Plain – Mr. Walton and Mr. Randol continue to work with Delaware City to update the town's ordinance to exempt historic properties in the flood plain so as not to impact their historic character. The ordinance has met FEMA's requirements and is now being reviewed by both FEMA, DNREC and SHPO.

Executive Session - Mr. Walton noted that the Board would go into executive session after public comments to address action items listed on the agenda, then return to public session afterwards for voting.

VI. Executive Director's Report

Mr. Randol commented as follows:

A. Insurance – Mr. Randol has been working with the Williams Insurance Agency to assess coverages and costs and distributed a summary comparing the Corporation's current insurance coverages to proposed coverages. In addition to the current coverages, a Commercial Property policy would be issued to cover the residential buildings occupied by FDRPC tenants (exclusive of buildings occupied by state agencies). The new General Liability policy has a deductible of \$500 vs the current \$2500 deductible, which is the only change with the General Liability Policy. The overall cost savings to the Corporation is \$9,496. A motion was made to enter into new general liability policy with MESA and the Commercial Property policy with Lloyds of London by Mr. Morton and seconded by Mr. Scoglietti. Motion carried.

B. LOIs on Canal District – Letters of Intent have been received from Rockwell and Wilkinson builders and will be reviewed in executive session.

C. Historic Tax Credits – An agreement has been reached for purchase of the Corporation's historic tax credits for .87/\$1 (net of fees). The Agreement is out for signature by the Purchaser. Though this is slightly lower than the anticipated net rate of .90/\$1, which was the rate on building 43, this agreement provides greater flexibility in how the funds are paid out to FDRPC, being that the Purchaser will take down the credits as buildings are completed as opposed to waiting for all three to be completed. This is important to the corporation's cash flow. Ms. Stewart asked when the Agreement would be signed and funds received. Mr. Randol stated that the Agreement is expected to be signed within two weeks and the funds received within the next two months.

D. Master Plan –

Marina District plan –The Marina District plan now shows that the building complex has been moved approximately 100 feet west due to soil conditions. An updated rendering of how the proposed plan will look was distributed. Mr. Randol has been meeting with various investors and developers. Completion of the market study for the hotel and conference

center is the next step in responding to interested parties. Marina developers are reviewing plans and interest has been generated in the 120+ apartment buildings, which would be the first phase of development in the Marina Village. Mr. Randol has engaged Apex Realty Advisors to provide a valuation of the Marina Village components and will provide the Board with a more detailed plan for development of the district once the valuation has been determined and market study completed.

Bunker – The bunker has been cleaned out and architectural renderings of what the future brewery could look like were shown. The preferred use for the space would be an incubator space to support small to medium size brewers and distillers. Highlights of the building would include tasting room, restaurant, beer and spirits garden in the mortar pit, and rooftop views of Fort Delaware and the river. Mr. Randol has met with several brewers interested in the project and is now working on a more detailed design and financial plan to present the Board.

Agribusiness- Ongoing talks continue with the University of Delaware’s Agricultural Extension with regard to greenhouse space, production, a farmer’s market, etc. Barracks buildings could be used for higher education classes and offices. Interest has also been expressed from a national developer of Aquaponic Greenhouses.

- E. Special Events – Mr. Randol stated Special Events and Festivals are an important part of promoting the complex and generating interest in the housing and commercial opportunities. The St. Georges Blues Festival, which will take place on Saturday, June 9 and Sunday, June 10 and is expected to generate roughly 1200 attendees. This will be a great start to the summer season. Mr. Randol is also working with Mark Kleinschmidt and Gable Music to create a fall festival. The goal is to host three festivals per year.
- F. SHPO – With the Master Plan updates and completion of the Phase 1 Archeological Survey, a meeting with SHPO has been scheduled for March 19th to discuss results and next steps in the Section 106 review process.

V. Committee Reports

Economic Development - No updates to report; next meeting is today, March 14.

Project Funding – No updates to report.

Historic Preservation – No updates to report; next meeting is Tuesday, March 20.

Personnel – Ms. Frank stated that the committee continues to meet and work on various issues related to compensation and staffing.

VI. New Business

A. Sale of Duplexes on Old Battery Lane - Will be discussed in executive session.

B. Governance Committee - Ms. Frank stated that committee is in the planning stage. This committee will help plan policies to meet the needs of the corporation as it grows. Ms. Frank noted that while the current committee members have been active, the Governance Committee is designed to encourage greater board participation with committees.

VII. Public Comment

No Public Comment

VIII. Adjourn to Executive Session

There being no additional business to discuss Mr. Morton made a motion to enter executive session, seconded by Mr. Scoglietti. Motion carried, and the Board entered executive session.

IX. Public Session

Ms. Frank called the public session back to order.

A. 401k - Mr. Morton made a motion to authorize changes to the Corporation's 401k plan as discussed in executive session. Ms. Stewart seconded the motion. Motion carried.

B. Canal District LOI - Mr. Netsch made a motion to authorize Mr. Randol and Mr. Walton to proceed in negotiations with Rockwell Development Group on the LOI for the Canal District. Ms. Stewart seconded the motion. Motion carried.

C. Sale of Duplexes on Old Battery Lane - Mr. Morton made a motion to authorize Mr. Randol and Mr. Walton to proceed in negotiations with Black Dog Property, LLC and enter into a non-binding LOI until the board approves the agreement.

X. Adjourn

There being no additional business or comments, Mr. Scoglietti made a motion to adjourn the meeting, seconded by Mr. Morton. Motion carried.