



FORT MONROE

Where Freedom Lives

FORT MONROE MASTER PLAN 2013

Presentation to the Fort Monroe
Board of Directors

October 24, 2013

Fort Monroe Authority



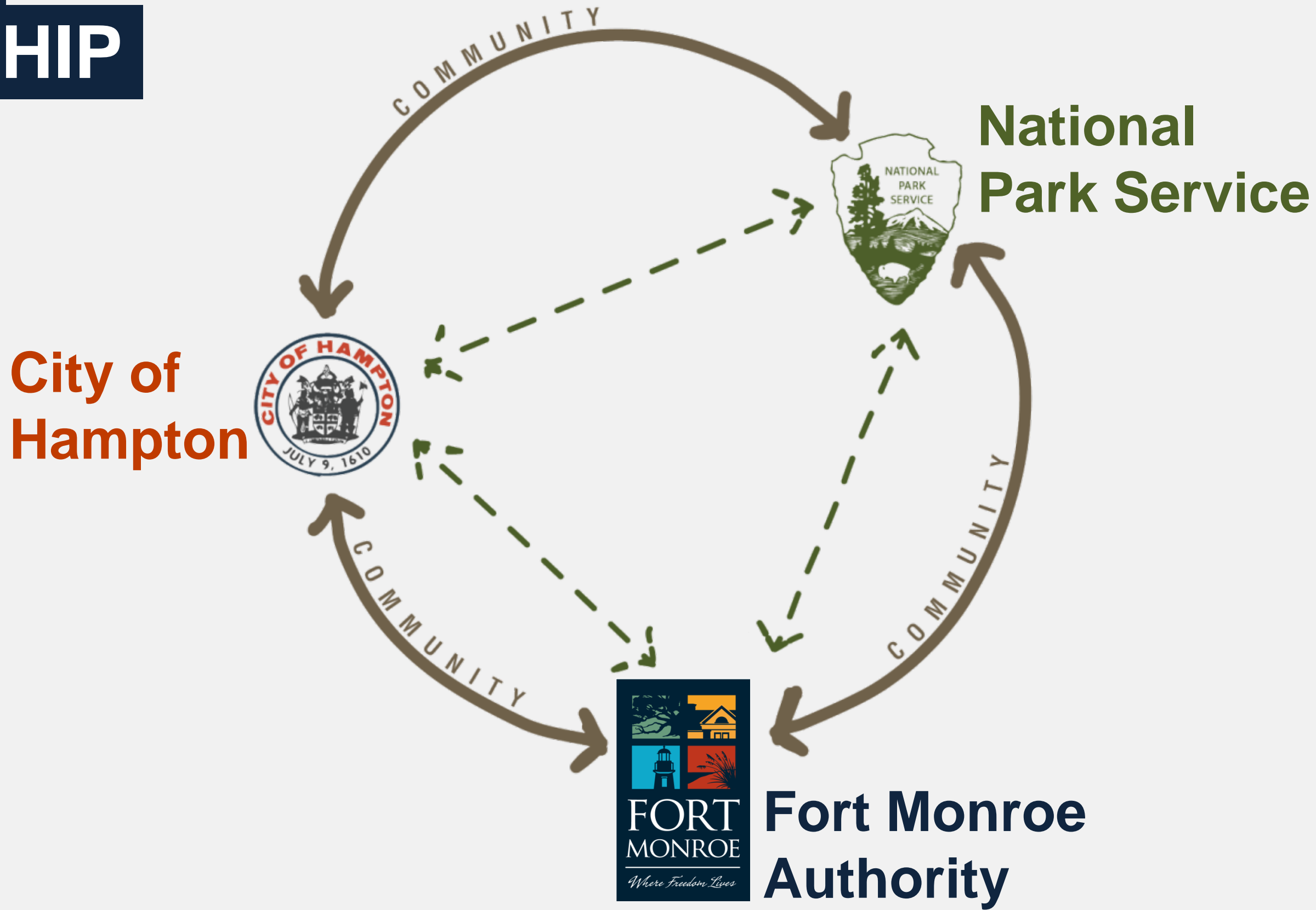
bae urban economics



AGENDA

1. Guiding Principles & Community Engagement
2. Regulatory Context
3. Land Use Master Plan
4. Economic Evaluation
5. Implementation Recommendations

PLANNING PARTNERSHIP





GUIDING PRINCIPLES

Preserve the Place

Tell the Stories

Achieve Economic Independence

FORT MONROE AUTHORITY ACT

“ 4. *It is the policy of the Commonwealth to **protect the historic resources** at Fort Monroe, **provide public access** to the Fort's historic resources and recreational opportunities, **exercise exemplary stewardship** of the Fort's natural resources, and **maintain Fort Monroe in perpetuity as a place that is a desirable one in which to reside, do business, and visit, all in a way that is economically sustainable.** ”*

PUBLIC WORKSHOPS & MEETINGS

2011

- Master Plan Team Selection – Dec 2011

2012

- Community Workshop – March 2012
- PAG Meeting – March 2012
- PAG Meeting – May 2012
- Community Workshop – June 2012
- PA Stakeholders Meeting – June 2012
- FMA Board Meeting – July 2012
- Community Workshop – Sept 2012
- PA Stakeholders Meeting – Sept 2012
- PAG Meeting – Dec 2012
- FMA Board Meeting – Dec 2012
- Community Workshop – Dec 2012

2013

- *Economic Evaluation Team Mtgs: January – March 2013*
- PAG Meeting – March 2013
- FMA Board Meeting – March 2013
- PAG Meeting – April 2013
- FMA Board Meeting – May 2013
- FMA Board Meeting – July 2013
- PAG Meeting – Sept 2013
- Finance Committee – Oct 2013 **
- FMA Board Meeting – Oct 2013 **

Notes

- **** Scheduled Meetings**
- **PAG: Planning Advisory Group**
- **PA: Programmatic Agreement**
- **FMA: Fort Monroe Authority**



300+
PUBLIC MEETING
PARTICIPANTS
2012-2013



MASTER PLAN WEBSITE

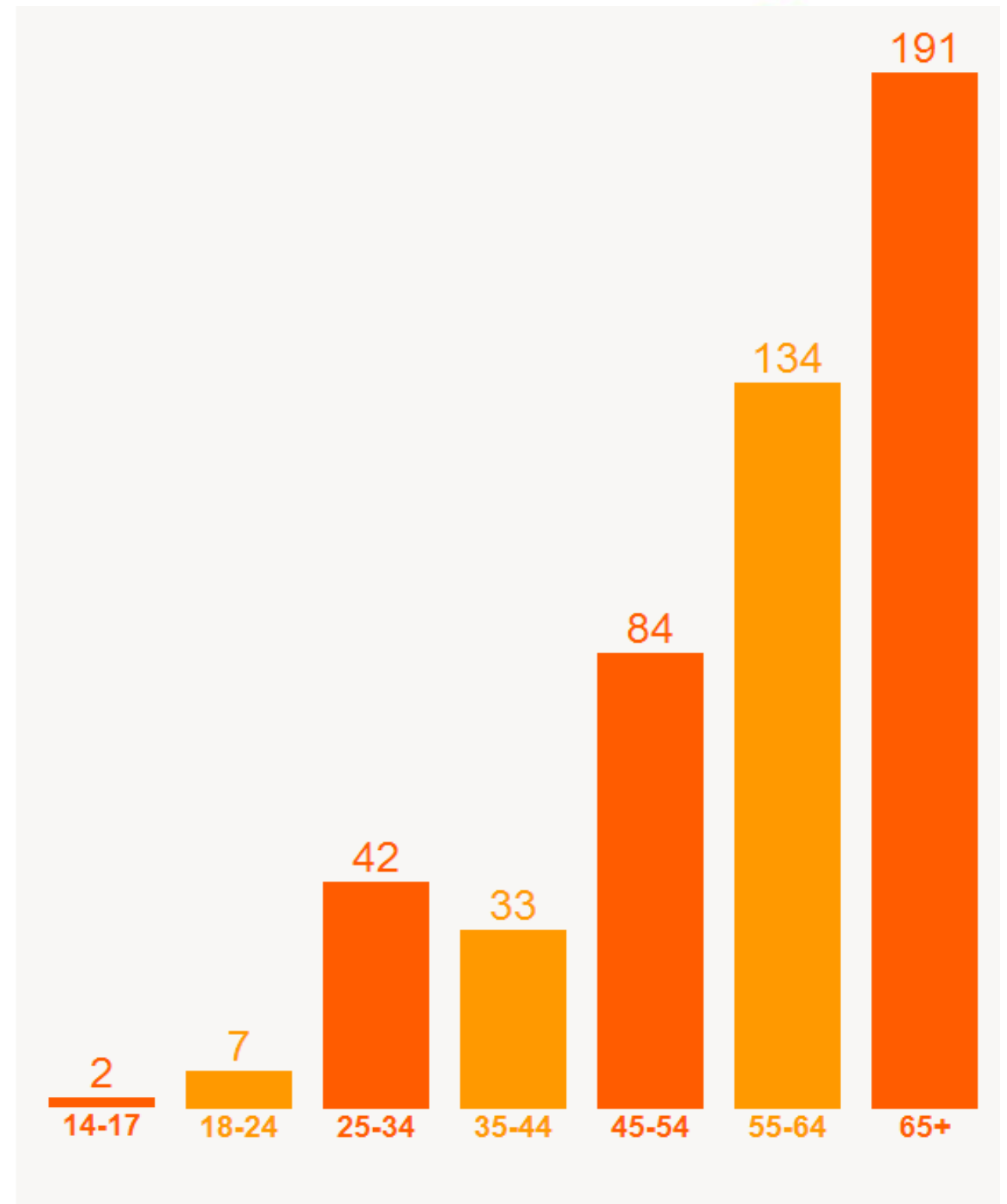
AVERAGE PARTICIPANT



SITE TRAFFIC



PARTICIPANT AGE RANGE



REGULATORY CONTEXT



FOUNDATIONAL DOCUMENTS

*We are working within the preservation framework endorsed by the **Virginia Department of Historic Resources**, the **National Park Service**, and others.*

- Programmatic Agreement (PA)
- Memorandum of Understanding (MOU)
- Historic Preservation Manual & Design Standards (Draft)



FORT MONROE DESIGN STANDARDS

“ *The Design Standards will guide development, construction, preservation, enhancement and maintenance in the reuse of Fort Monroe **to assure the protection and preservation of this national historic treasure.** ”*

FORT MONROE DESIGN STANDARDS

Design Standards for the Treatment of HISTORIC PROPERTIES

- Developed as a requirement of the Programmatic Agreement.
- Explain the philosophies for building rehabilitation, restoration, preservation, and maintenance.
- Establish planning principles for the treatment of historic properties.
- Identify what is important to protect, maintain, and preserve.

FORT MONROE DESIGN STANDARDS

Design Standards for the Treatment of HISTORIC PROPERTIES

The **Secretary of the Interior's Standards** for the Treatment of Historic Properties and guidelines define **four treatment approaches**:

1

REHABILITATION AS A TREATMENT

When repair and replacement of deteriorated features are necessary; when alterations or additions to the property are planned for a new or continued use; and when its depiction at a particular period of time is not appropriate, Rehabilitation may be considered as a treatment.

2

RESTORATION AS A TREATMENT

When the property's design, architectural, or historical significance during a particular period of time outweighs the potential loss of extant materials, features, spaces, and finishes that characterize other historical periods; when there is substantial physical and documentary evidence for the work; and when contemporary alterations and additions are not planned, Restoration may be considered as a treatment. Prior to undertaking work, a particular period of time, i.e., the restoration period, should be selected and justified, and a documentation plan for Restoration developed.

3

PRESERVATION AS A TREATMENT

When the property's distinctive materials, features, and spaces are essentially intact and thus convey the historic significance without extensive repair or replacement; when depiction at a particular period of time is not appropriate; and when a continuing or new use does not require additions or extensive alterations, Preservation may be considered as a treatment.

4

RECONSTRUCTION AS A TREATMENT

When a contemporary depiction is required to understand and interpret a property's historic value (including the re-creation of missing components in a historic district or site); when no other property with the same associative value has survived; and when sufficient historical documentation exists to ensure an accurate reproduction, Reconstruction may be considered as a treatment.

