

FORT MONROE
FEDERAL AREA DEVELOPMENT AUTHORITY
September 19, 2008 ~ Meeting Minutes

The Fort Monroe Federal Area Development Authority (FMFADA) Board meeting was held on September 19, 2008, at the Bay Breeze Community Center on Fort Monroe.

I. ADMINISTRATIVE MATTERS

A. Call to Order and Opening Comments. The Honorable L. Preston Bryant, Jr., Chairman.

Chairman Bryant called the meeting to order at 1:07 p.m.

Roll Call. Chairman Bryant

Present:

Deputy Secretary Dick Zorn for Secretary Viola Baskerville, Secretary Richard Brown, Dr. Alvin Bryant, Secretary L. Preston Bryant, Jr., Mr. Marc Follmer for Mr. Robert Crouch, Jr., Delegate Tom Gear, Ms. Catharine Gilliam, Deputy Secretary Lynnette Hammond for Secretary Patrick Gottschalk, Mr. Robert Harper, Delegate Phil Hamilton, Dr. Wayne Lett, Senator Mamie Locke, Senator John Miller, Mr. John Quarstein, Mr. Robert Scott, Mr. Tommy Thompson.

Secretary Richard Brown arrived late.

Executive Director Bill Armbruster, Deputy to the Garrison Commander Melissa Magowan, Hampton City Council Liaison George Wallace were also present.

Absent:

Dr. Rex Ellis.

B. Approval of Minutes from July 17, 2008, Meeting

MOTION. Chairman Bryant asked if there were any suggested amendments to the July 17, 2008 Board meeting minutes. Mr. Robert Harper made a motion to adopt the minutes, and they were passed unanimously. Appendix I.

II. REPORTS & BRIEFINGS

A. Executive Director's Report. Bill Armbruster, Executive Director

Update on meetings, events: Mr. Armbruster shared an overview of meetings and briefings that included presenting the Reuse Plan to Governor Kaine for his approval. Mr. Armbruster said the Governor was happy with the plan and made no changes. This was followed by a Signing Ceremony at the Chamberlin Hotel. He also met with senior staff members from the House Appropriations Committee and the Senate Finance Committee to talk about the Reuse Plan and a line item request in the 2010 budget for \$3.1 M. Mr. Armbruster has also met with the Hampton City Manager. At the Association of Defense Communities Conference he met with Base Realignment and Closure (BRAC) Attorneys, representatives from the Army, the Department of Defense and the Office of Economic Adjustments (OEA). Mr. Armbruster also met with staff of the Presidio Trust to see firsthand how they are managing that historic property. Mr. Armbruster said he has continued to meet with many civic groups and organizations to educate the public about the future of Fort Monroe.

Mr. Armbruster will meet at the Pentagon on September 25-26 to formally deliver the Reuse Plan and the Housing and Urban Development (HUD) Homeless Application to the Army. This action will meet a major BRAC obligation of the FMFADA. He will also be going to Capitol Hill to meet with members of the Senate Arms Services Staff and members of Congress, to seek Congressional support. Mr. Armbruster and Ms. Hunt will meet with Mr. Terry Moore of the National Park Service (NPS) to explore opportunities for greater collaboration.

Mr. Armbruster introduced Joshua Gillespie as the new Project Manager for the FMFADA.

Financial Statement: Mr. Armbruster directed the Board to the Financial Statement through August 31st. Appendix II. Mr. Armbruster confided that the FMFADA has challenges adapting to the State system. He added that although some of the numbers appear inconsistent, it has to do with getting expenditures into appropriate state categories. The bottom line numbers are accurate. He added that any of the larger numbers in red are the amounts that the FMFADA will be going back to OEA for reimbursement. The Department of Housing and Community Development (DHCD) has arranged for the FY 2008 audit, which will be completed by the end of October. Mr. Armbruster said the FMFADA has prepared the proposed budget cuts as requested by the State, and will be submitting those numbers.

Progress report: Mr. Armbruster said the Technical Support Manual is a working document that will be consistent with the Reuse Plan, and will be updated on a regular basis as the FMFADA moves forward. He stated that the first draft of the manual will be presented at the next meeting. He also stated that Hanbury Evans is preparing design standards as called for in the P.A. with the advice from the Historic Preservation Advisory Group and other consultants. The Programmatic Agreement also calls for an Interpretive Master Plan or a concept plan for public programs to be approved within two years. Mr. Armbruster said that this plan will identify the main themes of Fort Monroe and make specific recommendations for public programs. This will help create a business plan for operations. He stated that the Request for Proposal (RFP) is currently being worked on for a Coordinator, and hoped it would be out before the end of October.

