



**FORT  
MONROE**

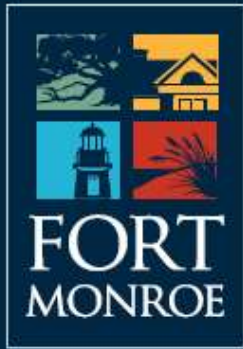
*Where Freedom Lives*

# **Marina Redevelopment Long-Term Lease Briefing**

**for**

**the Executive Committee of  
the Fort Monroe Authority  
Board of Trustees**

**May 19, 2021**



REIMAGINE  
*the Future*  
OF  
FORT MONROE

*Community redevelopment  
on the Chesapeake Bay  
in the heart of Coastal Virginia's  
historic waterfront*

[reimagine.fortmonroe.org](http://reimagine.fortmonroe.org)



FORT MONROE  
*Where Freedom Lives*

## REDEVELOPMENT AREAS

The FMA staff has identified four redevelopment areas that are described in more detail below. These redevelopment areas were created based on three primary factors: critical mass, adjacency, and Management Zones. The redevelopment parcels primarily exclude residential units in these zones, as well as the common area spaces and community buildings that will be retained by the FMA. In consideration of these redevelopment areas, it is important to note that the redevelopment of any properties at Fort Monroe must comply with the character and content of the Management Zones as defined in the PA and Design Standards.

It should be noted that these redevelopment areas were developed for the RFQ process and the respondent is not required to make a Statement of Interest for the entirety of a redevelopment area. Respondents may express an interest in one building or a group of buildings, even if that group of buildings extends across multiple Management Zones. However, the FMA must understand the size and scope of the proposed redevelopment, especially if the future use of the project is different than the existing use or planned use identified in the Master Plan.

It is also important to note that while the Master Plan identifies primary use categories, respondents can propose other use categories that will be evaluated as part of the qualifications of the respondents.

*Detailed building information is available on the file-sharing site.*



# Reimagine the Future of Fort Monroe

## Request for Qualifications and Statement of Interest

- Issued on June 15, 2018 through eVA and
- Print and digital marketing campaign with microsite – [www.reimaginefortmonroe.org](http://www.reimaginefortmonroe.org)
- Property tour on July 26<sup>th</sup>
  - 25 companies, 51 attendees
- Property tour on August 22<sup>nd</sup>
  - 40 companies, 87 attendees
- Eighteen proposals received by October 11<sup>th</sup> deadline
- 10-member Working Group of FMA Board (2), FMA staff (3), DGS(1) , NPS(1), Hampton (2), and public (1) reviewed proposals
- Working Group recommended 15 respondents to Executive Director as demonstrating understanding of the Reimagine concept and necessary qualifications
- FMA Board briefed on results on December 20, 2018
  - Agreed with Executive Director recommendations
  - Advised Executive Director and staff to wait on RFREP until last Army transfer was completed

### Property Offering

#### Four redevelopment areas

- 100± acres of land parcels
- 900,000± square feet of existing buildings mostly historic
- 30± acres of developable land
- 300+ slip marina

### Media Summary

#### Microsite

- 1,383 unique visitors
- 43 states and 18 countries

#### Print media

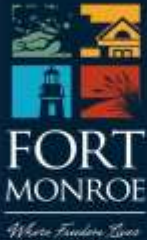
- 136k ad impressions

#### Digital media

- 378k ad impressions

#### Direct email marketing

- ULI Virginia (432)
- Targeted developers including minority developers (40)



*Request for Real Estate Proposals  
for the Redevelopment  
and Adaptive Reuse of  
Four Redevelopment Areas  
at Fort Monroe*



*"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"*

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Issued by the Fort Monroe Authority, 20 Ingalls Road, Fort Monroe, VA 23651

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**DEADLINE FOR SUBMISSION: THURSDAY, OCTOBER 24, 2019 @ 3:00 PM**

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NOTE: Real estate transactions are not subject to the VPPA or the DPS Vendor's Manual. The terms of the RFREP are contained within this document. All costs associated with the submission of a proposal response to a RFREP are the sole responsibility of the respondents. All proposals must be complete and received by the due date stated in the RFREP to be considered.