FORT MONROE DESIGN STANDARDS

Design Standards for NEW CONSTRUCTION

- Developed as a requirement of the Programmatic Agreement.
- Apply to new buildings, additions, and reconstructions.
- Provide guidance for compatible building massing, materials, and architectural features that are appropriate to the character of the Fort Monroe NHL District.

FORT MONROE DESIGN STANDARDS

Design Standards for NEW CONSTRUCTION

New construction shall follow the **Secretary of the Interior's Standards:**

“New additions...or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and be compatible with the massing, scale and architectural features to protect the property and its environment.”

FORT MONROE DESIGN STANDARDS

Design Standards for NEW CONSTRUCTION – EXAMPLE

C	
SITE DESIGN	
BUILDING ORIENTATION	
SETBACKS	
LANDSCAPE	
STREETS SIDEWALKS	
PARKING	
BUILDING DESIGN	
BUILDING FORM	
BUILDING SCALE	
BUILDING MASS	
SOLID/VOID RELATION	
BUILDING ELEMENTS PORCHES	
WINDOWS	
ROOFS	
ENTRY	

SITE DESIGN

Building Orientation

New construction shall respond to the street system, open space, or other organizing principles. New construction along the southern edge of Stilwell Road and along North Gate Road shall be oriented to the street.

Setbacks

Building setback from the street shall be similar to buildings 56 and 57.

Landscape

More formal landscaping patterns responding to buildings and streets is encouraged. Street landscaping along Stilwell Road shall have a natural, informal feel.

Streets

The alignment of Patch Road and Stilwell Road shall be respected and made an organizing element, along with the historic street alignments of these roads.. Other existing streets may be retained. New streets shall generally be narrow lanes with sidewalks. More formal, urban street grid patterns are encouraged to respond to Zone D to the west and transition to Zone B to the east.

Parking

New parking may be provided with new construction. Clustering parking for multiple buildings is encouraged. New Parking shall be located so that it is not in front of the primary building façade(s). Screening parking with landscaping is encouraged. Permeable paving is encouraged in Zone C.

Fencing and Screening

Fencing is discouraged, but if necessary, it shall be picket fencing. Landscaping is encouraged if it is necessary to define building sites. Landscaping is encouraged to screen mechanical equipment and refuse collection from view. Screening enclosures that respond to the materials used for new construction is also permitted.

BUILDING DESIGN

Building Form

New construction may be simple in form, or more articulated such as Building 28. Building footprints may be of similar scale as the industrial buildings in this zone.

Building Height

One or two story with simple roof forms and simple articulation of the roof. Flat roofs are permitted in this zone, as are penthouses and parapets.

Solid/Void

Fenestration and the relationship of solid to void shall be in keeping with the proposed style of the new construction. Larger window openings are encouraged in this zone to respond to the industrial character of buildings 28 and 57.

Entrances

Entrances shall be articulated in response to the style of the new construction.

FORT MONROE DESIGN STANDARDS

Design Standards for NEW CONSTRUCTION – EXAMPLE

BUILDING FORM

Buildings at Fort Monroe have a distinct character due to both plan configuration and building massing. The predominant architectural styles of Colonial Revival and Neoclassical dictate certain building forms, heights and façade organization.

HEIGHT STANDARDS

There is generally a uniform height to the buildings. The majority of both residential structures and administrative buildings are no taller than two-and-a-half stories.

- Two stories above the ground on a raised base
- Two-and-a-half stories above the ground on a raised base
- Maintain established building height
- Maintain established building eave and cornice lines

VERTICAL ORGANIZATION STANDARDS

All buildings are to have a vertical (from the ground up) organization as follows:

- The first floor is to be on a raised base above the ground
- The first floor should be visually taller than the second floor
- The building has distinctive features as it meets the sky
- Cornices for buildings with flat roofs should be properly proportioned
- Buildings with pitched roofs should have articulated cornices and eaves

HORIZONTAL ORGANIZATION STANDARDS

- Symmetry is preferred, although there are good examples of asymmetric building facades along Ingalls road
- Building elements align vertically and repeat in an orderly pattern

PORCHES AND ENTRANCES

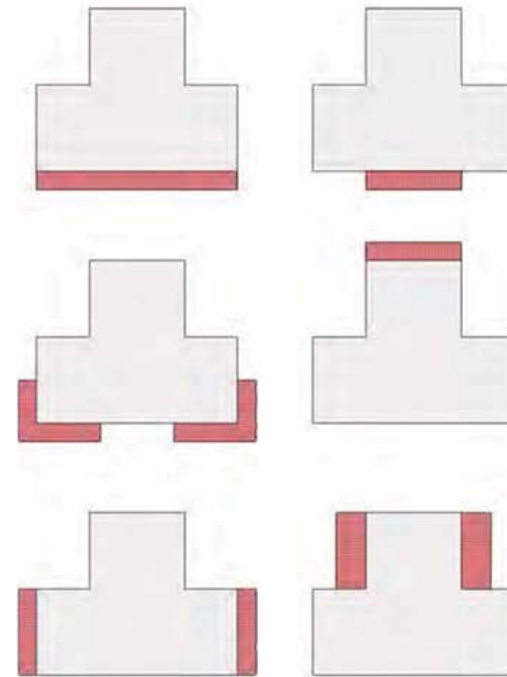
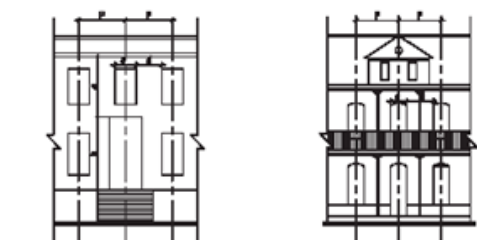
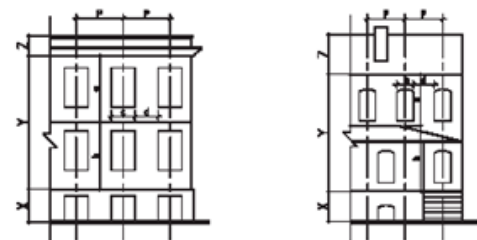
Porches and entrances are character-defining building elements. Significant elements include (but are not limited to) doors, fanlights, transoms, sidelights, pilasters, entablatures, pediments, columns, balustrades, brackets, architraves, railings, and stairs. Ramps and other features to provide barrier-free access, in order to comply with the Americans with Disabilities Act, should be located so as to minimize visual intrusion and impact on the existing historical character of the zone.

PORCH LOCATION STANDARDS

- A variety of porch configurations is acceptable.
- Porches shall reinforce the symmetry of the building form.
- For buildings with porches, the main entrance shall be accessed via the front porch.

PORCH SCALE AND MASSING STANDARDS

- Porches shall be one-story in height.
- Porch roofs shall be of a slope that is less than the main roof of the building.
- Porch roofs may be of a different type (gable, hipped) than the main roof of the building.
- Porches shall not be enclosed for interior space.



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

PROTOCOL FOR PUBLIC NOTIFICATION AND STAKEHOLDER PARTICIPATION

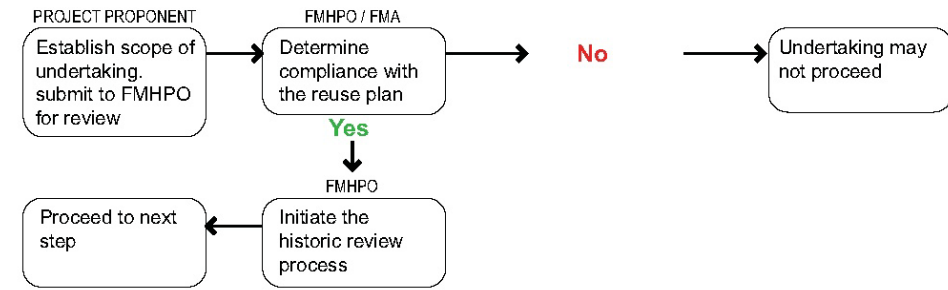
The protocol is in effect separate of the Design Standards. The FMHPO administers the protocol to achieve the principles of the PA and MOU, namely:

To reflect the nature and complexity of the proposed undertakings, the potential to affect historic properties and the likely interest of the public and stakeholders.

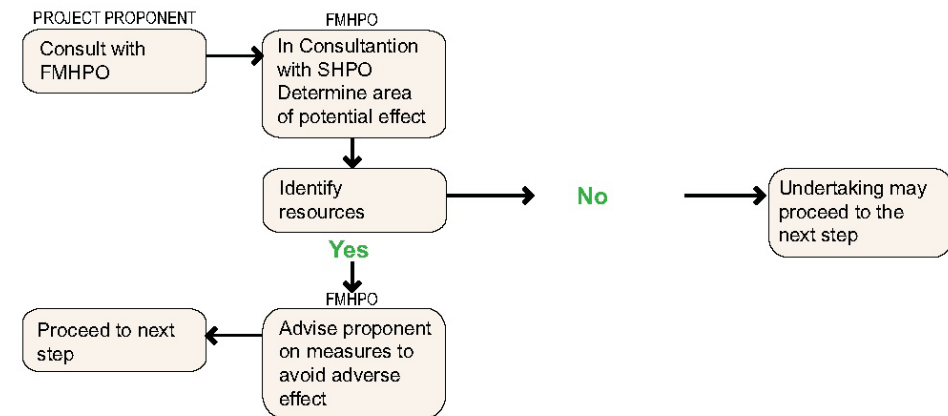
To provide access to full, accurate and timely information.

To provide opportunities for meaningful and timely review and comment and to take into consideration any comments received in the decision-making process.