Governance and Management: Approval of the Reuse Plan allows for the foundation on which to build a management and governing plan. Mr. Armbruster stated that the Chairman has appointed members of the Board to help with the selection of an Attorney to look into establishing a Non Profit arm. Mr. Armbruster stated that he is involved in ongoing meetings to explore the different types of governing structures the FMFADA may want to pursue to manage Fort Monroe.

Questions/Comments: Delegate Gear asked if Mr. Armbruster knew how much the Presidio receives in rent money. Mr. Armbruster replied they get \$2,000 per month for housing similar to Fort Monroe's Wherry Housing that overlooks San Francisco Bay. Mr. Armbruster stated based on location there is a market base for Wherry Housing. He said at the Presidio they have no shortage of tenants, and also have a military tenant base in the area as well. He said we hope to do that here too.

B. Environmental Update. Robin Mills, Director Public Works, Fort Monroe. Ms. Mills gave a quarterly update on the environmental program and the Army's progress towards closure in 2011. Appendix III. She announced that the Army is publishing a notice of intent to start an Environmental Impact Statement (EIS), since Fort Monroe has so many diverse and complicated aspects. The public will have an opportunity for input at a scoping meeting that will be held at the Northampton Community Center on October 28. She also stated that the Restoration Advisory Board will have their meeting on November 6.

National Environmental Protection Act (NEPA) process: Ms. Mills stated the NEPA process is on track to be completed in December of 2009. She said there was no new information on the environmental cleanup to report other than they have put together a budget that addressed funds to execute the environmental program. She stated they have awarded a contract to conduct expanded inspection at 6 sites, and that work will be starting soon. They hope to award another contract in FY09 that will address the remaining sites. They have not yet awarded a munitions contract, but hope to have that awarded by October or November. Ms. Mills stated that most of the tenants on Fort Monroe are not scheduled to move out until 2011, and that will delay implementation of the environmental cleanup.

Questions/Comments: Delegate Gear asked how much will it cost for the contractor for the Installation Restoration Program (IRP). Ms. Mills reminded everyone that this initial contract is just for a piece of the IRP. Jennifer Guerrero to Delegate Gear: Approximately \$500,000. Mr. Thompson to Ms. Mills: When will the remediation take place? What if something comes up that the Army didn't expect? Ms. Mills stated that she does not perceive that happening based on historical use. The remediation will be ongoing; as the contractors find issues they will take care of it. There may be sites that require follow on actions. Mr. Wallace to Ms. Mills: What does a "follow on contract" mean? Ms. Mills said if remediation is required that is not covered under the scope of the initial contract, then a follow on contract would be

required. Mr. Wallace to Ms. Mills: Does that mean the cleanup will leave Fort Monroe in pristine condition? All hazards will be cleaned up or there will have to be a land use control in place to protect the public. She added there will be more details and answers to those questions as the cleanup investigation progresses. Mr. Thompson to Robin Mills: Once this work is complete will the FMFADA be assured that future environmental studies will not turn up something that requires remediation? Ms. Mills responded: According to the law the Army has to make a statement that all remedial actions have been taken care of. She added that after the transfer of property it will be the government's responsibility to come back and address that.

C. HUD Homeless Application/Updated Timeline. David Knisely, Garrity Knisely. Mr. Knisely reported they are in the final actions of submitting the Reuse Plan and Homeless Submission to HUD and the Army. He stated that it is time for the FMFADA to begin focusing on implementation, and that 31/2 years will go quickly. He presented an updated timeline and said the two critical issues now in the BRAC process are the disposition of property and environmental cleanup. Appendix IV. He added that this will take much coordination with both the Army and the Department of Environmental Quality (DEQ).

Questions/Comments: David Knisely in reference to Mr. Thompson's questions about the responsibility for cleanup: The Army does have continuing liability to come back and clean up contamination, so there is that obligation for the Federal government to do it.

