

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

Via Zoom
Delaware City, DE 19706
February 10, 2021
8:30 a.m.

Meeting Minutes

Board Members:

Bryon Short, Bert Scoglietti, Courtney Stewart, Danny Esposito, Connie Holland, Paul Parets, Laura Lee, David Baylor, Dale Slotter, Neal Dangelo, Dan Scholl, Eric Smith, Ruth Ann Jones, Shawn Garvin.

Staff:

Jeff Randol, Executive Director
Peggy Thomas, Site Manager
Max Walton, Connolly Gallagher
Lisa Hatfield, Connolly Gallagher

Members of the Public:

Mika Drake, Roberta DeLeo, Susan Rahn, Tim Konkus, Tim Diliplane, Betty Barrett, Bob Malinowski, Joe DeLosa

I. Call to Order

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

II. Minutes

Mr. Short asked if there were any questions or comments regarding the January 2021 meeting minutes. No questions were presented, and a motion was made to approve the minutes of the January 2021 meeting by Mr. Dangelo and seconded by Mr. Slotter. A roll call vote was taken, motion carried.

III. Legal

Due to Mr. Walton having to leave the meeting early, Legal was moved ahead of the Treasurer's Report. Mr. Walton provided an overview of a proposed zoning ordinance amendment that had been reviewed by the City Council at their December meeting. The city's objective is to restrict the number of apartments at Fort DuPont, but the amendment as written would restrict all multi-family housing. After discussion with city officials, it was agreed that Mr. Walton and counsel for the city would work on revisions to the draft amendment with the goal of having something prepared for the March City Council meeting.

IV. Treasurer's Report

A. Financial Report - Mr. Scoglietti highlighted the following line items for the period ending January 31, 2021:

- Page 1, Line 4010, State Appropriation – A balance of \$275,000 remains and will be drawn down over the remainder of FY 2021.
- Line 4204 & 4205, Real Estate Sales - All lots in Phase IC have now been sold. This meets the budgeted revenue of \$900,000. Sales in Phase 1D have also exceeded budget projections for FY 2021 by \$70,000.
- Line 4530, Historic Tax Credits - The time line for receiving tax credits for the OBL duplexes has been pushed into FY 2022 due to the timing of restorations and rehabilitation of these buildings.
- Page 2, Line 4800, Bank Loans - Closing took place last week on the Applied Bank loans for Canal District infrastructure and the OBL duplexes. Those amounts will be reflected on the February Financial Report.
- Page 3, Line 6716.20, Roads/Utilities Phase 1C - An increase of approximately \$100,000 reflects work along Old Elm Avenue.
- Line 6716.30, Roads/Utilities Phase 1D – Road and utility expenses have increased \$70,000 since last month as construction moves into the last phase of the Canal District.
- Page 4, Line 7110, Storm Water Management - Expenses have increased \$25,000 since January for jetting of mains along Old Battery Lane and Maple Boulevard. Storm lines were not working efficiently due to debris in the lines.
- Line 7220, FDRPC RLF Repayment - Repayment of \$200,00 to the Corporation’s internal line of credit, which is used as a bridge loan for construction.
- Net Income for the period is \$797,358.00.

In response to questions, Mr. Randol stated that:

- Canal Stabilization expenses relate primarily to storm water improvements and installation of discharge outlets along the shoreline.
- Electricity for existing buildings is billed by Delmarva to one meter that FDRPC then bills tenants. FDRPC has installed meters on the various buildings and takes monthly readings in order to prorate the Delmarva bill.
- CAM expenses are not all Association expenses. For example Building Repairs and Maintenance are not charged to the Association. There is a separate Association CAM budget that was provided to residents of the Canal District and Officers Row.

Mr. Parets asked if State funding will be available for the roundabout. Mr. Scoglietti explained that the Corporation is requesting \$800,000 for roundabout funding in addition to the Governor’s recommended budget of \$2,250,000. The Corporation will present its request to the Joint Bond Bill Committee in May.

With no further questions, a motion to approve the Treasurer’s Report was made by Mr. Parets and seconded by Mr. Garvin. A roll call vote was taken, motion carried.

B. Audit - Mr. Scoglietti stated the Board had previously authorized the Finance Committee to explore and select an accounting firm to conduct a five year audit. Four qualified proposals were received and reviewed by the Finance Committee. At the committee’s January 15 meeting, Belfint, Lyons & Shuman (BLS) was selected to conduct the audit. BLS was chosen because they specialize in auditing and can meet the Corporation’s time frame requirements. The cost of the audit is \$43,500 and the work has already started.

V. Executive Director’s Report

Mr. Randol provided the following updates:

Applied Bank Loans. The Applied Bank loan of \$885,000 for OBL Duplexes was closed last week and the funds have been placed in escrow until subdivision of those building lots has been completed. A separate loan of \$500,000 for site development in Phase ID also closed and is expected to be paid down to \$100,000 by the end of the current fiscal year based on sales projections.

Canal district. Rockwell is not exercising its option for the townhomes along Old Elm Avenue. Mr. Randol is in talks with Lennar about acquiring these lots. Mr. Slotter asked how many permits can be issued before reaching the fifty-home cap tied to the roundabout. Mr. Randol stated approximately thirty-five permits have been issued however, he has been working with DelDot to increase the cap. This would require temporary improvements at the Fort's entrance until the roundabout is constructed, but could potentially raise the cap to sixty-five.

Community Association. On Monday, February 8, a community meeting with residents was held at the Delaware City Fire Hall. Updates on the Master Plan and other projects were provided by Mr. Randol and questions were answered regarding the Community Association. As an outcome of the meeting, an Association Committee will be created to work with the Corporation to develop budgets and help to address questions raised by residents.