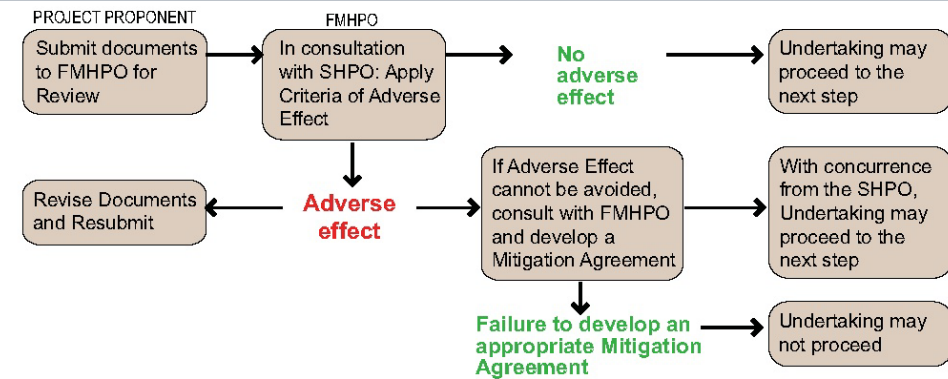
STEP 1 Project Initiation



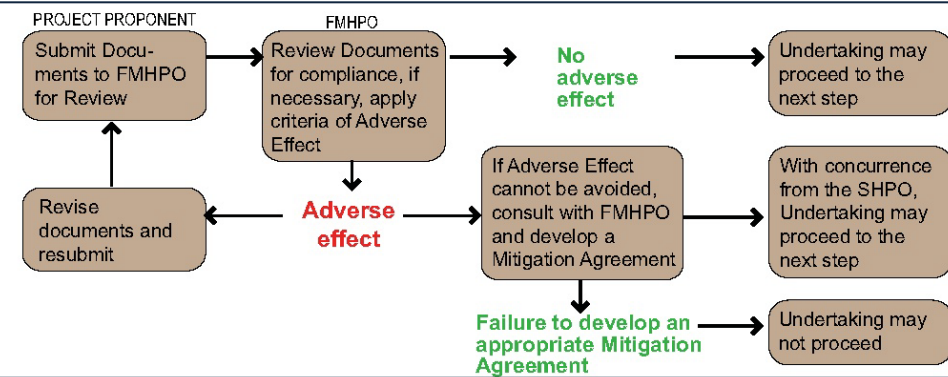
STEP 2 Project Consultation



STEP 3 Conceptual Design



STEP 4 Construction Documents



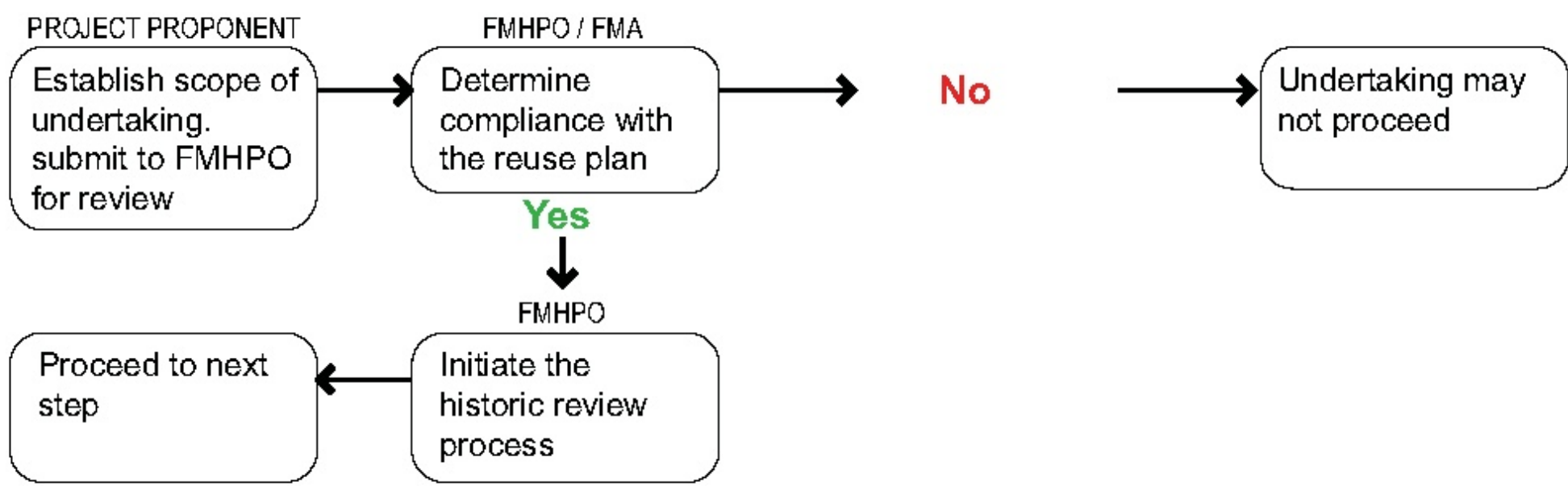
STEP 5 Construction



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

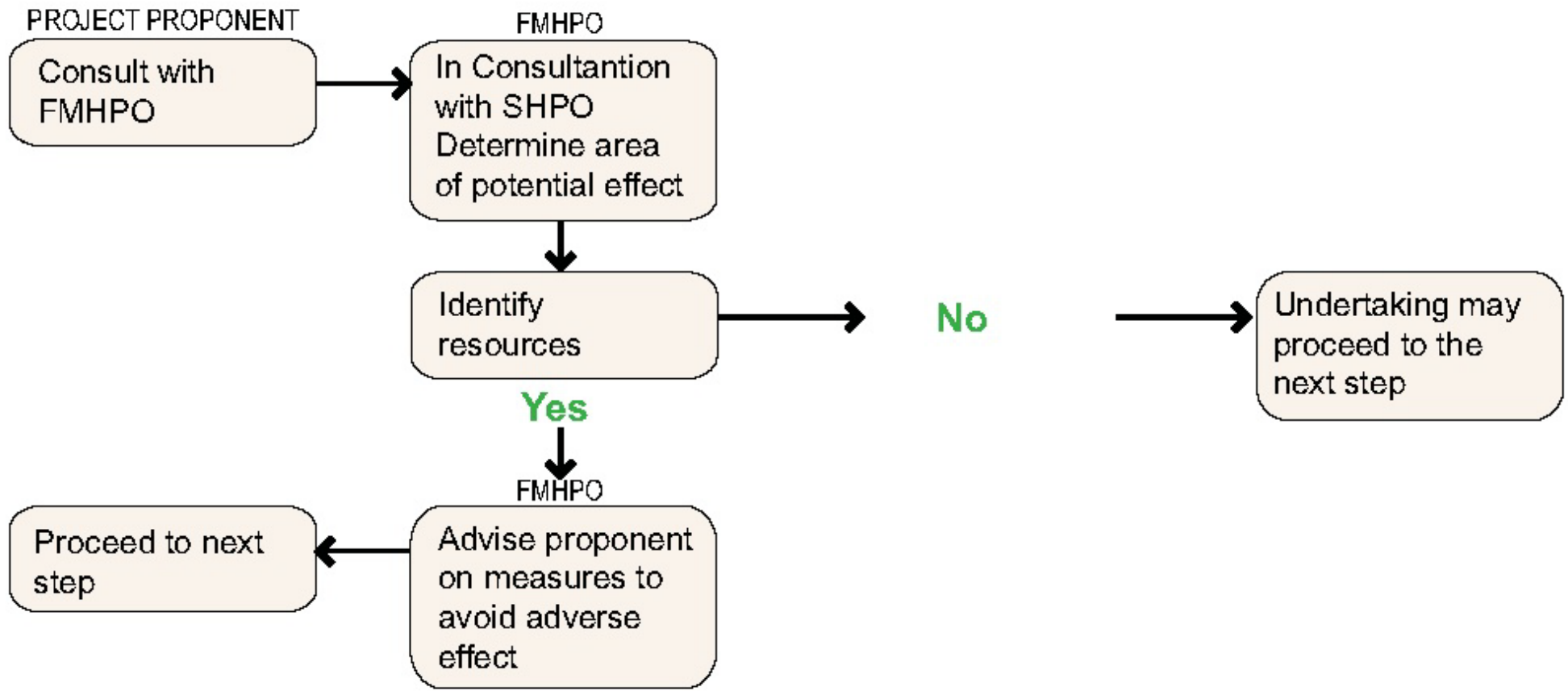
STEP 1 Project Initiation



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

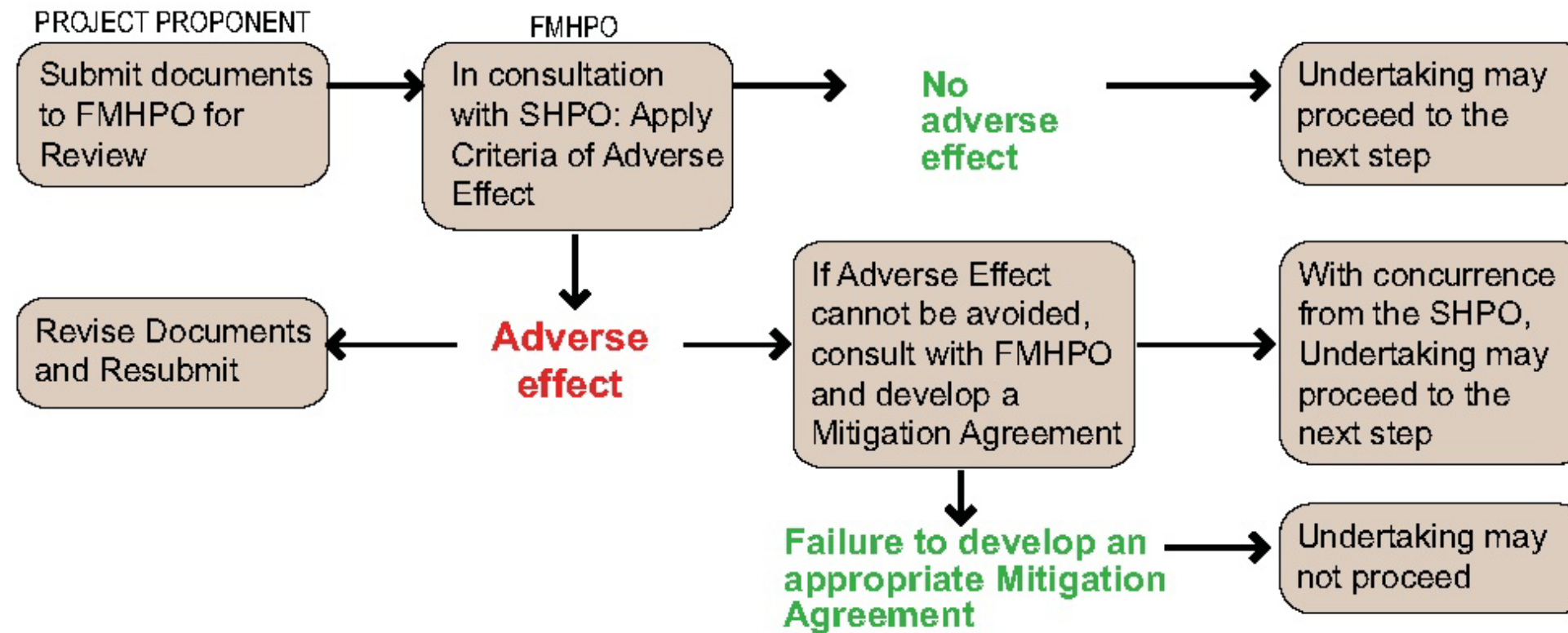
STEP 2 Project Consultation



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

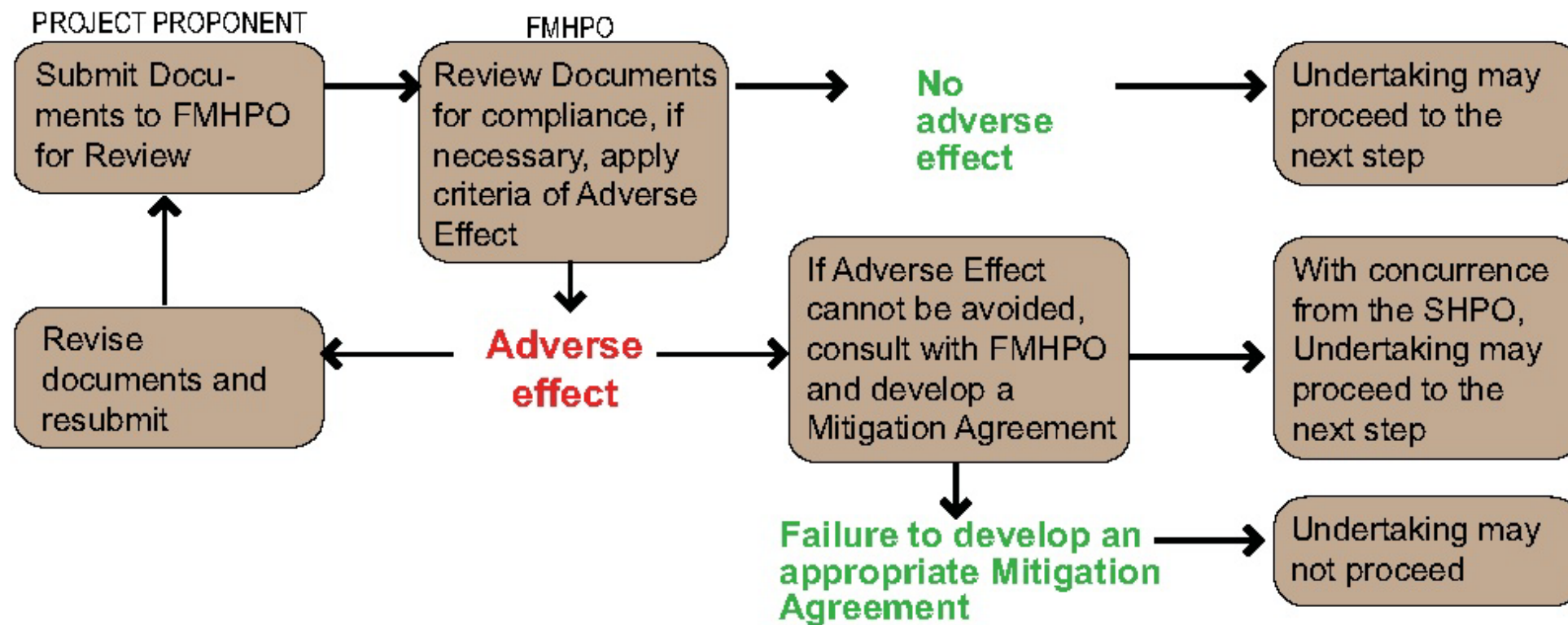
STEP 3 Conceptual Design



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

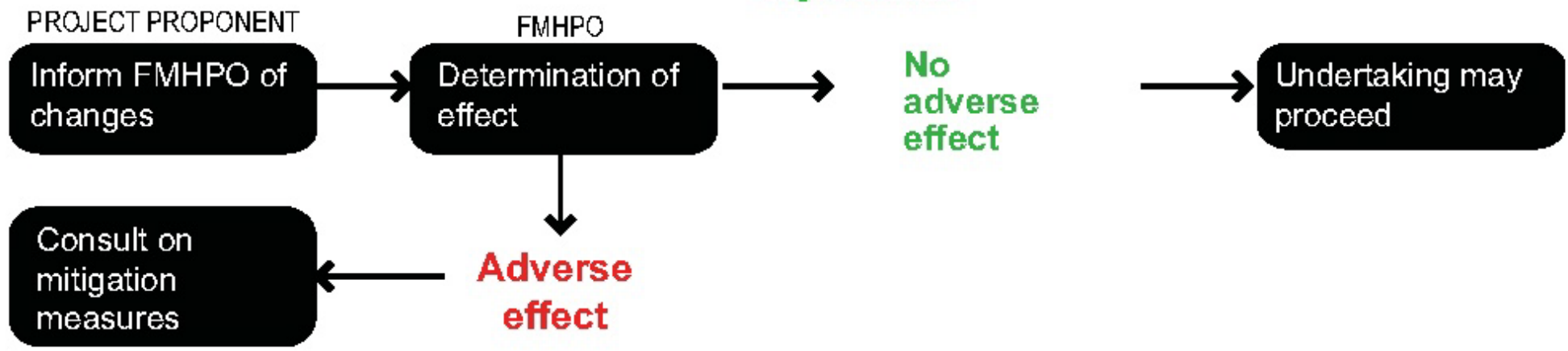
STEP 4 Construction Documents



FORT MONROE DESIGN STANDARDS

Project Review Process for Building Rehabilitation & New Construction

STEP 5
Construction



LAND USE MASTER PLAN



2013 LAND USE MASTER PLAN

- MIXED USE - RESIDENTIAL FOCUS
- MIXED USE - EMPLOYMENT FOCUS
- MIXED USE - RETAIL/DINING FOCUS
- MIXED USE - INSTITUTIONAL FOCUS
- MIXED USE - HOSPITALITY FOCUS
- COMMUNITY FACILITIES
- INFRASTRUCTURE BLDGs
- NPS BLDGs
- NPS LAND
- ACTIVE OPEN SPACE
- PUBLIC BEACH
- ACTIVE OPEN SPACE - WHERRY RESERVE
- NOT IN LONG TERM PLAN



2013 LAND USE MASTER PLAN

	Mixed Use – Residential	Mixed Use – Commercial*
ADAPTIVE REUSE	400 units	790,000 SF **
NEW CONSTRUCTION	720 units	160,000 SF
Total	1,120 units	950,000 SF

~390 acres Open Space at Fort Monroe

NOTES:
 * Mixed Use – Commercial program includes employment, retail/dining, institutional, and hospitality focus land uses.
 ** Adaptive reuse square footage excludes interim use of buildings which are not in the long term plan (e.g. butler buildings).

- LEGEND**
- MIXED USE - RESIDENTIAL FOCUS
 - MIXED USE - EMPLOYMENT FOCUS
 - MIXED USE - RETAIL/DINING FOCUS
 - MIXED USE - INSTITUTIONAL FOCUS
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2013 LAND USE MASTER PLAN

Mill Creek

North Gate



ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }

ZONE D
{ Historic Village }

ZONE E
{ Inner Fort }

Chesapeake Bay

Marina

Moat

Moat

Casemate Museum

Casemate 21

Casemate 22

Casemate 23

Casemate 24

Casemate 25

Casemate 26

Casemate 27

Casemate 28

Casemate 29

Casemate 30

- LEGEND**
- MIXED USE - RESIDENTIAL FOCUS
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2013 LAND USE MASTER PLAN

Mill Creek
North Gate

ZONE D
{ Historic Village }

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }



Reeder Circle, Fort Monroe

2013 LAND USE MASTER PLAN

Mill Creek

North Gate

ZONE D
{ Historic Village }

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }



Presidio Inn, San Francisco, CA

2013 LAND USE MASTER PLAN

Mill Creek
(North Gate)