D. Army PA Update. Melissa Magowan, Deputy to the Garrison Commander, Fort Monroe. Ms. Magowan stated that the PA has been a two year process with 32 consulting parties giving input. She stated they are close to completing the Programmatic Agreement (PA), then moving on to the implementation. Ms. Magowan stated that the public comments they have received have had four common themes: the reuse of the land, prohibition of future private ownership, the public's role in managing Fort Monroe, and for Fort Monroe to have an advisory council similar to that of the Presidio Trust. She stated that all these themes were not issues to be determined by the Army. The Army is entering the implementation stage of the PA that calls for the Army to mitigate any adverse effects caused from their occupying Fort Monroe.

Questions/comments: Secretary Bryant to Ms. Magowan: After the Army has made the minor corrections left to the PA; does the Army have to send the document back to be read again? Ms. Magowan replied, absolutely. Mr. Thompson to Chairman Bryant: Who on the FMFADA is involved in the final draft? Secretary Bryant stated the following parties have been involved: Dick Zorn, as well as other representatives from the Commonwealth, Mr. Owens from the Office of the Attorney General (OAG), Catharine Gilliam (Army stated) and the FMFADA Staff, and Secretary Bryant.

Dick Zorn to Secretary Bryant: Can the staff provide copies of the PA to the Board? Mr. Armbruster said the staff could do that and assured the Board will get an electronic copy of the PA.

E. Historic Preservation Advisory Group Report. Kathleen S. Kilpatrick, Chairman. Ms. Kilpatrick began by addressing comments about the PA. She said that she along with Steve Owens has provided comments to the Army on the PA. The remaining details to be worked out are few but significant issues, i.e. how to characterize the ownership of the reversionary property, and under what circumstances. She stated that the lawyers on both sides have agreed to work together to come to a mutual understanding.

Questions/comments: Secretary Bryant to Ms. Kilpatrick: How long until these issues are worked out? Ms. Kilpatrick stated the Army lawyers will address the issues by the end of the next week.

Ms. Kilpatrick announced that the Historic Preservation Advisory Group has met twice since the last FMFADA Board meeting, and gave a report on her group's recommendations to the Board. She stated that the HPAG has been pleased with the Reuse Plan and that Mr. Armbruster, the FMFADA staff and the consultant have been responsive to their comments. She stated the group supports the master interpretive planning process and generally endorses the model that was provided by FMFADA staff with conditions. The group strongly recommended in favor of integrating eco-tourism and recreational offerings into the planning process as a part of a comprehensive effort that looks beyond activities that are strictly history-

based. The group also recommends the provision of ongoing tourism market research so that planning is able to recognize and respond to changing conditions over time in how people and families travel and spend leisure dollars. The group recommends that Phoebus be involved at all steps in the planning process. The group has been focusing on the draft of the RFP and feels strongly that the RFP should seek secure professional services and expertise to undertake a more open outcome. The group made considerable adjustments to the evaluation criteria and their relative weight.

Regarding potential partners and stakeholders, the group continues to caution against creating or feeding an expectation that the long-term involvement of particular groups is a settled matter- that the plan should drive the decisions, not the stakeholders drive the plan. The group recommended against FMFADA establishing a separate museum working group, instead, suggesting that museums and interested parties be assured of the involvement in the Master Interpretive Plan process at key appropriate points in that process. The group recommended reaching out to the Smithsonian to explore partnership potentials. A continuing issue of concern is securing meaningful involvement from the NPS.

The HPAG has worked on the Preservation Manual & Design Standards, and approved an outline for that document using, in one section, a model from Governor's Island. She said they have been working on the inventory of the historic buildings section of the Design Standards, and expect to have a working draft ready for preview at the next HPAG meeting in December.

The group continues to strongly endorse the goal of opening up Monroe more visibly and actively to the public prior to transfer in order to create a sense of ownership and involvement. They met with the Army Morale, Welfare and Recreation (MWR) Team to get an overview of the events the Army has open to the public. The group recommended partnering in support of and/or to supplement these offerings as may be appropriate. The group reiterated its strong recommendation that the development of a trail system be undertaken as a priority goal.

In addition to its important historic resources, Fort Monroe has a wealth of diverse natural resources. Noting this fact as well as its strategic location and ability to draw on the depth of expertise that is located within the area, the HPAG recommends that the FMFADA explore fully the potential to establish a center for sustainability and environmental education, research and public programming. The group appreciates the interest of the Museum of Natural History, and believes that Monroe can support a lively focus with many potential partners.

