

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

LOCATION:
Grass Dale Center
Delaware City, DE 19706
March 13, 2019
8:30 a.m.

Meeting Minutes

Board Members:

Susan Frank, Bert Scoglietti, Courtney Stewart, Dale Slotter, Julie Fedale (for Mike Morton),
Tim Diliplane, Connie Holland, Shawn Garvin, Paul Parets, Laura Lee

Staff:

Jeff Randol, Executive Director
Peggy Thomas, Accounting/Site Manager
Max Walton, Connolly Gallagher

Members of the Public:

Mike Hitch, Bob Malinowski, Billie Travalini, David Baylor, Stanley Green, Tim Konkus,

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. Board Introductions

Ms. Frank introduced Mr. Parets as the newest member of the Board, appointed by Delaware City to fill the vacancy created by the resignation of Mr. Netsch.

III. Minutes

Ms. Frank asked if there were any questions or comments regarding the February 2019 meeting minutes. No questions were presented, and a motion was made to approve the minutes of the February meeting by Ms. Stewart, seconded by Ms. Fedele. Motion carried.

IV. Treasurer's Report

Mr. Scoglietti gave an update on the Corporation's requested funding for FY 2020. FDRPC requested \$5.8 million dollars, which included \$500,000 for the round-a-bout and \$3 million for the levee. Governor Carney has recommended \$2,300,000 in his budget. Ms. Frank asked if the additional requested funds could be added by legislators and Mr. Scoglietti confirmed that they could. The Joint Bond Bill Committee hearing is scheduled for April 4th at 11:30 a.m. in the

Joint Finance Committee conference room at Legislative Hall, Dover. The meeting is open to the public.

Mr. Scoglietti commented on the Treasurer's Report as follows:

Page 1, General Ledger line 4010 State Appropriations – The last capital drawdown of \$75,000 has been made for the fiscal year. General Ledger line 4150, Tenant Reimbursements, are funds received from residents and agencies for utility reimbursement. Mr. Scoglietti explained the Corporation receives one single bill from Delmarva Power and billing is then calculated and invoiced to each agency or unit at the site. Income on line 4200, Real Estate Sales, shows income received from the sale of Lot 14 on Officers Row, the second column shows \$345,000 which is budgeted income from planned sales of three lots on Officers Row and five lots in the Canal District by June 30th, 2019. Those dollars are budgeted but not yet received. Page 2, Line 4500 HTC Credits, funds will be received once those credits are approved by SHPO. Page 3, Line 6704, shows an increase of \$180,000 with \$160,000 attributed to completion of Building 45.

A motion to approve the Treasurer's Report was presented by Ms. Stewart and seconded by Ms. Fedale. Motion carried.

V. Legal

Mr. Walton reported as follows:

A. City Sign Ordinance – Delaware City Council unanimously approved the Sign ordinance at its last meeting. The changes to the ordinance make signage at Fort DuPont more consistent with respect to the various zoning districts of the City.

B. 501c (3) – Mr. Randol and Mr. Walton have begun the process of creating a 501c (3) in order to accept donations and apply for grants.

C. Branch Canal Agreement with Delaware City – Mr. Walton turned the discussion over to Mr. Randol. Mr. Randol had previously given a presentation to the Board regarding the transfer of ownership of the Branch Canal to Fort DuPont through federal legislation. Assuming the Corporation takes title to the property, Delaware City has expressed interest in obtaining ownership of a portion of the Branch Canal. Mr. Randol met with members of the city's council and staff to discuss the terms of an agreement that would transfer a portion of the Branch Canal to the City. A draft was subsequently presented to the City and then revised according to changes requested by the city that extended the city's purchase option period from thirty days to ninety days, and removal of a first right of refusal to repurchase the property by FDRPC. In lieu of the first right of refusal is was agreed that the city could not undertake actions that would adversely impact development of Fort DuPont. The Agreement defines what would be considered adverse actions impacting the development of Fort DuPont. Mr. Randol explained the city's portion of the canal would extend from the center line of the canal to "Old Delaware City".

Ms. Frank asked if the agreement is approved, who is responsible for maintaining the Canal? Mr. Randol explained that each would be responsible for their own shoreline but that the navigational portion of the canal would be shared between Delaware City and Fort DuPont on a pro-rata basis. Ms. Frank also asked if other government agencies will be involved in permitting the ownership of the canal and Mr. Randol stated there is no approval from federal or state agencies required to obtain title to the property. Mr. Garvin added that DNREC would be involved with permitting for any activity that directly or indirectly affects the water, such as shoreline restoration. Further discussion followed regarding the Corporation's liability in owning the canal.

Ms. Frank asked what Fort DuPont's legal liability is in the event of an accident and Mr. Walton stated the Corporation would have to increase its liability insurance. Delaware City would fall under the municipal tort claims act therefore having slightly less liability. Based on Mr. Walton's comment, Mr. Slotter asked if it would make more sense for Delaware City to take full ownership of the canal to which Mr. Walton stated the federal legislation requires Fort DuPont to take full ownership of the canal. Mr. Walton also noted that, if the lands were owned by Delaware City and leased back to the Corporation, the Corporation would likely have the same liability exposure.

Ms. Frank asked for public comment at which time Mayor Green asked for clarification of "Adverse Impact" in the city's draft agreement. He also asked Mr. Walton if he would research the Rivers and Harbors Act of 1899, noting that he had been asked to find out if that act would apply to the Fort's ownership of the Branch Canal. Mr. Randol asked if Mayor Green knew the purpose behind the act and Mayor Green said he is not familiar with the RHA but would be receiving a copy of it later that day. Mr. Randol asked if anyone in attendance was familiar with the RHA of 1899, and Mr. Konkus stated he was and explained the act is legislation that requires waterways to remain open, with no bridges, locks or tolls that would impede free movement of commerce along a navigable U.S. waterway. He further explained the RHA as it relates to bridge construction is now under the purview of the U.S. Coast Guard. Mr. Walton stated he would research the RHA and report back at next month's meeting. Mr. Randol added that including any language that would impede development of the fort, the proposed marina or construction of a connector bridge would go against the Master Plan and what the city has historically supported.