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }

ZONE D
{ Historic Village }



Savannah, GA

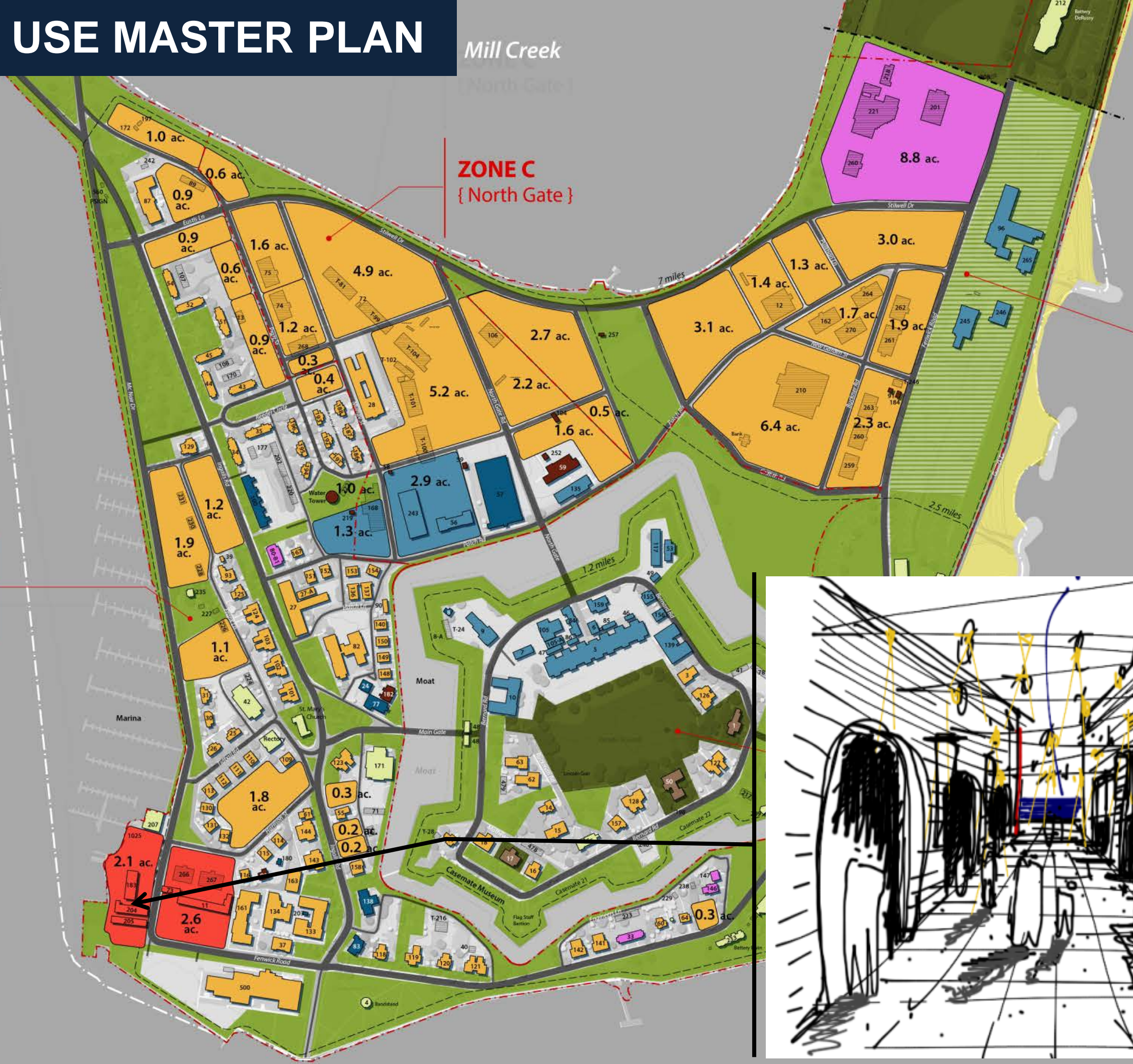
2013 LAND USE MASTER PLAN

Mill Creek
North Gate

ZONE D
{ Historic Village }

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }



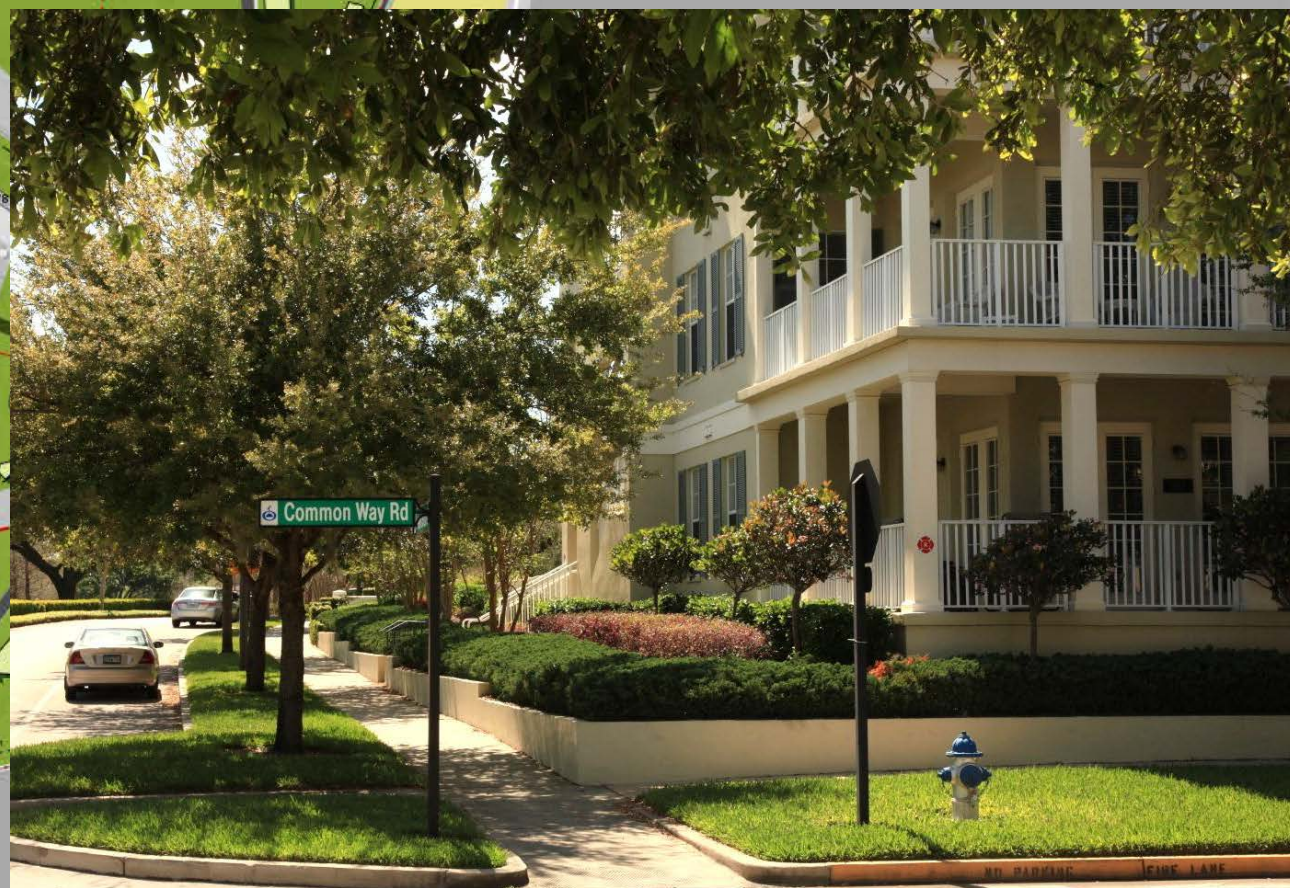
2013 LAND USE MASTER PLAN

Mill Creek
North Gate

ZONE D
{ Historic Village }

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }



Baldwin Park, FL

2013 LAND USE MASTER PLAN

Mill Creek
North Gate

ZONE D
{ Historic Village }

ZONE C
{ North Gate }

ZONE B
{ Wherry Quarter }

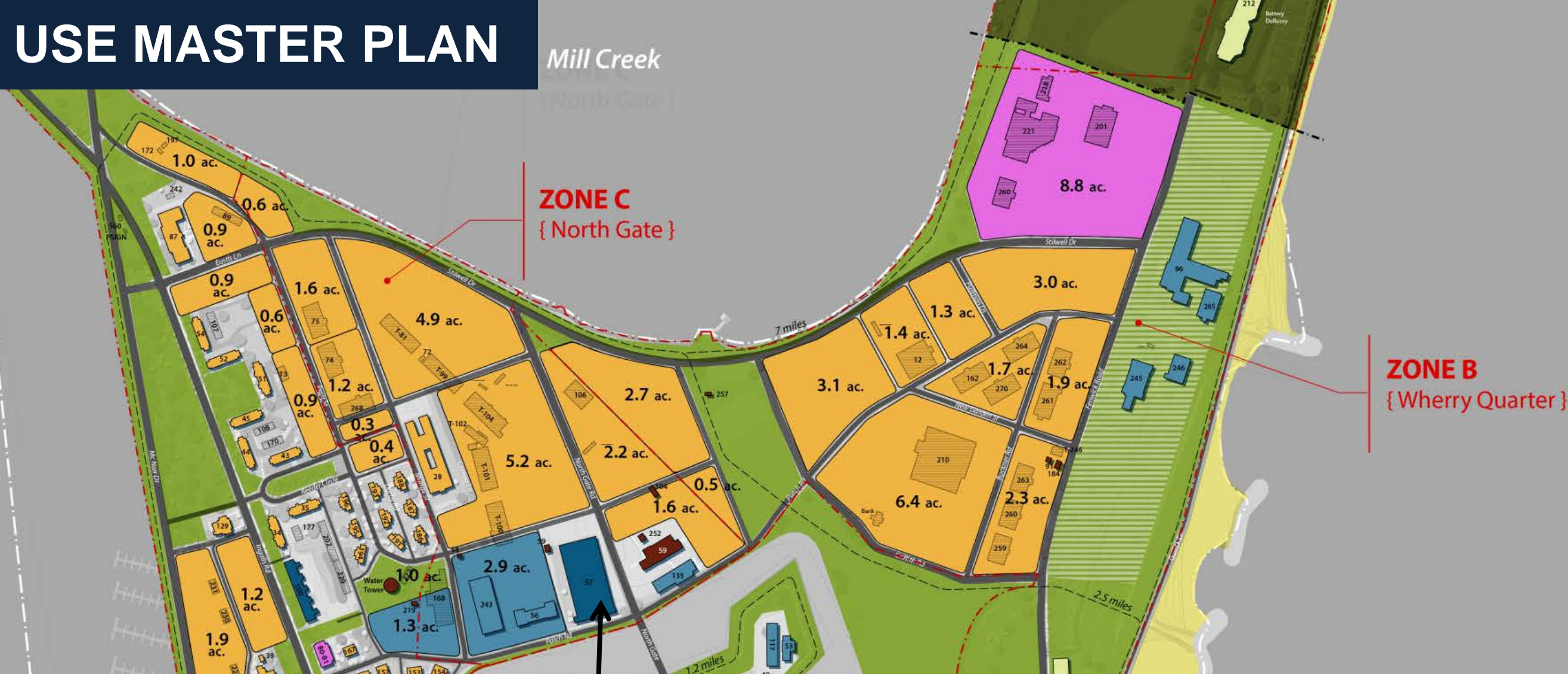


Savannah College of Art & Design, GA

2013 LAND USE MASTER PLAN

Mill Creek

North Gate



Philadelphia Naval Shipyard, PA



2013 LAND USE MASTER PLAN

Mill Creek

North Gate



ZONE B
{ Wherry Quarter }



East Beach, VA



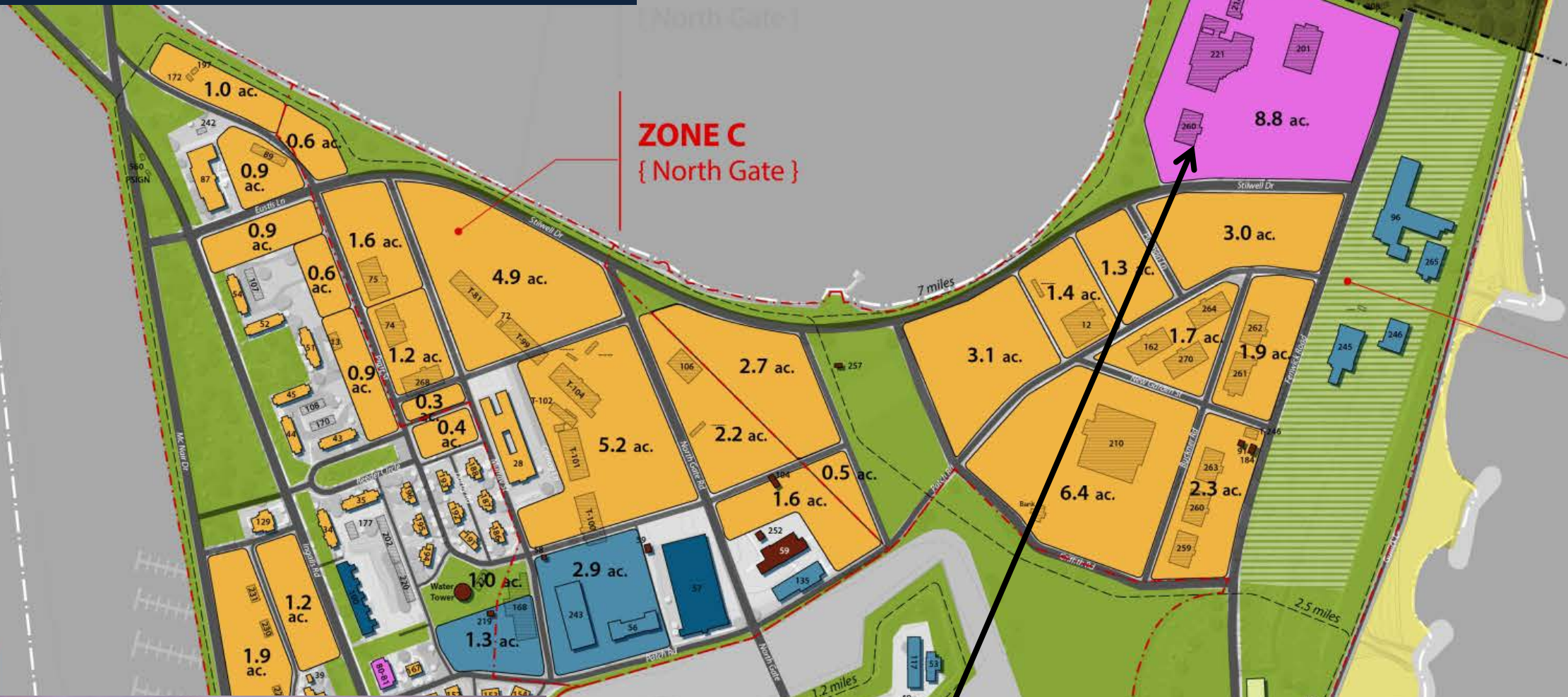
Chesapeake Bay

ZONE E
{ Inner Fort }

2013 LAND USE MASTER PLAN

Mill Creek

