



EDiS Front Row Seat to the Birth of J.P. Morgan in Delaware

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Governor Pierre S. "Pete" du Pont, 1984[/caption]

In 1983, Neil Gilbride wrote for the Washington Post that “tiny Delaware, long a favorite tax haven for corporations and wealthy yacht owners, is on its way to becoming the first ‘financial Luxembourg’ of America.” Such a far cry from three years prior, when Governor Pete du Pont gathered former DuPont Chairman Irving Shapiro and respected attorney and confidant O. Francis “Frank” Biondi to discuss the possibility of motivating New York banks to come to Delaware.

In the early 1980s, Delaware needed help. The economy was stuck and the Delaware “brand” was tagged as being closed for business. (The television show *Candid Camera* even did a skit where they stopped drivers at the Pennsylvania line to let them know that Delaware was closed. One woman asked if she could go to New Jersey instead!) All of this was being done in an atmosphere where South Dakota was innovating financial products by removing interest rate caps from credit cards and when discussions were hitting the public policy circles about the notion of relaxing restrictions on interstate banking. In this Delaware malaise, the **Financial Center Development Act (FCDA)** was crafted to entice financial institutions to come to Delaware.

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David Singleton with his wife Elaine, 1993[/caption]

Unfortunately, passage of the FCDA was not swift, certain, nor assured. Among the bill's many ambassadors, the governor enlisted the help of a young Chief of Staff from Wilmington Mayor William McLaughlin's office, David Singleton. The 30-something Singleton was asked to persuade legislators and local banks to allow for potential competition to Delaware institutions with the promise of job creation. Singleton and others were buoyed by the confidential promises from Chase and J.P. Morgan Bank that they would quickly locate and create jobs, in a new and well-paid employment category, for Delaware's struggling economy.

J.P. Morgan was reluctant at first. Not a credit card operation, they felt like an outsider. This was made especially clear after they learned of the personal touch that Chemical Bank, Chase, and others were receiving. But Governor du Pont personally showed representatives how accessible he and his cabinet would be and J.P. Morgan became engaged. Not a significant player in point of sale credit like the others, Morgan saw a move to Delaware as being a strategic move for diversification of its workforce and information technology, a way to reduce the cost of check and transaction processing, and a foray into the coming wave of interstate bank operations. And it was reassuring to know that if they ever had a problem, the Governor's inner circle was highly accessible.

In the end, Governor du Pont and his team knew approval of the FCDA would send a signal to the greater business community that Delaware was again, open for business. It passed in February of 1981.

Major financial institutions quickly began to fulfill their intentions. By August of 1981, Citicorp, First Maryland Bank, Chase Manhattan, and J.P. Morgan had all filed for charters. Locations along Market Street became small start-up operations while the banks became acquainted with Delaware, organized, and began hiring. J.P. Morgan named Delaware native David Wakefield, an Executive Vice President, as their point person. Wakefield leased 45,000 square feet in the Delaware Trust building along Market Street, and hired their first 60 employees with the hopes of raising that number to 100, according to the New York Times.



Quietly, and behind the scenes, Frank Biondi requested that Gene DiSabatino, then CEO of EDiS Company, help him search for a sizable piece of property. Gene accomplished getting a respectable \$5 million deal done for the 148 acres before the sellers or the newspapers knew this would become J.P. Morgan's Delaware operation center. On Friday, September 30, the deal went public and on October 1 the headlines read, "Big N.Y. bank buys Del. Site." They go on to report that not even Governor du Pont knew, nor did his vacationing Economic Development Director Nathan Hayward III.

J.P. Morgan quickly brought David Singleton, who impressed them during the FCDA process, on board and began the development process. Singleton conducted a series of architectural contests to develop the campus and first operations center building. This was a significant assignment considering that this was J.P. Morgan's first new project since Mr. Morgan designed their 23 Wall Street facility in 1912 with architects Trowbridge & Livingston. Citing both their expertise and patience with a large but "new to building new buildings" client, Singleton selected Philadelphia-based architects Kling-Lindquist.

According to retired EDiS Company President Ted Dwyer, "EDiS was ultimately selected, but it wasn't easy. This was a period of time before we had perfected the concept of presentations to clients. And thank goodness we got the job because the feedback we got on our presentation was lukewarm. What a disaster that could have been! Landing this landmark project affected the ultimate trajectory of our company into Construction Management."

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Morgan Christiana Center in Newark, DE, 1986[/caption]

According to Singleton and Dwyer, the facility reflected both the strategy and culture of J.P. Morgan. First, they were a careful organization, so the Delaware facility was not just a redundant facility for New York – all of the local services and utilities to Delaware had significant redundancy. They never wanted to stop serving their customers. Secondly, they wanted to compete better by lowering the costs to their customers, so they would send Brooks Armored Car vehicles to New York every day to pick up checks and process them in the less expensive facility in Delaware. And third, Delaware reflected a more “people-centric” culture for them and their Delaware employees seemed devoid of the stresses found in New York (in order to make the NYC employee base happier and more productive, J.P. Morgan himself made sure that hot meals were served free of charge daily).

Today, the names of some of the EDiS subcontractors like W.D. Shellady and John B. Kelly, are long gone. Other names – like Furness, Corrado, and Healy/Long – still remain and thrive. As does EDiS Company.

And when we reflect on the collaborative effort and our involvement, we know we are lucky to have had a front seat to this story. *And we are reminded that what we build matters.*