In response to the Executive Director's report on the state budget and the tough challenge ahead in the current environment, the group discussed the need for transition funding in addition to that available from DOD's Office of Economic Adjustment. The HPAG recommended the FMFADA take every reasonable step to explore the potential of and to seek federal appropriations, noting the parallel with and precedent of the Presidio in this regard. Pursuant to this recommendation, the group requested that the members of the Virginia Congressional delegation be consulted, suggesting in particular Senator Webb.

The group had a very comprehensive briefing by BAE on its assumptions, analysis and findings to date and those still under study. The group stressed the need for thorough and professional examination of possible governance models, including a study of success factors, appropriate relationships to and with various parties and organizations, timing considerations, legal mechanisms, etc. Accordingly, the group recommended that such an investment be made by the FMFADA at this time to secure specialized outside expertise to study and clarify these matters and make recommendations to the FMFADA. The group further recommended that the relationship and function(s) of any non-profit associated with Monroe be folded into such a governance study. The Chairman's full report will be forwarded separately.

Questions/comments: Mr. Wallace asked Ms. Kilpatrick to clarify where the resources would come for Fort Monroe. Ms. Kilpatrick stated that the HPAG advises the FMFADA to seek Federal transition funds based on the Presidio model. Secretary Bryant added that it would be a direct Congressional appropriation.

Mr. Thompson asked Ms. Kilpatrick if a lessee would be eligible for tax credits. Ms. Kilpatrick replied it must be a long term lease. The terms of the lease would be determined by whether it is commercial or residential.

F. Workshop on Economics Impacts. David Shiver and Anita Morrison, BAE; Eddie Marschieder, Kimley-Horn. Secretary Bryant then introduced Eddie Marschieder of Kimley-Horn who gave an update on Fort Monroe's infrastructure. Appendix V. Mr. Marschieder's presentation addressed what will be required as the Fort is reused, and what improvements need to be accomplished.

Questions/comments: Mr. Thompson to Mr. Marschieder: Won't the City's ability to get money from the State depend on if their street and utilities meet state standards? Mr. Marschieder said he would address that later in the presentation. He said that his team has been meeting with the City of Hampton regarding the infrastructure and the possibility of the city providing municipal services. They have also been meeting with Army staff at Fort Monroe. He said that they are developing a timeline with the City's help regarding what they will need to do by 2011.

Mr. Marschieder then turned the discussion over to Ken Dierks of Kimley-Horn who talked about flood control, and sea level rise. Mr. Dierks is generating a report from which it can be decided what adjustments need to be made to fixed structures on the base such as the sea wall and how much will it cost. The second part of his study focuses on flood insurance. They are looking at what projects will be completed by the Army Corp of Engineers by 2011, and what will still need to be accomplished by the Commonwealth in order to have a reasonable flood protection program on the Fort. Mr. Dierks stated that the seawall should be complete in 4-6 weeks. He stated the breakwater program will not be completed by the Army, in that only 4 of the 11 breakwaters are completed. He added they are looking at which flap gates are done, and does not anticipate all of them being done by 2011. He stated that some of the building's electrical systems were flooded during Isabel, and they are doing a study to find out which buildings still need to have their electrical systems raised by 2011. Mr. Dierks said during Hurricane Isabel Fort Monroe had lost all power. He said they are looking into the development of a backup power generator, to pump water out during flooding, and to get power back quickly. In summary, Mr. Dierks said they have identified 4 or 5 project categories that will involve some funding after 2011. Kimley-Horn is refining those numbers to get an estimate on the projects that need to be implemented once the Commonwealth takes possession. He said they expect to have the sea level rise investigation completed by next month, and a flood insurance evaluation.

At that point the workshop was turned over to David Shiver of Bay Area Economics (BAE). Mr. Shiver presented an Economics Impact Discussion on Fort Monroe. Appendix VI.

Questions/Comments: Mr. Quarstein to Mr. Shiver: What about money for the historic restoration of the Fort itself or some of the facilities that will not be privately run? Mr. Shiver said that would be under cultural facilities. Mr. Shiver stated he would make a note of putting some of the cultural facilities to be also funded by the public sector as opposed to only private.

Mr. Wallace to Mr. Shiver: Will the public and private funding cover the shortfalls to the City of Hampton for services normally provided? Mr. Shiver replied: according to their studies there will probably be a one to four year gap between the expense that is incurred and the revenues from property taxes, not to be confused with what will cover capital costs. He went on to describe the need for a strategic real estate plan.