Mr. Slotter stated the connector bridge is important to Fort DuPont and the city and both should agree on its placement. Mr. Slotter stated he could not support an agreement that gave full power to Fort DuPont. Mr. Garvin said he believes the RHA of 1899 is not relevant to the proposed Agreement, but that Fort DuPont and Delaware City should work to include language that is mutually beneficial while reserving their respective rights to ensure their activities are protected. Ms. Frank asked Mr. Randol if the matter was time sensitive to which Mr. Randol replied it is not. Mr. Parets asked how soon Mr. Walton could provide an overview, as requested by Ms. Frank, and Mr. Walton replied he would give a report at the next meeting. Mr. Parets also asked if the RHA was considered during construction of the 5th Street Bridge. That question could not be answered. Mr. Diliplane asked how long the Corporation would be

in existence and should it no longer exist would Fort DuPont's title transfer to the city. Mr. Walton noted that the Corporation would exist into perpetuity as it would retain ownership of its property.

V. Executive Director's Report

Mr. Randol commented as follows:

A. Canal District & Officers Row – The sale of Lot 14 on Officers Row closed in February and Rockwell has begun construction of their spec home; they will close on Lot 12, which is on Officers Row, by the end of June. An agreement was pending on the sale of another lot on Officers Row but has not been executed. Mr. Slotter expressed concern that all the lots on Officers Row are the same price with no premium. Mr. Randol noted that there are premiums. Asking price for lots vary from \$115k to \$125k and that some of the lots on Officers Row are pending the LOMAR. These lots are not yet eligible for sale and could potentially have a premium as the market dictates. Discounts are being provided in order to encourage the construction of new homes. Lots currently under contract on Officers Row are for \$115,000. Closing with Rockwell on three lots in the Canal District will take place the week of March 18th.

B. Marina Village – A Letter of Intent has been received from a developer and their conceptual planning is underway. They have engaged an architect, to assist with site planning and building design. These plans will be presented to the Board along with the proposed terms of a purchase agreement. Ms. Holland asked if developer changes to the plan fall within the fort's guidelines. Mr. Randol noted that the guidelines for the Marina Village have not yet been finalized. When they have been approved by the Corporation's HPC, they will be presented to the Board.

C. HTCs – Approvals from the state for transferring credits on building 25 have been received. The credits are valued at approximately \$250,000. An application for credit approvals on Building 45 is underway. The same buyer who has agreed to purchase HTCs for Building 25 and 45 have also agreed to purchase future HTCs for Buildings 15 and 53.

D. Grass Dale Campground – The developers who have expressed interest in developing a campground at Grass Dale will make a presentation to the board at the next meeting. Ms. Lee asked if there is anything that prohibits the sale of the land? Mr. Randol stated he's not aware of anything and Mr. Walton stated he would research the matter. Asked what portion of Grass Dale will be developed, Mr. Randol stated approximately sixty-five acres out of the one hundred thirty-three acres. The developer also intends to restore wetlands.

E. Fortify Festival – Planning for Fortify Festival 2019 is underway. Mr. Randol stated he considers the festival an effective marketing tool that provides good exposure for Fort DuPont and Delaware City. As an example, Artesian, one of the sponsors for this year, will place inserts into bills for two months which will reach 80,000 people, advertising both Fortify and Fort DuPont. Sponsors are participating and the lineup has been set. Mr. Slotter expressed concern that the festival was not profitable in 2018 and questioned whether the festival is the best way to spend marketing dollars. Ms. Holland stated that she believes the festival is effective marketing based on very positive feedback she received from last year's VIP event and the

popularity of events in the surrounding area. Mr. Randol noted costs associated with the festival were higher in 2018 due in part to the VIP event. Sponsor pledges are expected to cover most expenses. This year's ticket price is being lowered to \$35 to generate increased sales. It was agreed Mr. Randol would present a festival budget at the next meeting and that expenses would be covered by the sponsors and ticket sales. Mr. Slotter asked what would be deemed successful attendance and Mr. Randol stated that at fifteen hundred tickets the event would net approximately \$30,000. Breakeven is roughly 750 tickets.

Mr. Parets commented it is too early to determine the value of dollars spent on the festival because it's an ongoing investment and that the festival should be funded to the extent it can be through sponsorships.

VI. Committee Reports

A. Economic Development - No updates to report

B. Finance Committee (Project Funding) –This committee will be expanding soon with the goal to assist in developing the annual budget and support finance issues as the project expands. Ms. Frank recommended the Board table discussion on structure of the Finance, Personnel and Governance committees until a proposal can be presented to the Board.

C. Historic Preservation – No updates to report.

D. Personnel – Ms. Frank reported the committee discussed some of the changes being recommended, such as hiring a new bookkeeping firm.

E. Governance Committee – Mr. Scoglietti stated legislation HB 40, which expands the Board and makes changes to the Corporation's structure was out of committee and awaiting action by the full senate.

VII. New Business – No new business was presented.

VIII. Public Comment – Ms. Travalini shared a previous experience with owning portions of the Brandywine and how various incidents impacted homeowners and water quality along the waterway.

IV. Adjourn - There being no additional business or comments, Ms. Stewart made a motion to adjourn the meeting, seconded by Mr. Garvin. Motion carried.