North Gate



ZONE B
{ Wherry Quarter }

Chesapeake Bay

ZONE E
{ Inner Fort }

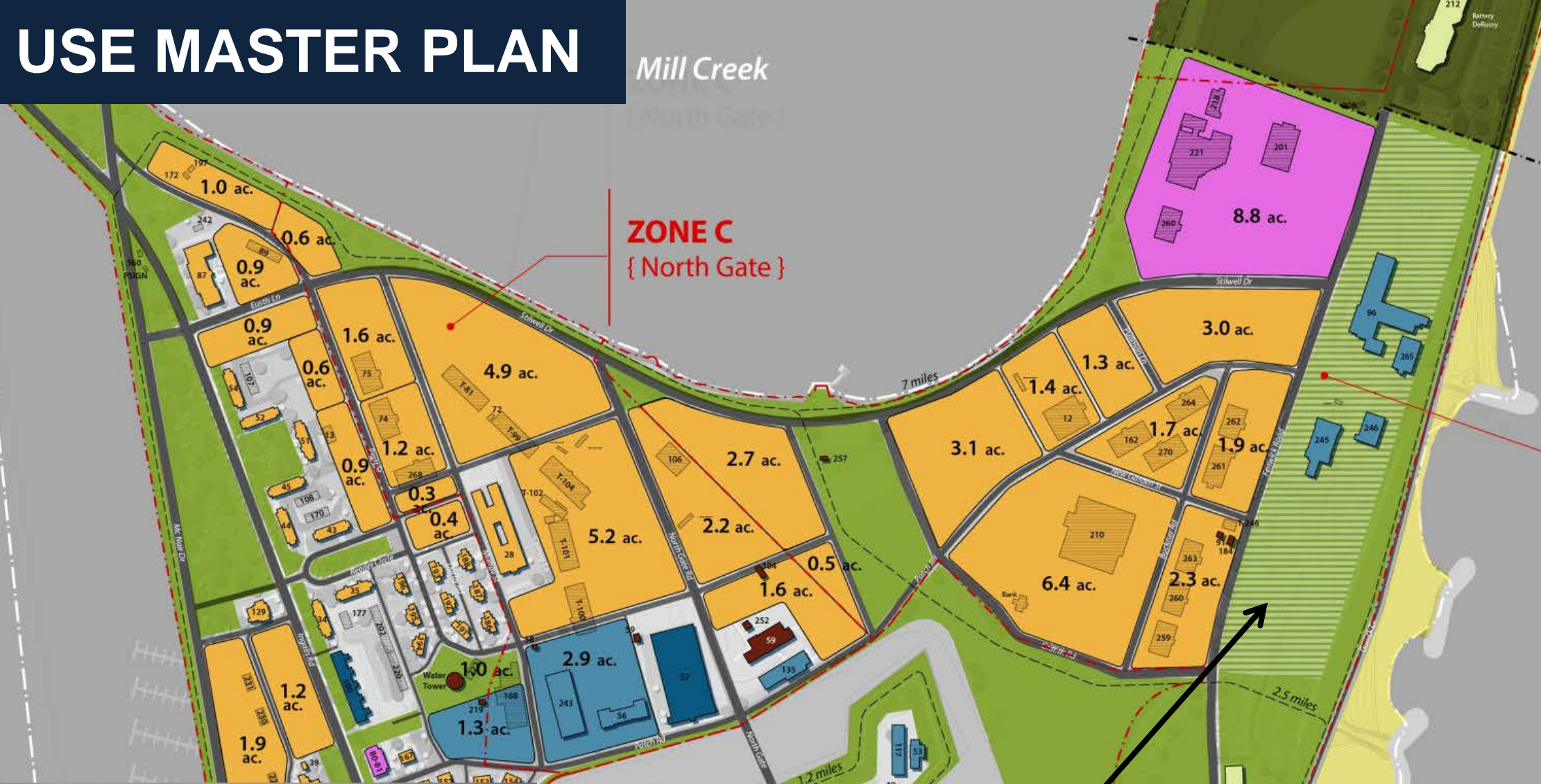


Sanderling Resort, NC



2013 LAND USE MASTER PLAN

Mill Creek
North Gate



ZONE B
{ Wherry Quarter }



River Legacy Park, TX



Chesapeake Bay

ZONE E
{ Inner Fort }

NETWORK OF PUBLIC LANDSCAPES

1. Enhance public access to the waterfront and beach





Gulick Drive – Illustrative View

NETWORK OF PUBLIC LANDSCAPES

1. **Enhance public access** to the waterfront and beach
2. **Transform McNair Drive** into a pedestrian and bicycle friendly street along the Marina and waterfront





McNair Drive – Illustrative View

NETWORK OF PUBLIC LANDSCAPES

1. **Enhance public access** to the waterfront and beach
2. **Transform McNair Drive** into a pedestrian and bicycle friendly street along the Marina and waterfront
3. **Create a “living shoreline”** along Mill Creek with a natural salt marsh landscape, habitat restoration, pedestrian promenade and pier.





