

FORT MONROE AUTHORITY
July 21, 2011 ~ Annual Meeting Minutes

The Fort Monroe Authority (FMA) Annual Board meeting was held on July 21, 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.

Chairman Suit stated roll call and minute approval would be completed after a quorum was established.

II. REPORTS & BRIEFINGS

A. Operation's report. Mr. John Hutcheson, FMA Director of Operations. Mr. Hutcheson stated the government funds account statement was the Authority's fiscal year end statement with a total of \$493K. The number dropped significantly from the last report due to the end of the grant period due to consultants being paid prior to year end. Total net assets were \$420K for the year with gross revenue at \$3.3M comparable to last fiscal year, and total expenses at \$2.9M down about \$200K from the previous year. Mr. Hutcheson stated the enterprise fund is related to business activity particularly Wherry apartments and leased housing, cash on deposit is about \$64K with total current assets at \$121K. Mr. Hutcheson stated the operating income for the fiscal year is up \$177K. Mr. Hutcheson stated he would await a quorum in order to review the budget. APPENDIX I

B. Army Update – Colonel Anthony Reyes, Garrison Commander. Colonel Reyes stated the Army was looking forward to having the master lease signed by the 27th of August. Following signature of the master lease the Army will ensure that all residents looking to remain residents at Fort Monroe sign leases with the FMA. The FMA and Army are in phase II of the lease process

C. Executive Committee Report - Terrie Suit, FMA Chairman. Chairman Suit gave an update on the Executive Committee meeting held on June 23, 2011. Executive Committee members Chairman Suit, Mayor Ward, Mr. Campbell and Mr. Lawson were in attendance. The Committee received a report from the Leasehold Feasibility Working Group (LFWG) and Chairman Suit asked that the group submit a final report in November and work to establish restrictive historic easements. She added the group can work with Kathleen Kilpatrick, State Historic Preservation Officer, on the easements and develop some language that the Board and Citizens could review.

The Executive Committee also received a presentation regarding the Planning Advisory Group (PAG) which would work like a planning commission in local government as an advisory group made up of individuals who are familiar with land use. The group would have the first look at any potential development, compare it to the FMA Master and Reuse Plans and be able to make a recommendation to the Board as to whether they meet the requirements of the Programmatic Agreement.

The Committee was given an update on the Fort Monroe Foundation Nominating Committee and is able to begin joining Board members to get the Foundation up and running to fund the historic programs. In addition, Mayor Ward provided updates on the NPS working Group.

D. Executive Director Report – Bill Armbruster, Executive Director. Mr. Armbruster stated that last Friday, the Fort Monroe Authority issued a release that confirmed Army plans to move the

military mission as scheduled for September 15th. The announcement also confirmed that actual title to the property will remain with the Department of the Army until early in calendar year 2012. Mr. Armbruster stated the FMA is working with the City of Hampton to ensure those residents living at Fort Monroe will receive the same services provided to all residents of the City. Together, they are working to build a strong future that minimizes the negative impact of the Army closure particularly as it relates to job creation and community growth.

Mr. Armbruster gave an update on the Master plan stating a number of actions are underway to follow Board guidance on re-examining the economic model. At the last meeting, Mr. Armbruster briefed the Board on the joint initiative with the City to develop a master plan as the essential companion document to the Reuse Plan. Working with the City and the Office of Economic Adjustment (OEA), The FMA is expected to issue an RFP through eVA – VA electronics procurement site for 30 days.

Mr. Armbruster gave an update on Infrastructure and Water Resources Development Act (WRDA) stating the FMA was awarded competitive grant to complete section of storm water management and flood protection systems designed by the USACE after hurricane Isabel in 2003. This involves the backflow preventer's project identified as the next phase in flood control efforts. The Corps has assembled project development and management teams and has developed a project management plan with the FMA.

Mr. Armbruster announced that the FMA is awaiting results of VDOT study (the VDOT survey on cost estimates on road improvements identified during the environmental impact statement). He also announced that the FMA has been invited by the Commonwealth of VA Department of Transportation to become a consulting party in the NHPA Section 106 consultation process for the Hampton Roads Bridge-Tunnel Project.

Mr. Armbruster gave an update on Preservation and Design Standards stating at the last meeting the Board was advised that the draft Preservation and Design Standards were completed following the public comment period. There will be a detailed report presented to the Board in August to address the Design Standards and the relationship to the Reuse Plan and the Programmatic Agreement. The Fort Monroe Historic Preservation Officer, has developed a protocol to provide members of the public and specific stakeholders the opportunity for meaningful and timely review and comment on undertaking at Fort Monroe. Comments have been received from the Advisory Council on Historic Preservation, the Virginia Department of Historic Resources and the National Trust for Historic Preservation. The Army and FMA will conduct the yearly meeting required by the Programmatic Agreement with signatories and consulting parties on August 1st.

