

**FORT MONROE AUTHORITY
May 19, 2011 ~ Meeting Minutes**

The Fort Monroe Authority (FMA) Board meeting was held on May 19, 2011 at the Bay Breeze Community Center on Fort Monroe.

I. ADMINISTRATIVE MATTERS

A. Call to Order and Opening Comments. Terrie Suit, Chairman.

Chairman Suit called the meeting to order at 1:00 p.m.

B. Roll Call: Nia Lissimore, Assistant Secretary

Present:

Terrie Suit, Jr., Colin G. Campbell, Secretary Doug Domenech, Delegate Gordon Helsel, Councilman Ross Kearney, John R. Lawson, Senator John Miller, Mayor Molly Ward, James Church

Absent: Kim Maloney, Carrie Cantrell (for secretary Cheng) and G. Robert Aston

Garrison Commander Colonel Anthony Reyes was also present

C. Approval of Minutes from the March 24, 2011 Board Meeting.

MOTION: There was a motion by Councilman Kearney to approve the minutes. The motion was seconded by Mr. Campbell and unanimously approved. APPENDIX I.

II. REPORTS & BRIEFINGS

A. Operation's report. Mr. John Hutcheson, FMA Director of Operations. Mr. Hutcheson stated there were two statements in the Board packets. The government funds account statement reflects operations related to state appropriations and Office of Economic Adjustment (OEA) support. As of April 30, 2011 the account reflected over a million dollars on deposit at Old Point National Bank and a year to date surplus balance of \$935K in operating capital. The operating revenue totals \$3.1M with payroll related expenses totaling \$741K. General and administrative expenditures are at \$1.5M making the expenditure totals \$2.2M. Mr. Hutcheson stated the enterprise fund account is essentially business operation that reflects revenue from the Monroe apartments and interim leased homes from the Army on Tidball Circle. As of March 31, 2011 the operating account has \$35K on deposit, \$33K in restricted accounts and security deposits with net assets of \$199K. APPENDIX II.

Mr. Hutcheson reviewed the revised FY11 Budget. Mr. Hutcheson stated the revised budget reflects a 3 month extension of the OEA grant and continues funding for five employees. The budget also provides reimbursements for contracts for the Bay Area Economics (BAE) leasehold study and the AH environmental work for the public drinking water permit that is required by the FMA. The budget was approved by the Finance Committee at the May 12th meeting. Senator Miller asked how many people the budget supported. Mr. Hutcheson stated there are 11 fulltime employees and the OEA funds 5 of those positions. Mr. Hutcheson noted that contract employees were included in the contractors section of the budget. Chairman Suit stated the Board might have some questions on the personnel portion of the budget and postponed the voting action until after closed session.

Mr. Hutcheson stated the Leasehold Feasibility Working Group (LFWG) held an organizational meeting on April 26th with Mr. Aston and Mr. Lawson representing the Board of Trustees, Kathleen Kilpatrick representing the Department of Historic Resources, and Mark Perreault and Louis Guy representing the Citizens for a Fort Monroe National Park. Mr. Hutcheson stated the Department of

Historic Resources and Office of Attorney General are currently working on reports for the next meeting related to the rights that are available under the various conveyance scenarios. The group will also be looking at the NPS boundary impacts on property conveyance. The group will also review the various types of housing and develop a strategic plan based on housing type. The next LFWG meeting is May 23rd at 1:00pm.

Mr. Hutcheson stated at the last Board meeting staff was charged with developing a plan for the Planning Advisory Group (PAG). The FMA and City of Hampton staff brought forth a recommended plan for that group to the last Executive Committee meeting on April 22nd. Mr. Hutcheson stated the group would not only review proposal compliance with the Reuse Plan but also bring industry expertise to the Authority to supplement the staff, create a line between key stakeholders and public interest, and develop a process for proposals. The Executive Committee asked staff to find a balance between public and private group participants and staff has been working to identify a list of individuals that fit that criteria. The group will be comprised of 12 members and once complete the proposed list will be given to the Chairman Suit (who has the authority) to designate it as an advisory group to the FMA. Chairman Suit asked where the nominees were coming from. Mr. Hutcheson stated the FMA and City of Hampton staffs have been working on developing a list of nominees together. Chairman Suit stated she will want to circulate the list by email to the entire Board for their input prior to making a final decision.

Mr. Hutcheson stated the FMA continues to work with the City of Hampton on the Memorandum of Agreement (MOA) to identify the respective roles of the FMA and the City of Hampton post transfer of the Army on September 15, 2011. Meetings have been held with the City of Hampton Parks and Recreation, Public Safety and Public Works departments. The FMA has also held training sessions with the City of Hampton on the Programmatic Agreement (PA) and discussed its potential impact on City services. The FMA has also met with the Hampton City Assessor to discuss the process for assessing individual parcels on Fort Monroe post Army transfer. The final terms of the MOA are dependent upon the conclusion of the economic development negotiations with the Army and the scope of the PPEA contract.