Stilwell Drive – Illustrative View

NETWORK OF PUBLIC LANDSCAPES

1. **Enhance public access** to the waterfront and beach
2. **Transform McNair Drive** into a pedestrian and bicycle friendly street along the Marina and waterfront
3. **Create a “living shoreline”** along Mill Creek with a natural salt marsh landscape, habitat restoration, pedestrian promenade and pier.
4. **Link Bay to Creek** through a new Waterfront Park with a variety of open spaces, recreation amenities, and community facilities





Mill Creek

Chesapeake Bay

Bay to Creek Waterfront Park

NETWORK OF PUBLIC LANDSCAPES

1. **Enhance public access** to the waterfront and beach
2. **Transform McNair Drive** into a pedestrian and bicycle friendly street along the Marina and waterfront
3. **Create a “living shoreline”** along Mill Creek with a natural salt marsh landscape, habitat restoration, pedestrian promenade and pier.
4. **Link Bay to Creek** through a new Waterfront Park with a variety of open spaces, recreation amenities, and community facilities
5. **Connect the property** with pedestrian and bicycle friendly “green streets” linking all districts to each other and to the water
6. **Highlight views** from “Fort to Bay” and “Bay to Fort”





Building 88

Chesapeake Bay



View from the Fort to the Bay

GREAT PLACES IN AMERICA





**Great Communities:
The Presidio, San Francisco, CA**



**Great Communities:
Fort Benjamin Harrison, IN**



**Great Communities:
Lowell National Historic Park, MA**




**Great Communities:
Harpers Ferry, WV**

Source: Appalachian Trail Conservancy



**Great Communities:
Annapolis, MD**

An aerial photograph of the Savannah College of Art & Design building at dusk. The building is a large, multi-story brick structure with several prominent features: a central tower with a green copper dome, a smaller dome on the right, and a pointed roof on the left. The windows are illuminated from within, casting a warm glow. The building is surrounded by lush green trees, some with Spanish moss hanging from their branches. In the foreground, a street with a few cars (a black sedan, a white sedan, and a dark SUV) and a sidewalk with a street lamp and a mailbox are visible. The sky is a mix of blue and orange, indicating the time is either dawn or dusk.

**Great Institutions:
Savannah College of Art & Design**



**Great Institutions:
Tanglewood, Lenox, MA**



Source: flickr - timjarrett



Source: flickr - msletzer

Source: flickr - dayvidday



**Great Public Spaces:
Charleston Waterfront Park, SC**



**Great Public Spaces:
Walden Woods, Concord, MA**

I wish to speak a word for Nature -
THYREAU

ECONOMIC EVALUATION

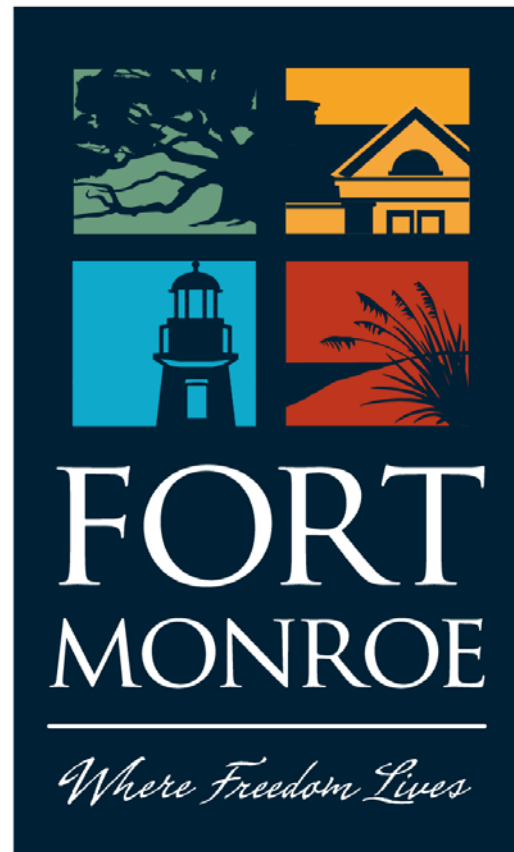


THE ECONOMICS OF FORT MONROE

- When it established the FMA, the Virginia General Assembly mandated that Fort Monroe be operated in “**a way that is economically sustainable.**”
- “**Economic sustainability**” means generating revenue to pay the costs to meet Commonwealth goals to:
 - Preserve Fort Monroe’s historic buildings and grounds
 - Provide access to historic features and recreation
 - Demonstrate exemplary stewardship of natural resources
 - Create a community where people want to live, work and visit

ECONOMIC ROLE OF THE MASTER PLAN

2013 Master Plan



- Mix of Uses
 - Residential
 - Commercial
 - Community Facility
- Density
- Capital Improvements

Financial Model

- Revenues
 - Residential
 - Commercial
 - Community Facility
- Absorption
 - Sales
 - Leasing
- Capital Budget

APPROACH TO FINANCIAL INDEPENDENCE

- **Identify long-term FMA mission**
 - Statutory mission
 - Business operations scaled to support mission
- **Match revenues with expenses**
 - Ongoing revenue to cover ongoing expenses
 - One-time revenue to fund one-time capital costs
 - Excess one-time revenue to fund “reserve” or “endowment” fund
- **FMA staff formulated strategy alternatives**
 - Complements and expands Economic Advisory Team suggestions

APPROACH TO BUILDING UP REVENUE

- **#1: Revenue from sold assets:**

- Homeowner association dues
- Utility system service charges
- Property tax revenue splitting
- Income earned from “endowment” fund or FMA “bank”

Sell properties to generate funds for capital improvements and reduce FMA operational requirements

- **#2: Other revenue**

- Parking fees
- Special event fees
- Admissions charges

Levy reasonable and customary charges for utility system operation, museum entry, and parking

- **#3: Lease revenue**

- Residential
- Commercial

Retain certain properties to generate lease revenue to pay for ongoing operations

- **#4: Government support**

- VDOT for streets
- NPS cost sharing
- Commonwealth for Casemate/Fortification

Identify appropriate level of long-term government funding

APPROACH TO ASSET DISPOSITION

- Revenue for the same asset can vary by disposition strategy
- Take one Marina View duplex unit for example:

Sales and reinvestment

\$150,000	Sales price
<u>\$15,000</u>	Prep costs
\$135,000	Net proceeds
3%	Reinvestment rate
<u>\$4,050</u>	Annual income

Sales and FMA financing

\$150,000	Sales Price
<u>\$30,000</u>	20% Downpayment
\$120,000	Loan Amount
0.04	Interest rate
30	Term
\$6,940	P&I payment
<u>(\$139)</u>	Less: servicing @2%
\$6,801	Net payments to FMA
\$30,000	One time revenue
<u>(\$15,000)</u>	Less: Prep costs
<u>(\$4,800)</u>	Less: Underwriting @4%
\$10,200	Net one time revenue

Retain as Rental

\$150,000	Value
\$16,200	Annual rent
	Annual expenses
<u>\$7,290</u>	@45% of rent
\$8,910	Net annual income

APPROACH TO SALES VS GROUND LEASING

- Rates of return to FMA vary by asset disposition strategy
- Take 8-acre Wherry lodging site for example:

Sale and Reinvestment	
\$3,277,000	Land sales price
3%	Reinvestment rate
<hr/>	<hr/>
\$98,310	Annual income

Ground Lease	
\$3,277,000	Land value
7%	Rate of return to set annual ground rent
<hr/>	<hr/>
\$229,390	Annual rent payment

- There is no one “right strategy” – FMA will need to pursue a mix

ECONOMIC ANALYSIS ASSUMPTIONS

- **FMA prepared a revised financial analysis that:**
 - Incorporates Economic Advisory Team suggestions (HOA et cet.)
 - Retains utility operations
 - Offers 110 existing homes outside the Inner Fort for sale
 - Finances home sales with FMA financing
 - Continues to lease Inner Fort homes under management contract
 - Leases and manages 5 office buildings in the Historic Village
 - Encourages conversion of historic commercial buildings to residential use
 - Retains, leases and manages 13 butler buildings in office use until more economically productive use materializes
 - Assumes no EDC payment to the Army
 - Manages Marina under concession or contract
 - Assumes FMA exemption from PILOT payments for buildings in public use
 - If insufficient funds are generated for operations or capital projects, seek VA appropriations and/or property tax revenue sharing

KEY ABSORPTION ASSUMPTIONS

- **Residential**

- 95 units leased and managed by FMA - ongoing
- 110 existing residences sold between 2017 and 2020
- 186 units from adaptive reuse of commercial between 2017 and 2022
- 540 new residential units between 2018 and 2027
- 931 total units in this analysis

- **Commercial**

- 20,000 sq. ft. existing or new office space absorbed annually
- Marina office/retail mixed use development in years 2020 and 2021
- New lodging developed in 2030
- 933,000 total commercial space in this analysis

- **Disposition is a mix of direct management, sales, and ground leasing**

FMA BANK PROGRAM

Assumptions

Percent That Buyers Pay Cash	25%
Interest Rate	4.250%
Average Term	25 Years; assumes mix of 15, 20 and 30-year mortgages.
Average Loan-to-Value	80%
Contracted Underwriting and Closing Costs	4% of Principal Amount
Loan Servicing Charges	2% of Total Gross Loan Payments to FMA

FMA Bank Scenario Calculations	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Gross Residential Sales Revenue (a)	\$ 10,469,412	\$ 8,876,792	\$ 8,554,008	\$ 1,374,302	\$ -	\$ -
Gross Sales Financed by FMA (b)	\$ 7,852,059	\$ 6,657,594	\$ 6,415,506	\$ 1,030,726	\$ -	\$ -
Principal Amount (c)	\$ 6,281,647	\$ 5,326,075	\$ 5,132,405	\$ 824,581	\$ -	\$ -
Annual Loan Payment (d)	\$ 412,795	\$ 350,000	\$ 337,274	\$ 54,187	\$ -	\$ -
Total Gross Loan Payments to FMA (d)	\$ 412,795	\$ 762,796	\$ 1,100,069	\$ 1,154,256	\$ 1,154,256	\$ 1,154,256
Less Contracted Underwriting Costs (e)	\$ 251,266	\$ 213,043	\$ 205,296	\$ 32,983	\$ 70,259	\$ 70,259
Less Loan Servicing Charges (f)	\$ 8,256	\$ 15,256	\$ 22,001	\$ 23,085	\$ 23,085	\$ 23,085
Net Loan Payments to FMA	\$ 153,274	\$ 534,497	\$ 872,772	\$ 1,098,188	\$ 1,060,912	\$ 1,060,912
Cash Sales/Downpayment Revenue (g)	\$ 4,187,765	\$ 3,550,717	\$ 3,421,603	\$ 549,721	\$ -	\$ -
(Cash sales plus downpayments received by FMA)						

Notes:

- (a) Sales generated by financial model from 110 existing residential units.
- (b) A percentage of sales will be cash per buyer's preference.
- (c) Gross initial principal balance after downpayments.
- (d) Annual loan payment for loans financed in current year.
- (e) Assumes FMA contracts out loan underwriting and closing services. Also assumes 10% annual roll over of mortgages and that FMA financing is required upon subsequent sale.
- (f) Assumes FMA contracts out loan servicing.
- (g) This is one-time revenue that goes to CIP program.