Mr. Armbruster stated as requested at the FMA Executive Committee meeting, the Board has been provided with economic documentation showing property value increases of 20% and other benefits which accrue to land and communities in close proximity to National Parks.

Mr. Armbruster gave an update on the environmental remediation process. The FMA was advised by letter from the VA Department of Environmental Quality (VDEQ) that the selected remedy for the Munitions Response Remedial Action Decision signed by the U.S. Army on April 5, 2011 was approved. Approval of this document is a significant milestone for the Commonwealth and FMA and will mean reasonable solutions for all stakeholders in the environmental remediation process going forward.

Mr. Armbruster gave an update on the Casemate Museum stating the FMA is currently working on an agreement with the Army on joint operations for the Casemate Museum which is expected to happen September 15th. In addition, the FMA is preparing to expand management responsibilities by taking over the remaining inventory of Army family housing effective 1 August. The FMA is actively managing a significant portion of Fort Monroe and will continue to do so until the transfer of the property in early 2012. APPENDIX II

III. ADMINISTRATIVE MATTERS (CONT)

A. Roll Call: Nia Lissimore, Assistant Secretary

Present: Terrie Suit, Jr., Colin G. Campbell, Delegate Gordon Helsel, Councilman Ross Kearney, Senator John Miller, Mayor Molly Ward, Kim Maloney, Carrie Cantrell (for Secretary Cheng) and G. Robert Aston

Absent: John R. Lawson, Secretary Doug Domenech and James Church

Garrison Commander Colonel Anthony Reyes was also present

B. Nominating Committee: Colin Campbell, Nominating Committee Chairman

Mr. Campbell stated FMA Board offices for the Chairman, Vice-Chairman, Secretary and Treasurer or Secretary/Treasurer have to be elected annually. The office of Secretary/Treasurer does not need to be a member of the Board while Chairman and Vice-Chair are required to be Board members. The current Chairman is Secretary Suit, the Vice-Chair is John Lawson, and Secretary/Treasurer Chair is Bob Scott with Assistant Treasurer John Hutcheson and Assistant Secretary Nia Lissimore. The Nominating Committee recommended leaving Secretary Suit as Chairman and Mr. Lawson for Vice-Chairman. For Secretary/Treasurer the Nominating Committee recommended Pete Peterson, Assistant City Manager for the City of Hampton substituting Bob Scott who chose not to serve, Nia Lissimore as Assistant Secretary and John Hutcheson as Assistant Treasurer.

MOTION: A motion was made by Mr. Campbell for the Board to appoint Secretary Suit as Chairman, Mr. Lawson as Vice-Chairman, Pete Peterson as Secretary/Treasurer, Nia Lissimore as Assistant Secretary and John Hutcheson as Assistant Treasurer to the FMA Board of Trustees. The motion was seconded by Councilman Kearney and unanimously approved.

C. Approval of Minutes from the May 19, 2011 Board Meeting

MOTION: There was a motion by Delegate Helsel to approve the minutes from the May 19, 2011 meeting. The motion was seconded by Senator Miller and unanimously approved. APPENDIX III

IV. REPORTS & BRIEFINGS (CONT.)

A. Operation's Report. Mr. John Hutcheson, FMA Director of Operations. Mr. Hutcheson reviewed the budget stating the Board had copies of the proposed budget in their packets. The FMA proposed 13 full-time employees for FY12 an increase (of four) over the current staffing including two new positions; a Program Coordinator for Public Programs and a Project Manager for Heritage Assets. There are two associates that are currently contract employees the FMA anticipated converting to full-time employees on October 1st. Mr. Hutcheson stated the FMA proposed to make that change in October in order to allow the new Executive Director to have a participating role in staffing decisions. Mr. Hutcheson reviewed department budgets and allocation for services. Total contract services for FY12 are expected to be \$2.35M. Mr. Hutcheson reviewed the general administrative expenses and noted fees were included for outside legal counsel. Chairman Suit asked about the fees for the Attorney General's office billable expenses. Mr. Hutcheson stated they too were included in that line item. He also stated that total administrative expenses are \$615K, total operating expenses of \$3.98M. Mr. Hutcheson reviewed sources and uses of funds. Mayor Ward stated she was concerned about the Foundation funds and stated the Board should be careful because the Foundation is still in its infancy stages. Chairman Suit asked what programs would not be funded if the FMA did not have the Foundation money. Mr. Hutcheson stated there are two components to funding; one is finalizing the OEA grant and the other is Finance Committee and Board approval. The Board will have the ability to make some adjustments to the budget pending those two processes. Chairman Suit stated the Finance Committee has approved the budget moving it forward to the Board for approval

and she personally reviewed and adjusted it for several hours with the Executive Director and Director of Operations. She added she felt very comfortable with the budget and if for some reason the FMA does not get its requested allotment from the OEA the Board would have to go back and retool some line items in the budget.