Mr. Hutcheson gave an update on utility services stating the FMA continues to meet with Virginia Power, Virginia Natural Gas and Cox Communications on possible service agreements. Under the new legislation effective July 1, 2011 the City of Hampton has the first right to include Cox under their existing franchise agreement. The FMA is currently waiting on a final decision by the City of Hampton City Attorney to include FMA in their existing agreement with Cox. If they choose not to do so, the legislation gives the FMA the authority to enter into a franchise agreement with Cox separately. Negotiations are driven by the utility transfer date negotiated under the EDC with the Army. Chairman Suit disclosed her brother is an employee of Cox and is involved in the conversations with the FMA however, she is not.

Mr. Hutcheson stated that Cox has informed the FMA that they will need to operate the existing copper and fiber infrastructure at Fort Monroe, so the networking infrastructure becomes an additional utility system that will be operated by the Authority. An RFP has been issued for a network audit contract. The City of Hampton has assisted in the coordination of the RFP and will assist with the final selection. Councilman Kearney asked how the negotiations will affect securing companies to come to Fort Monroe for employment purposes. Mr. Hutcheson stated Cox does not see the demand to bring new lines to all commercial buildings therefore the FMA needs to provide a demarcation point at every building and manage the distribution.

- B. Executive Committee Report - Terrie Suit, FMA Chairman.** Chairman Suit gave an update on the Executive Committee meeting held on April 22nd, 2011. Executive Committee members Chairman Suit, Mayor Ward, Mr. Campbell and Mr. Lawson were in attendance. The Committee discussed the signed legislation changing the Board from an 11 to 12 voting member Board and established the Leasehold Feasibility Working Group (LFWG) which will begin working with citizens to review leasehold potential. The Executive Committee received a presentation from David Shiver on the economic model and discussed issues with the leasehold model's sustainability. Chairman Suit stated the LFWG will develop leasehold recommendations and come back to the Board. She added that the Fort Monroe Foundation Nominating Committee has also been formed

and is currently awaiting the IRS letter and formulating a list of nominees to be submitted to the Board. In addition, Mayor Ward provided updates on NPS working Group progress and the Executive Director announced his departure from his position effective in September. Chairman Suit announced Steve Owens, FMA legal Counsel's absence and introduced Sara Duvall as the acting legal counsel.

- C. Executive Director Report – Bill Armbruster, Executive Director.** Mr. Armbruster gave an update on the land use management plan. Mr. Armbruster stated the land use management plan is the joint vision session between the City of Hampton and FMA leadership. The plan will set out approved uses by area, and in some cases by building, and assist the FMA in soliciting offers from third-party developers and evaluating the compatibility of those offers to the reuse plan. Mr. Armbruster stated that based on preliminary feedback from the Office of Economic Adjustment, it is anticipated this project will be funded by a new OEA grant beginning on July 1, 2011. The FMA will be responsible for the 10% non-federal match for the new grant.

Mr. Armbruster provided an update on the VDOT transportation survey. He stated the FMA has signed an administrative agreement with VDOT to conduct a transportation survey leading to cost estimates for the street improvements identified in the FM environmental impact statement. The FMA is currently working with the City of Hampton on this survey. The study will include examination of I-64 east/westbound ramps off Mallory and woodland roads. The OEA will cover initial survey costs estimated at \$15k.

Mr. Armbruster gave an update on public programs. He stated he was pleased to inform the board that information was received recently confirming the award of a national endowment for the Humanities grant to Hampton University to plan an on-line digital humanities center dedicated to the documenting of the Contraband camps in Hampton and Fort Monroe and the experiences of their residents through images and oral history. The FMA is a partner on this grant and Public Programs Deputy Director, Shawn Halifax will be coordinating with the rest of the grant team including Dr. Mamie Locke, Project Director and Dr. Anne Pierce, Director of Humanities at HU. The matching grant amount is \$40,000.

Mr. Armbruster stated the comment period for the draft Interpretive Master Plan (IMP) ended last month, as required by the Programmatic Agreement. Currently staff is updating the IMP to reflect signatory and concurring party comments. Changes will also reflect impact of fiscal constraints identified since the plan was submitted to the board last year.