Mr. Thompson to Mr. Shiver: If you select a Master Developer and are unhappy with their performance is there a way in the real estate plan to relieve them of their services? Mr. Shiver said the selection process would be very detailed: we would have to look very closely at qualifications, and would put together a very refined proposal to flush out developers who are not qualified. Also, to have a back up developer if something fell through.

Mr. Shiver gave a recap of other projects he has worked on: the Presidio and NASA Research Park. He detailed the lessons learned from those experiences that could be applied to Fort Monroe.

Mr. Scott to Mr. Shiver: Will the properties that are leased on an "as is" basis be considered short term? Mr. Shiver replied: Yes, 1 to 5 years, to initially generate cash flow. Some of this may be set aside for reinvestment in other areas that are uninhabitable. He compared it to a pay as you go system, which would help fund the rehab. Mr. Scott added the bank would be doing the rehab, whereas this would generate cash flow. Ms. Morrison of BAE added "you want to get the historic buildings full so they won't deteriorate." Mr. Scott asked if it was correct that the tenants would fund the rehabilitation. Mr. Shiver said that in the case of the Presidio it was collaboration between the NPS, the Presidio and tenants that did the rehab. The major projects were funded by the Presidio.

Dr. Lett asked Mr. Shiver to comment more on the Presidio plan being unrealistic. Mr. Shiver stated that the original Presidio plan was to market primarily toward non profits. It did not work because it limited them to the type of entities which they could lease. The trust ended up adding more variety to the types of tenants they could lease to, which gave them more flexibility.

Mr. Shiver also advised thinking hard about the relationship between the Board, Committee and the staff, especially when it comes to leasing. It is important to balance out everyone's roles, which is part of the strategic planning. Mr. Thompson to Chairman Bryant: Mr. Shiver's presentation gives the FMFADA Board much information that can be used to avoid some mistakes.

IV. NEW BUSINESS

Delegate Hamilton stated that the Board needs to discuss requests for the 2010 Legislative session. Secretary Bryant stated they have shared information with the Governor and his finance team on some of the needs going forward. He stated we still have a couple of years before the Commonwealth inherits Fort Monroe, but there is much work to do in the interim. He stated that the Governor is very well aware of the situation, and will be working through that with Secretary of Finance Brown as the Governor prepares his executive budget.

Delegate Hamilton implored the Board to also work through the legislative branch when it comes to allocation of funds. Secretary Bryant added that Mr. Armbruster has met with representatives of the Senate and House Finance Staff, to make them aware of the upcoming budget situation. Delegate Hamilton reiterated that we cannot wait until staff members interact with legislative members as it will be too late.

Senator Miller expressed concerns that the board should not consider the money given to the Homeless providers as a result of the HUD Homeless submission the end of the FMFADA's support for both the homeless and veterans. Once the FMFADA starts generating revenue, he would like the FMFADA to direct a revenue stream to the homeless provider community. Dr. Bryant reminded the Board that the war efforts would also lead to more disabled vets that would end up homeless also.

Secretary Bryant stated that the amount given to the homeless providers from the surplus property exceeded the amount they would have gotten if they had gone by strict guidelines. This would have resulted in only \$50,000 as opposed to the near \$700,000 they will actually receive. He added that there are many laws involved with the homeless, so he could not speak technically on what the FMFADA should do with regards to the homeless. He said the Board needs advice from legal counsel to see what the possibilities are.

Mr. Thompson moved that the Board thank Secretary Jody Wagner for her service to the Board. The Board agreed unanimously.

III. PUBLIC COMMENT

Chairman Bryant invited additional public comment. Appendix VII.

VII. ADJOURNMENT

Chairman Bryant asked if there was any new business from the Board members. Hearing none, Chairman Bryant asked for a motion to adjourn the meeting, which was moved, seconded and carried at 3:14 p.m.

Respectfully submitted:

The Honorable Mamie E. Locke
Secretary/Treasurer

MEL/jfb

APPENDICES

APPENDIX I July 17, 2008 Board Minutes

APPENDIX II Executive Director's Report

APPENDIX III Environmental Update

APPENDIX IV Updated Timeline

APPENDIX V Economic Impact Discussion

APPENDIX VI Public Comment:

Dr. H.O. Malone representing: Citizens for a Fort Monroe National Park. Dr. Malone passed out a letter he received from Secretary Bryant and an editorial from the Virginia Pilot. Dr. Malone stated that the CFFNP thought the Reuse Plan was good overall. Dr. Malone said he wants to challenge the commissioners to take proactive efforts to get NPS involvement.