MOTION: A motion was made by Mr. Campbell to approve the FY12 budget. The motion was seconded by Councilman Kearney and unanimously approved. APPENDIX I

Mr. Hutcheson reviewed the enterprise budget which is related to the FMA's business activities. The FMA will take over a significant amount of real estate at Fort Monroe and some commercial properties as of August 1, 2011. The enterprise budget reflects revenue of \$2.9M and a variety of expenses including; management fees, leasing commissions, payment to the City of Hampton and payroll expenses for onsite property management firm Old Point Comfort Real Estate Services (OPCRES).

Chairman Suit stated if the FMA does not have the anticipated tenants then they won't have the projected revenue. Mr. Hutcheson stated that is correct and some of the expenses would be reduced as well.

MOTION: A motion was made by Delegate Helsel to adopt the FY12 enterprise budget. The motion was seconded by Councilman Kearney and unanimously approved. APPENDIX I

B. Legal Update – Don Lahy, Office of the Attorney General.

Mr. Lahy stated the Board needed to vote on an amendment to the Bylaws. The 2010 session of the General Assembly repealed the former Fort Monroe Federal Area Development Authority Act and enacted the Fort Monroe Authority Act. At the 2011 session there was substantial change to the 2010 Fort Monroe Authority Act moving it out of title §15.2 in the Virginia Code which is comprised of the local government laws into title §2.2 which are laws governing the operations of state government. The Act now begins at §2.2-2336 and extends through §2.2-2350. There were a number of changes including changing the number of Board voting members from 11 to 12. A corrective change needs to be made in the Bylaws to reflect the additional voting member. Mr. Lahy stated the Board received a resolution to the Bylaws. The resolution would conform with the Bylaws to the current statutory frame work which went into effect July 1, 2011. APPENDIX IV

MOTION: A motion was made by Delegate Helsel to adopt the amendment to the FMA Bylaws. The motion was seconded by Councilman Kearney and unanimously approved.

C. Communications Report – Phyllis Terrell, FMA Marketing Director and Karen Grimm, Siddall, Inc.

Ms. Terrell stated the FMA was able to assemble a small group of staff from the City of Hampton and FMA to work on a vision statement. Ms. Grimm gave a presentation on vision statement development for Fort Monroe and discussed the interview findings from the vision sessions. She also reviewed with the Board the two vision statement drafts that were reviewed by the Communications Committee. Ms. Grimm stated the Communications Committee would continue to work on a brand and return to the Board with recommendations. APPENDIX V

D. Fort Monroe Foundation Update – Carrie Cantrell, FM Nominating Committee Chair.

Ms. Cantrell stated the FM Nominating Committee had its second meeting in Williamsburg on July 7, 2011 to review potential nominees for the Fort Monroe Foundation Board members. Ms. Cantrell stated the Committee wanted to start off with a smaller group of individuals who had local and regional interest in Fort Monroe. The Committee asked the Board to consider five individuals including; Gary McCollum of Cox Communications, Taylor Reveley who is the President of The College of William and Mary, Bruce Smith local businessman and NFL Hall of Famer, Norma Harvey wife of Hampton University President Dr. William Harvey, and Nancy Campbell, Wife of Colin Campbell who serves on several local committees. Ms. Cantrell stated the Committee needed Board

approval and confirmation from some individuals that they are able to commit. Chairman Suit asked if Ms. Cantrell would continue to work with the Foundation Board as the FMA Board liaison. Chairman Suit stated she would like to amend the report and add Ms. Cantrell to the list of actual Foundation Board members.

MOTION: A motion was made by Delegate Helsel to approve the list of nominees recommended to serve on the Fort Monroe Foundation Board (Gary McCollum, Taylor Reveley, Bruce Smith, Norma Harvey, and Nancy Campbell) with an amendment to add Carrie Cantrell to serve as an additional member. The motion was seconded by Councilman Kearney and unanimously approved.

Mr. Campbell stated it would be useful to have the bios circulated to the Board members.