Committees. Mr. Randol has also created a Community Garden Committee and Friends of Fort DuPont Committee to work on restoration of the batteries. Mr. Smith questioned whether those committees should be established as Board subcommittees. Mr. Short replied the Association Committee, Garden Committee and Friends of Fort DuPont are volunteer committees and do not require Board appointment. Mr. Parets also commented that the committees in question are related to community activities and not directly related to Board business.

LOI on 4 Acres & POW Building. An LOI was received from Cutting Edge for the purchase of four acres, including the POW building in the Reeves Farm District. The LOI was presented to the DHPC in January for review and the Committee recommended against selling the POW building. Mr. Randol will continue to look for an area on the site to satisfy Cutting Edge's request. Discussion followed regarding the Reeves Farm area as it relates to the Master Plan. Mr. Randol stated that this area is already being used for maintenance and storage, which would be consistent with future development of this district.

LOI on the Barracks Buildings. Mr. Randol received an LOI from a developer interested in converting the barracks buildings into apartments. Conversation was subsequently held with city leadership on the potential use. With concerns raised over the development of apartments and the city's desire to see businesses or potentially condominiums in these buildings, it was agreed to consider other uses besides apartments.

LOI for Lots 2 & 3 on Officers Row. An LOI has been received for lots 2&3 on Officers Row. This would require merging the lots into one lot and also adding twenty feet to lot 4. The current lot line on the west side of Lot 4 is only 8' 6" from the existing building. Adding 20' to lot 4 would provide the same side yard setback that is on the east side of the existing building. The proposed merger would eliminate one curb cuts on Wingate and avoid any damage to the maple tree at the rear of Lot 2. The offer has been presented by a couple - one an architect, the other a custom home builder. Discussion followed regarding pricing, proposed design, setbacks, guidelines, and the review process. Mr. Short also allowed for the public to provide comment, knowing that at least one resident had noted that they would like to provide comment prior to the Board taking action.

- In response to design concerns raised by Ms. Rahn, resident on Officers Row, Mr. Randol noted that the plans must be approved by the DHPC and meet the Guidelines.
- Mr. Slotter asked about the purchase price. Mr. Randol stated that they purchasers had agreed to \$125,000, although their LOI offered \$115,000.

- Mr. Slotter asked about the existing lot prices. Mr. Randol noted that lots have sold from \$105,000 to \$115,000 on Officers Row.
- Ms. Rahn, resident on Officers Row, noted that the Sales Office shows lots 2&3 as being merged and sold. Mr. Randol responded that the lots clearly have not been sold and that a merger would be subject to Board approval.
- Mr. Garvin asked if we were getting the best price and how the price was determined. Discussion on pricing suggested that an appraisal should be obtained.
- Ms. Holland stated that changes to lots are typically due to non-conforming issues, but in this case the larger lot conforms and also brings lot 4 into conformance with the additional side yard. Both good.

With no further discussion, a motion was made by Mr. Parets to combine Officers Row Lots 2 & 3, add twenty (20) feet to Officers Row Lot 4, and authorize the Executive Director to sell the newly created lot at fair market value based on an appraisal. A roll call vote was taken, the motion was approved with three no votes cast by Mr. Smith, Mr. Slotter and Mr. Baylor.

VII. Committee Reports

A. Finance - Mr. Scoglietti stated the committee met on January 15 to review the budget. The committee is working to find funds within the existing FY 2021 budget to move the roundabout forward in light of the fact no funding has been appropriated for the project, and revenue from HTCs on the OBL Duplexes and closing on the campground are not expected until FY 2022. The Finance Committee will be meeting again and will present recommendations to the Board.

B. DHPC – Ms. Lee stated the committee met on February 3, with guests in attendance, and discussed previously mentioned items on the POW building and merger of lots 2&3 on Officers Row. Additionally:

- Ms. Lee stated she is working with DHPC member Billie Travalini to create oral histories of the children of Governor Bacon Health Center.
- Ms. Lee noted the area near the Fort entrance was part of the original Polktown community and suggested commemorating Polktown in some way, somewhere within that open space.
- During the DHPC meeting, plans for Chapel renovations were presented and discussed.
- Relocation of the Building 15 garage was approved, subject to plan review.
- Lennar will present renderings for the Marina District at the March 24, 2021 DHPC meeting.

C. Governance & Personnel –

- Ms. Stewart noted she is now working for OMB as Deputy Director and that a new representative from the Department of State will be appointed in the near future.
- Ms. Stewart provided a brief overview of HB 85, which forms an oversight committee and outlines audit requirements. It was noted that revisions may be in progress in order to address conflicts with DE corporate codes. Ms. Stewart has not seen the final version of the bill.
- The committee met on January 29 and recommends COLA increases for FDRPC staff of 1.3%, retroactive to July 1, 2020. A motion to provide COLA of 1.3% retroactive to July 1, 2020 for employees of the Corporation was made by Mr. Parets and seconded by Mr. Garvin. A roll call vote was taken, motion approved.

VII. Delaware City Communications - Mr. Baylor stated there are no updates at this time.

VII. New Business – Mr. Parets wanted to clarify that the merger of lots 2&3 was approved only as to the current proposed purchasers and is subject to the buyers receiving their DHPC approvals. Ms. Hatfield pointed out that the current purchasers would need to receive DHPC approval and that the merger is not

required to proceed if the deal falls apart. However, if the deal did fall apart, the FDRPC could choose to proceed with alternative purchasers, as long as the approved purchase price is offered and the DHPC approval is obtained.

IX. Public Comment – No additional Public Comment other than what was provided during discussion on the merger of lots 2&3.

X. Adjourn - A motion to adjourn the meeting was made by Ms. Stewart and seconded by Ms. Lee. Motion carried.