Mr. Armbruster gave an update on Heritage Assets and environmental, stating the historic preservation manual and design standards have been revised by the FMA in response to public comments. Following final staff review they will be sent to the Virginia State Historic Preservation Officer and the NPS for their review and approval pursuant to the Programmatic Agreement. Mr. Armbruster stated that Rick Weeks and Durwood Willis of Virginia Department of Environmental Quality, FMA directors, Julie Carver of Matrix Design Group and the FMA's BRAC attorney David Knisely met on April 5th to discuss the way forward for the privatization of land use controls and construction oversight for hazardous materials and munitions and explosives of concern at Fort Monroe. The next steps will be to review the Army schedule for clean-up work, determine what items related to clean up and land use controls FMA would like to privatize and to discuss the tasks and costs associated with the formulation of an Environmental Services Cooperative Agreement (ESCA). The outcome will be a plan which will be part of the EDC negotiations.

Mr. Armbruster stated last week he forwarded a letter to the Board from Governor McDonnell expressing his strong support of the action taken by the FMA board at its last meeting to pursue certain areas of Fort Monroe becoming a unit of the NPS. The letter supports achieving this goal either by presidential proclamation or through federal legislative action. APPENDIX III.

- D. Fort Monroe Foundation Update – Shawn Halifax, Deputy Director of Public Programs.** Mr. Halifax gave the update on the Fort Monroe Foundation Nominating Committee (FMFNC) in the Committee Chair's (Carrie Cantrell) absence. Mr. Halifax stated the Committee held its initial meeting to begin formulating a strategy to recruit members to serve on the Foundation's Board of

Directors on May 5, 2011 at Colonial Williamsburg. The Committee has been tasked by this board to identify potential Directors to the Fort Monroe Foundation. Mr. Halifax stated discussions at the meeting were informed by feedback from interviews with Executive Directors of organizations involved in similar education and historic preservation efforts and the experiences of those attending the meeting. The Committee and Authority staff will continue to interview people that may provide insight and advice on creating a strong and productive foundation. He added to attract membership to the Fort Monroe Foundation's Board of Directors the Fort Monroe Authority Board of Trustees, with assistance from the nominating committee and FMA staff, should provide direction to the Fort Monroe Foundation by refining the Foundations' purpose, suggesting a possible mission, and providing a potential vision for the future. Mr. Halifax stated the committee began to refine the Foundation's purpose in two primary areas: stewardship and education, Financial Support for the preservation of historic structures managed and operated by the FMA and its partners, financial support for natural resource management (specific projects included) and financial support for public education program. Mr. Halifax stated in addition, the committee discussed that the FMA Board may want to consider (in addition to providing financial support) the eventual assumption of the development, operation and daily management of Public Programs at Fort Monroe. Mr. Halifax stated the nominating committee has begun identifying a small group of potential board members from Hampton Roads with strong ties to Fort Monroe, who will work to expand the scope of Board membership to include a variety of backgrounds with regional and national influence in both the private and public sector. In addition, the Committee has also begun to identify various Fort Monroe stakeholder groups in an effort to create unity and cohesion in the educational and preservation efforts of the Fort Monroe Foundation. Chairman Suit asked what the FMFNC needed from the Board in order to actuate narrowing the committee's focus. Mr. Halifax stated that the Foundation needs specific projects to begin raising funds. The projects can be any number of things including raising funds for the visitor center and public programs. Mr. Halifax added that currently the Committee is gathering information and any input the Board would like to make would be helpful. Chairman Suit stated the Committee should provide a report to be adopted by the Board that provides four or five key areas the Board wants the Foundation to focus on. Mr. Campbell stated there needs to be a statement of goals and objectives for the Committee. The Committee has begun working on that but Board input would be valuable. Chairman Suit asked the Committee to circulate what they came up with so far to be adopted at the Executive Committee meeting in June.

- E. Communications Report – James Church, Communications Committee Chair.** Mr. Church stated the Committee continues its outreach to the media. Several members of our Board as well as the FMA Chair, met with the Editorial Board of the Daily Press on April 25th. Currently the Committee is in the process of scheduling a similar meeting with the Virginian Pilot in the near future.

Mr. Church gave an update on Siddall, Inc's progress on leading the Discovery/Visioning initiative. To date, Siddall has completed interviews for the Discovery initiative with staff and several Board members. Mr. Church asked members that have not had a chance to schedule a phone call or face to face session with Siddall to do so. He stated the work is very important in shaping the development of the FMA's vision, mission, values, and brand. To date, Siddall has scheduled meetings with staff from the City of Hampton and with several citizens that have expressed interest in participating. Additionally, Siddall is now in the process of conducting some qualitative market research that will help the FMA assess the current awareness and perceptions of the upcoming transition with a number of audiences including; residents of Hampton Roads, potential Fort Monroe residents and local and potential business owners and opinion leaders. Chairman Suit stated the FMA needs to have a quicker response to news like the Governor's letter supporting the NPS presidential proclamation with press releases. Chairman Suit asked the Communications Committee to work with staff on a plan of action so that when news becomes available there is a standard operating procedure.

