

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

110 N. Main Street, Suite F  
Camden, DE 19934

**Minutes of Special Board Meeting of March 26, 2020 via Conference Call**

In accordance with Governor Carney’s emergency order, this meeting was conducted via teleconference.

**CALL-IN PARTICIPANTS:**

Authority: Mitch Crane  
William Dunn  
Andy Strine  
George Meldrum  
Jill Fuchs  
  
Dan Daly (Non-Voting Member)  
Gregg Sutton (Executive Director)  
Jane Sabo (DEHMRA Assistant)

Legal Counsel: Melissa Rhoads

Other: William Kinnick – Delaware Manufactured Home Owners Association

**I. Call to Order:**

Mr. Crane called the meeting to order at 1:32 p.m. Due to the Governor’s emergency order, limiting no more than 10 people gathering in one place, the meeting was held electronically with all participants calling in. This emergency meeting was called to present the recommendation of Mr. Crane, Mr. Strine and Mr. Sutton to vote to move forward with leasing office space located at 1981 S. State Street, Dover, Delaware. This office space was deemed the most suitable of all locations that were looked at. It is owned by a dentist who occupies office space in the building.

- It is located just off Route 10 and South State Street, and easily accessible, coming to Dover from anywhere in Delaware; from either Route 1 and Puncheon Run to Route 13 south to South State Street, or from Route 10 to South State Street, located behind M&T Bank.
- Comprised of 1,500 square feet on lower level consisting of two large offices, 3 smaller rooms, ample closet space, a conference room and reception area. There is one restroom inside the suite and two public rest rooms located in the building entranceway.
- Ample parking spaces.
- Handicapped accessible.
- Very compatible with our needs.
- Communications already there. Possibly a few modifications to wiring may be required.

Mr. Strine put together what he thought would be an idea of what is needed. New carpeting, drywall, painting, and electrical lighting upgrade. He proposed to make an offer of \$1,500 a month rent and enter into a five-year lease. He discussed two contingencies as follows:

1. Rent would be abated for a six-month period in which DEMHRA would do the necessary renovations.
2. Lease would commence immediately upon execution and the landlord does all the renovations.

Looking at the lease structure of \$1,500 with all the common area maintenance included, it comes out to \$12.00 per square foot, which is lower than market rate. Some renovations are needed and the rationale behind the structure of the lease he suggested was that it would relieve the landlord the responsibility of hiring a contractor for the renovations. He indicated that doing the work ourselves would cost approximately \$6,000.00. An advantage is that it would be done the way we want it.

Mr. Strine proposed that in light of the lease structure, the rent would not increase the first three years. Then per typical commercial leases, a 3% increase for year four, and a 3% increase for year five. In addition to the up-front fee, no increase is built into the lease. It is fairly aggressive and beneficial to DEMHRA.

Mr. Crane welcomed a motion with some flexibility so that he and Mr. Sutton can negotiate the lease within reason. In light of what is going on, this probably could be finalized at the April 23<sup>rd</sup> 2020 Board Meeting. However, if a counter-offer is made by the landlord, he would be informed that this would delay the process as it would have to be re-addressed and presented for approved at the April 23<sup>rd</sup> Board Meeting.

A motion was made by Ms. Fuchs to authorize Mr. Crane and Mr. Sutton to present the offer as described including the commencement date of the lease to be 30 days after the Governor's order is rescinded. The motion was seconded by Mr. Strine and the motion carried 5:0.

Mr. Strine wanted to assure and clarify that that his involvement in the renovations is not a conflict of interest and he is not profiting in any way from the contractors performing the work. The renovations would be done on a time and material basis with no profits going to Mr. Strine. He is offering to do it because it will save DEMHRA money. Mr. Strine proposed acquiring building access so that renovations can commence.

## **II. Roll Call for Approval/Disapproval to Relocate DEMHRA Office:**

Mr. Crane asked Mr. Sutton to officially call the role.

Ayes: Mr. Strine  
Mr. Meldrum  
Mr. Dunn  
Ms. Fuchs  
Mr. Crane

Nays – None

The motion unanimously passed 5:0.

Mr. Sutton stated that the existing lease with Eagles Wings ends on 5/31/20. Mr. Crane had previously reviewed the lease and stated that as there is no renewal clause nor does it have a 30-day renewal. He recommends we give notice when we know we are moving.

Mr. Crane instructed Mr. Sutton to communicate DEMHRA's basic offer with the landlord. If in agreement, it will be followed by a formal written lease.

Furniture (new desk for Executive Director, conference room table and chairs, and incidentals) for the new office will be discussed and voted on at the next Board Meeting.

**III. Adjournment:**

Mr. Crane thanked everyone for their participation, and he adjourned the meeting at 1:51 p.m.

Respectfully submitted,

Gregg Sutton  
Executive Director