V. PUBLIC COMMENT

Jim Neff, representing self, expressed his concern that there will not be enough trash cans, porta potties and showers on Fort Monroe once the base becomes open to the public.

Mark Perreault, representing CFMNP, expressed his pleasure with the outpouring of support for a National Park at Fort Monroe. He also expressed his concern that the visioning process was performed without input from citizens. Chairman Suit stated that only the first phase has been completed and the FMA will ensure there is citizen input going forward.

VI. 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)(1)(3)(4)(5)(6)(7) and (29). Those sections address the potential acquisition or disposition of property, potential business opportunities, the provision of legal advice, the potential investment of public funds, personnel matters and the potential award of public contracts. The motion was seconded by Mayor Ward and unanimously approved.

MOTION: There was a motion by Councilman Kearney to go into open session. The motion was seconded by Delegate Helsel 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.

VII. RECONVENE

MOTION: There was a motion made by Councilman Kearney to appoint the Executive Director and the Operations Director to conclude negotiations and execute a PPEA agreement as presented to the Board in closed session. The motion was seconded by Mr. Campbell and unanimously approved.

VIII. REPORTS & BREIFINGS (CONT.)

A. NPS Working Group Report –Mayor Molly Ward, NPS Working Group Chairman. Mayor Ward stated it was an exciting month for the NPS efforts with Secretary Salazar’s visit to Fort Monroe on June 29, 2011. She added that following his visit the NPS and City of Hampton scheduled two public meetings for community input on July 19, 2011 and over one thousand people attended. Mayor Ward commented on the many letters of support and outreach that helped get the legislation drafted. She announced that the public comment period is still open until July 26, 2011 at 5:00pm. Mayor Ward reviewed the legislation and NPS approved map and asked the Board to formally endorse them. Chairman Suit commended Mayor Ward for her hard work and stated the FMA can continue to make an effort for a larger NPS unit at Fort Monroe. Chairman Suit also noted the Board did not need to approve the legislation and map because that had already been done. APPENDIX VI

B. Real Estate Report – Jerry Moore, FMA Director of Real Estate. Mr. Moore gave an update on the PPEA stating the FMA currently has a 95% occupancy rate on the housing with 30 units offline. The FMA has requested for 4 of the Monroe Apartment units to be taken down with the State Historic Preservation Officer due to a collapsed wall. Mr. Moore stated by August 1st there will be 292 residential units under FMA management.

Mr. Moore stated the FMA met with the City of Hampton and agreed upon some recreational facilities they will lease and maintain. The Army will be provided with a list of commercial properties the FMA will take on August 1st. Effective August 15th Old Point Comfort Real Estate Services (OPCRES) will be ready to take over the ground maintenance not covered by an agreement with the Army or the City of Hampton. Mr. Moore discussed the recreation areas the City will operate on an interim basis until the Master Plan is complete. APPENDIX VII

IX. OLD BUSINESS

Economic Development Conveyance

Chairman Suit stated the Economic Development Conveyance (EDC) negotiations are still ongoing. Details of those negotiations are confidential.

MOTION: Upon advice of the Attorney General’s office Delegate Helsel made the motion (attached as APPENDIX VIII) authorizing the Chair and EDC liaison to complete EDC negotiations of the principal terms of the EDC with the Army. Final Terms of the negotiations will be approved by the Board. The motion was seconded by Councilman Kearney and unanimously approved.

X. NEW BUSINESS

Chairman Suit announced that she will be calling a special Board meeting the week of August 8th. The only item for consideration will be the final approval of the Executive Director position. Chairman Suit also noted that Executive Director Bill Armbruster was honored at the ADC conference for his outstanding contributions and work on BRAC issues and in the defense community. She also asked the Office of the Attorney General to provide language for the legislation prior to the sessions on leases.

XI. ADJOURNMENT

The next meeting is on August 18, 2011 at the Hampton Roads Convention Center.

Chairman Suit motioned for the meeting to be adjourned at 3:45 p.m.

Respectfully submitted,

Nia Lissimore
Assistant Secretary

APPENDICES

APPENDIX I Operations Report

APPENDIX II Executive Director's Report

APPENDIX III May 19, 2011 Board Meeting Minutes

APPENDIX IV Bylaws Resolution

APPENDIX V Communications Report

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APPENDIX VIII

EDC Motion

Resolved: The Board of Trustees of the FMA hereby authorizes the Board Chairman and appointed Board Economic Development Conveyance liaison to complete negotiations and finalize the principal terms of an EDC agreement with the U.S. Army. It is understood that the final details and the terms of the EDC will be incorporated into the memorandum of agreement with the Army that will be subject to final Board approval prior to execution.