- F. Army Update – Colonel Anthony Reyes, Garrison Commander.** Colonel Reyes gave an update on tenant organizations at Fort Monroe and move dates. Currently, the moving dates for all of the

assigned tenant organizations have been on time. Colonel Reyes reviewed the planning matrix and services that will be provided throughout the summer. APPENDIX IV.

G. Water Resources Development Act (WRDA) – Mark Mansfield, United States Army Corps of Engineers. Mr. Mansfield gave a presentation on the water resources need assessment and discussed the environmental business line, flood risk management, and additional needs. Mr. Mansfield discussed how to meet the needs and the process required to do so. APPENDIX V.

H. NPS Working Group Report –Mayor Molly Ward, NPS Working Group Chairman. Mayor Ward stated that since the last meeting the NPS Working Group has been in constant contact with the FMA’s Congressional Delegation. The group also met with the Director of NPS and several representatives from the FMA and Office of the Attorney General to discuss an agreement on the NPS unit at Fort Monroe. Mayor Ward stated she would like to discuss some of the negotiating points in executive session. She also stated that there are a lot of challenges legislatively including the budget. She added that even after an agreement is made with the NPS there will still be a tough road ahead.

I. Real Estate Report – Jerry Moore, FMA Director of Real Estate. Mr. Moore gave an update on the PPEA stating two proposals were received from Veolia and American States Utility Systems (ASUS). The infrastructure for both proposals includes; water, waste water and possibly streets (dependent on MOA with the City of Hampton). Mr. Moore stated the PPEA selection committee is lead by Board member Delegate Helsel and interviews are scheduled for June 5th. The selection committee will report back to the Board at the July 21st meeting with the proposal.

Mr. Moore also reviewed the currently leased housing stating there are 118 total units with a 113 currently leased (94.9%). In addition, there are opportunities for Army housing and the Real Estate team is meeting with the Garrison Command to discuss those opportunities on a regular basis. Mr. Moore stated by August 1st the goal is to have all 292 residential units under FMA management.

Mr. Moore discussed the two LOIs previously received and stated the FMA has been meeting with the City of Hampton to discuss planning and a way to move forward with transactions that will bring capital and investments to the Fort Monroe without disrupting the master plan. Mr. Moore stated that negotiations are dependent on the EDC deal with the Army. APPENDIX VI.

III. PUBLIC COMMENT

Elizabeth Halberstadt, representing self, informed the Board of murals her grandfather painted at Fort Monroe’s and expressed her desire for the murals to be preserved if found.

Chairman Suit stated Secretary Domenech shared a comic book about Fort Monroe created by his grandfather during the time he was stationed at Fort Monroe in the 1940s. She requested it be shown at the next Board meeting.

Louis Guy, representing CFMNP, expressed his support of the FMA’s work towards a National Park at Fort Monroe.

IV. EXECUTIVE SESSION

MOTION: There was a motion made by Mr. Campbell for the Board to proceed in executive session pursuant to VA code 2.2-3711(a)(3)(5)(6)(7) and (30). Those sections address the potential acquisition or disposition of property, potential business opportunities, provision of legal advice, potential investment of public funds, and the potential award of public contracts. The motion was seconded by Mr. Lawson and unanimously approved.

MOTION: There was a motion by Councilman Kearney to go into open session. The motion was seconded by Mayor Ward and unanimously approved. Each Board member certified that only matters appropriate for executive session were discussed and a roll call was completed by Ms. Lissimore.

V. RECONVENE

MOTION: There was a motion made by Councilman Kearney to approve the revised budget APPENDIX VII. The motion was seconded by Mr. Campbell and unanimously approved.

MOTION: There was a motion made by Mayor Ward that pending board adoption of a master plan specifically establishing the full extent and nature of permitted land uses and related densities on the Fort, FMA staff is authorized to pursue development of no more than 150 additional short term lease apartments for residential purposes over the current number of such units. The motion was seconded by Delegate Helsel and unanimously approved.

VI. OLD BUSINESS

There was no new business presented.

VII. NEW BUSINESS

There was no new business presented.

VIII. ADJOURNMENT

The next meeting is on July 21, 2011

Chairman Suit motioned for the meeting to be adjourned at 4:00 p.m.

Respectfully submitted,

Nia Lissimore
Assistant Secretary

APPENDICES

APPENDIX I March 24, 2011 Board Meeting Minutes

APPENDIX II Operations Report

APPENDIX III Executive Director's Report

APPENDIX IV Army Report

APPENDIX V Water Resources Development Act Report

APPENDIX VI Real Estate Report

APPENDIX VII Revised Budget