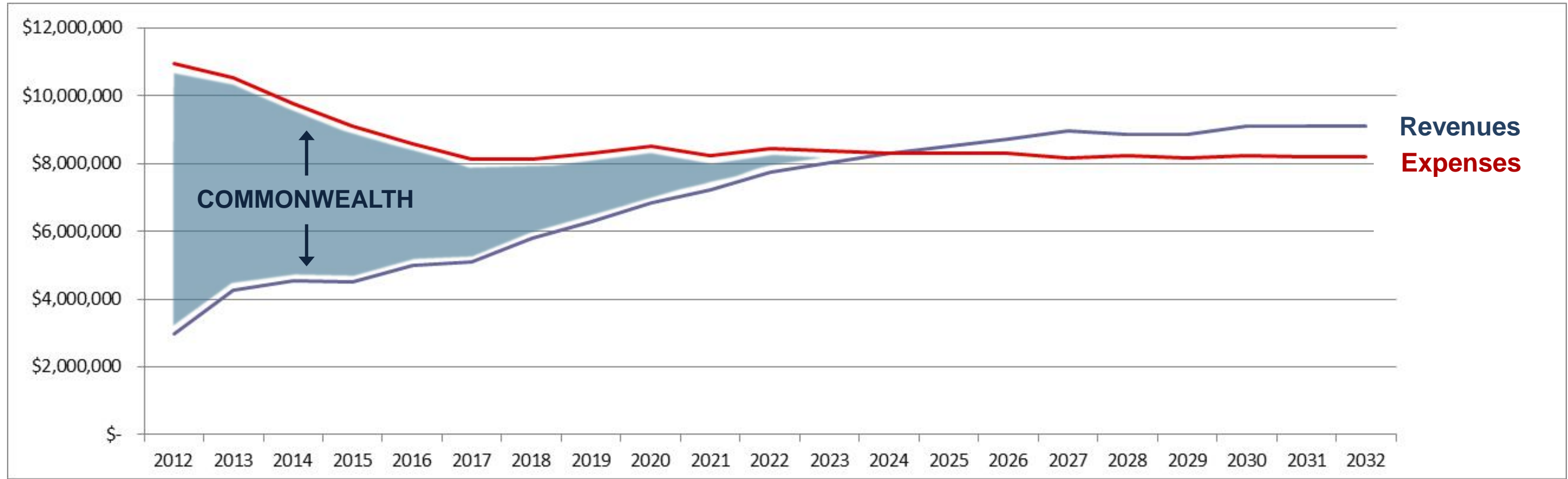
FMA ENDOWMENT

Example Year	FY 2015
Gross Sales Revenue	\$ 10,469,412
Capital Improvement Program	
Commercial Tenant Improvements	\$ 401,081
Residential Sales Program Improvements	\$ 1,124,025
Environmental Remediation	\$ 259,400
CIP Critical Infrastructure Improvements	\$ 4,000,000
Subtotal Capital Budget	\$ 5,784,506
NET CIP POSITION	\$ 4,684,907

FMA Endowment Calculations	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Reserve/Endowment Fund Balance	\$ 4,684,907	\$ 8,672,857	\$ 12,542,219	\$ 13,385,366	\$ 13,136,032	\$ 13,024,403
Interest @3%	\$ 140,547	\$ 260,186	\$ 376,267	\$ 401,561	\$ 394,081	\$ 390,732

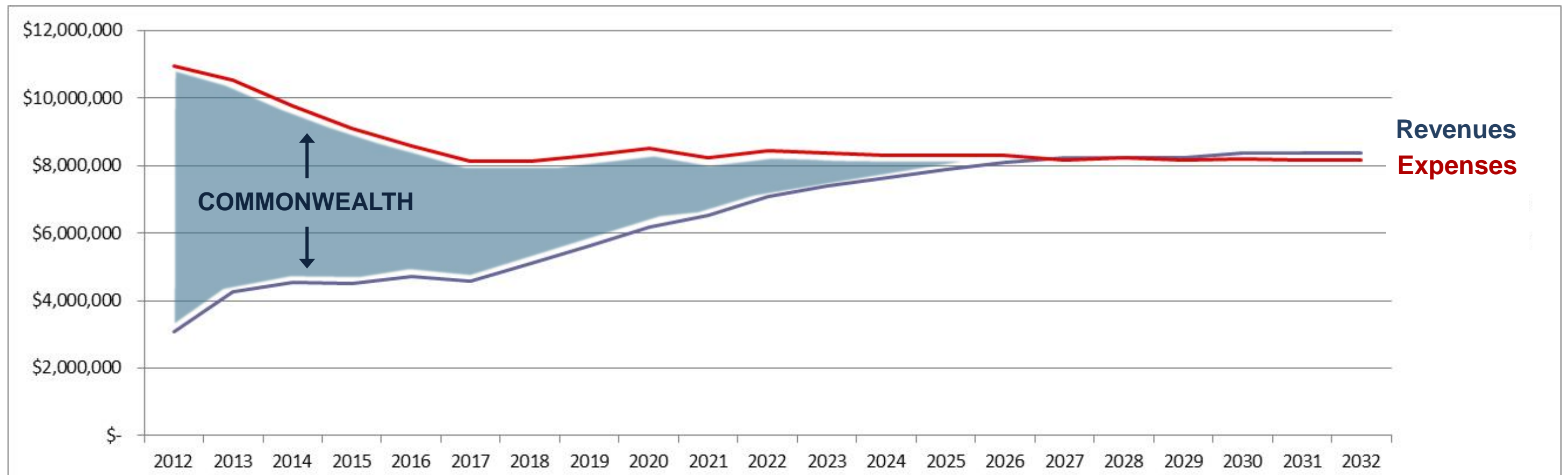
FINANCIAL RESULTS

- BAE evaluated the recommended actions and approaches for the final 2013 Master Plan, including the FMA “bank” concept.
- The estimated 2027 deficit of \$4.5 million changes to an operating surplus of \$718,000 –if all the actions are adopted.



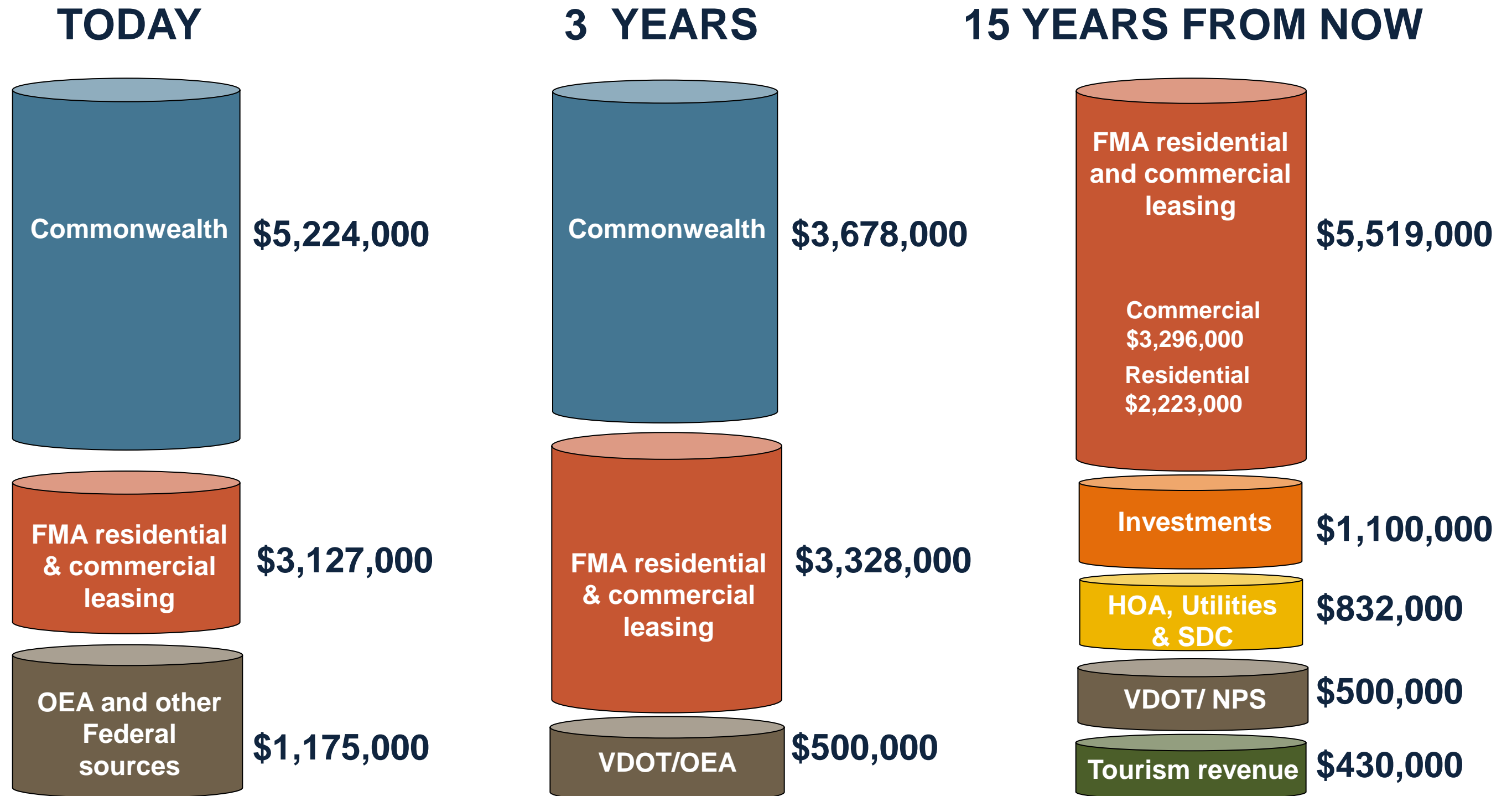
FINANCIAL RESULTS – Alternative Scenario

- BAE evaluated the recommended actions and approaches for the final 2013 Master Plan, but looked at an endowment fund instead of FMA Bank concept
- The estimated 2027 deficit of \$4.5 million changes to an operating surplus of \$86,000 –if all the actions are adopted



REVENUE BREAKDOWN

NOTE: Excludes capital budget



HOW REVENUES ARE LAYERED

- See Excel spreadsheet handout

CAPITAL BUDGET RESULTS

- The disposition choices made impact the degree to which capital projects can be funded:

FMA “Bank” Scenario

- **\$15M** available to fund \$21M in CIP projects
- VA appropriations or property tax sharing may be required to bridge the **\$6M** gap
- Reserve fund balance is **\$173,400** in 2027

FMA Endowment Scenario

- **\$33M** available to fund \$21M in CIP projects
- **\$12M** available for endowment fund to generate income
- Fund balance is **\$14.8M** in 2027

THE FMA'S ROLE IN THE FUTURE

What will be the responsibilities of the FMA in 15 years?

Based upon statutory requirements and economic imperatives, these responsibilities would be:

1. Historic preservation oversight
2. Maintaining green areas, parks, and open space
3. Maintaining roads, sidewalks, and trails
4. Leasing and maintaining buildings in the Inner Fort due to restriction on sales and new development
5. Leasing and maintaining buildings in the Wherry Quarter until ground leases are executed for new development
6. Operating the utility systems
7. Operating the Casemate Museum & public programs
8. **Administration of long-term ground leases and home-owner associations**
9. **Leasing and operating selected properties to the degree needed to generate ongoing revenue**

FMA OWNED & OPERATED PROPERTIES

The FMA will have its own portfolio of properties that it directly leases and manages, limited to the following:

- Buildings under interim lease pending disposition by sale or long-term ground lease
- Buildings that cannot be sold, e.g.:
 - Inner Fort
 - Wherry
 - Batteries, casemates, and fortifications
- Buildings needed to generate ongoing revenues

FMA PORTFOLIO - DETAIL

Under the 2013 Master Plan financial analysis, the following properties are shown as under FMA direct leasing and management control:

Commercial Properties Managed Directly by FMA by Type (# Buildings)		Sq. Ft.
Batteries and Casemates (5)		57,000
Casemate Museum (1)		35,000
Religious Structures (4)		42,000
STEAM Academy (27)		324,000
Recreation/Theater/Community (8)		108,000
Butler Buildings Office (13)		85,000
Other Office Buildings (7)		69,000
Marina Boathouse (1)		13,000
Total Commercial		733,000
Residential Properties Managed Directly by FMA		
Total Residential Units		95

The FMA would be responsible as a landlord for leasing, operating, and maintaining these buildings.

GROUND LEASE & HOA ADMINISTRATION

Although many properties will be disposed of through sale or long-term ground lease*, the FMA will still have ongoing responsibilities:

- Historic easement/deed restriction monitoring and enforcement
- Administration and/or oversight of multiple homeowner associations
- Administration and operation of FMA Bank program
- Administration of service district charge for commercial properties
- Ground lease administration:
 - Enforcement of terms and conditions
 - Periodic rent escalations/reappraisals
 - Percentage rent audits
 - Processing lease amendments/restatements

*Note: *Long-term ground leases would be absolute net leases with terms up to 99 years and are akin to a sale; ground lessees would be fully responsible for operation and maintenance of all improvements.*

FMA SOLD AND GROUND LEASED - DETAIL

Under the 2013 Master Plan financial analysis, the following properties would be disposed of by sale or ground lease:

Commercial Properties Sold to or Ground Leased by 3rd Parties	
	Sq. Ft.
Office	96,000
Retail	15,000
Lodging	113,000
Chamberlin Apartments	197,472
Total Commercial	421,472
Residential Properties Sold to or Ground Leased by 3rd Parties	
	Units
Existing Homes Sold	110
Residential Adaptive Use	186
New Residential Development	540
Total Residential	836

For these properties, the FMA would still have ongoing administrative responsibilities but would not be directly involved in leasing and operations.

IMPLEMENTATION RECOMMENDATIONS



PHASE

1

INNER FORT

Immediate Recommendations (0-5 years)

- Transfer National Monument site in Inner Fort to NPS Ownership & Establish NPS Easement
- Casemate Museum to continue to secure loan of Army artifacts
- Lease all houses in the Inner Fort
- Develop plan for houses in the Inner Fort not suitable for occupancy
- Maintain fortress ramparts trail and enhance perimeter Moat Walk
- Encourage the adaptive reuse and rehabilitation of vacant casemates
- Secure long term lease with the STEAM Academy
- Acquire moat from Army once environmental evaluation is completed
- Preserve Glacis on northeast green slope
- Support continued use of the Chapel of Centurion



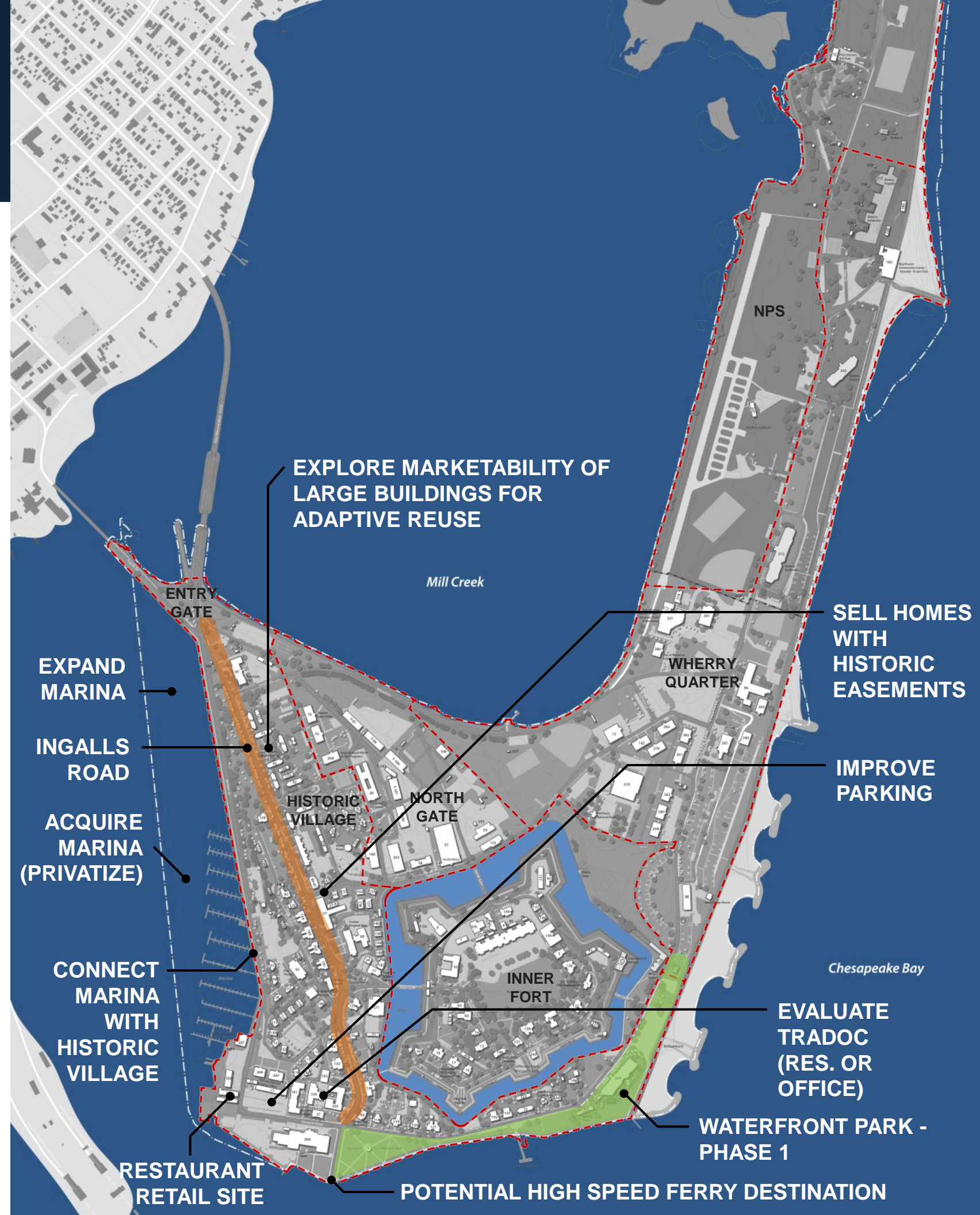
PHASE

2

HISTORIC VILLAGE

Recommendations (0-10 years)

- Encourage acquisition and adaptive reuse of historic buildings through historic tax credits
- Develop zoning plan to allow mixed of uses to create community friendly development (i.e. home ownership, coffee shop, restaurants, specialty retail, etc.)
- Redesign McNair Drive to include on-street parking and Marina Walk portion of 7-mile Waterfront Trail
- Implement Chesapeake Bay section of Waterfront Park
 - Gazebo, landscape & lighting, new bathrooms
 - Outlook beach access
- Expand events at Continental Park
- Work with legislature to evaluate high speed ferry destination point at Point Comfort
- Continue to lease houses and apartments
- Work with St. Mary's Church for continued use
- Acquire ownership of marina and adjoining property from Army
- Resolve environmental carve out properties with Army



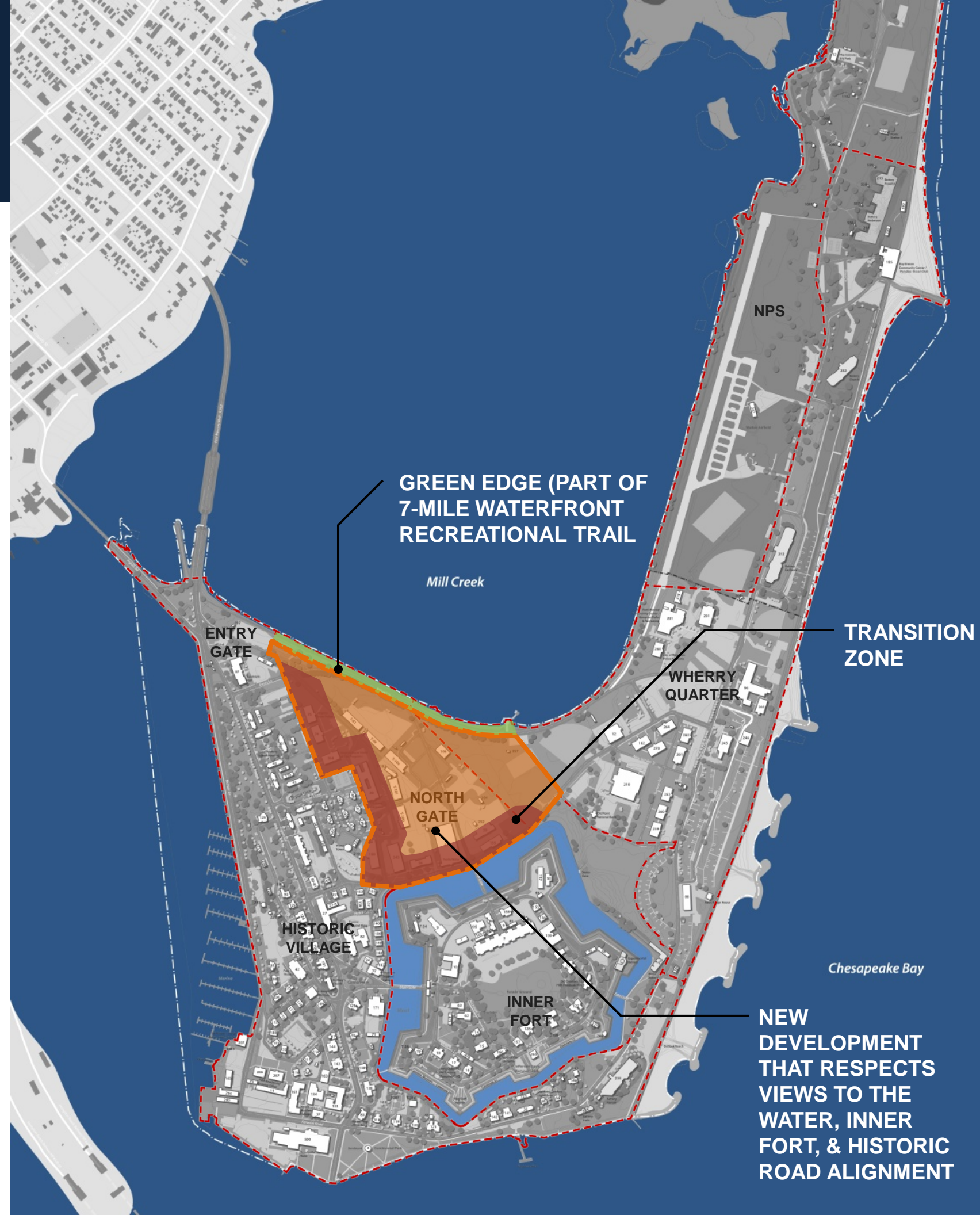
PHASE

3

NORTH GATE

Recommendations (0-15 years)

- Acquire unresolved Army property to complete ownership of North Gate
- Use existing multi-family residential and municipal buildings as transition to new development site from Historic Village area
- Seek new development in North Gate that:
 - Complies with the historic preservation design standards and the Programmatic Agreement
 - Brings investment & infrastructure improvements to this area
- Improve access to Mill Creek for boating, fishing, and swimming
- Create a living shoreline on Mill Creek
- Construct Mill Creek section of the 7 mile Waterfront Trail



PHASE

4

WHERRY QUARTER

Recommendations (0-20 years)

- Create and implement several strong green connections that link the NPS northern property to the Inner Fort
- Establish a strong green connection from the Chesapeake Bay to Mill Creek
- Use comprehensive landscape strategies to define green connections, including planting of native species, pedestrian lighting, benches, signage, and structures
- Utilize green areas in the Wherry Quarter for active/passive recreation (i.e. beach access, sports fields, bathhouses, picnic shelters, etc.)
- Continue to lease existing buildings to generate revenue for Fort Monroe
- Resolve environmental carve out area with Army
- Future development in the Wherry Quarter should occur as existing buildings near the end of “maintenance free” use
- Adherence to the Design Standards, inclusion of comprehensive landscape plans, and future public comment periods are requirements for future development



BUSINESS & REAL ESTATE POLICIES

1. What will the FMA be in 3 years?

- Substantial increase in property management responsibility
- Leasing residential and commercial property
- Relying heavily on General Assembly funding

2. What will the FMA be in 15 years?

- Combination of Property Management Company and Property Owners Association

3. Extent of FMA's utility operations

- Scope and timing of exit

4. Flexible response to changing markets

- Look for highest yielding use consistent with the Master Plan and Programmatic Agreement

5. Flexible approach to sales versus leasing

- Pursue sales of property with historic preservation deed restrictions

2013 LAND USE MASTER PLAN

- MIXED USE - RESIDENTIAL FOCUS
- MIXED USE - EMPLOYMENT FOCUS
- MIXED USE - RETAIL/DINING FOCUS
- MIXED USE - INSTITUTIONAL FOCUS
- MIXED USE - HOSPITALITY FOCUS
- COMMUNITY FACILITIES
- INFRASTRUCTURE BLDGs
- NPS BLDGs
- NPS LAND
- ACTIVE OPEN SPACE
- PUBLIC BEACH
- ACTIVE OPEN SPACE - WHERRY RESERVE
- NOT IN LONG TERM PLAN