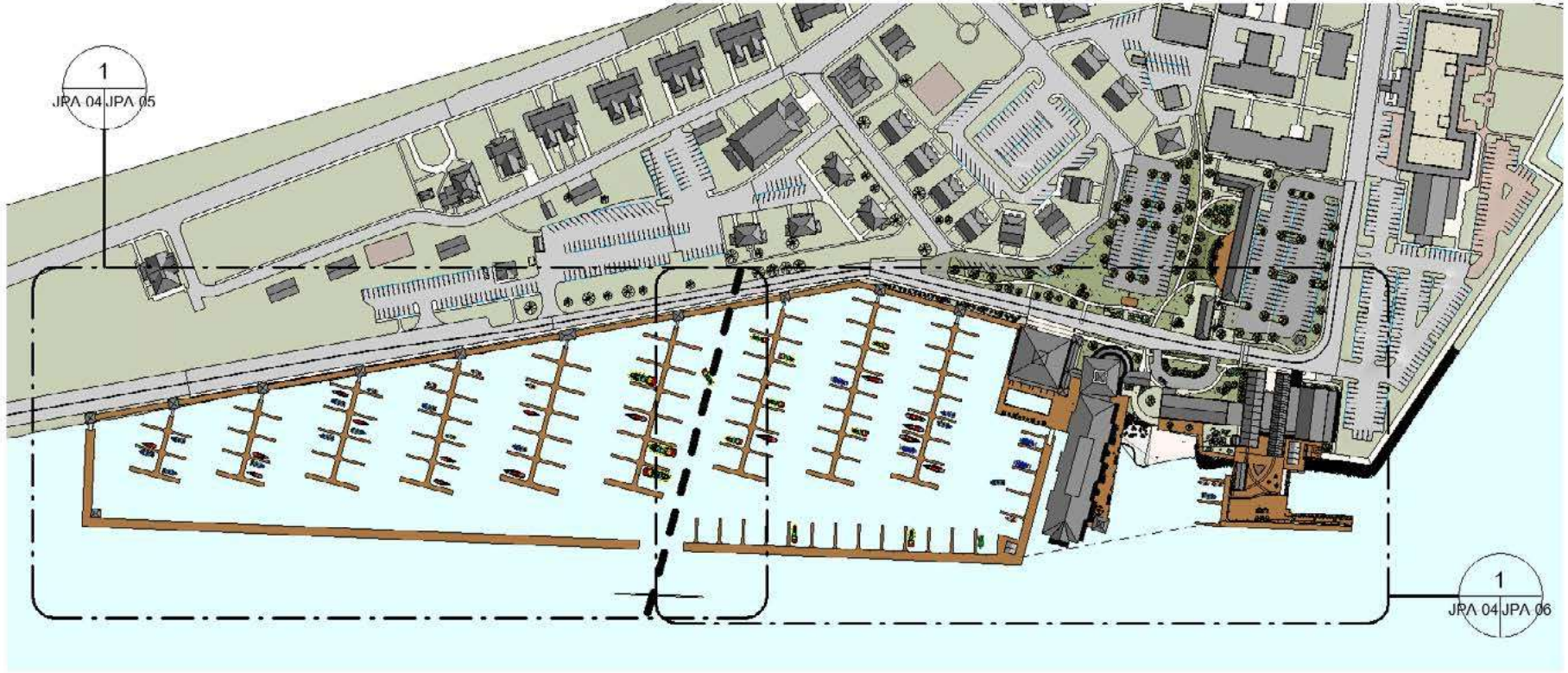
## Request for Real Estate Proposals

- Issued on April 23, 2019 directly to the 15 pre-qualified RFQ respondents
- Building access available on request every Tuesday and Thursday
- Interim meeting held with each developer in July/August to review initial proposals for adherence to governing documents and objectives of the RFREP
- Ten proposals received by October 24<sup>th</sup> deadline
- Same 10-member Working Group reviewed proposals
- Working Group recommended 4 respondents to Executive Director
- FMA Board briefed on proposals on November 21, 2019
  - Board advised Executive Director and staff to work on Marina and Ingalls Road redevelopments

## Due Diligence Activities since November 2019

- Negotiating with Marina respondents on Due Diligence Letter
- Executed Due Diligence Letter with Marina respondent on June 1, 2020
- FMA and OAG staff worked to develop template form of ground lease
- Retained Williams Mullen to serve as outside real estate counsel to FMA and OAG on Marina ground lease in September
- Completed Term Sheet with Marina respondent signed on September 30, 2020
- Williams Mullen introduced concept of Declaration of Covenants, Conditions, Restrictions and Grants of Easements for common area management in October
- Survey for Marina Premises ordered on February 11, 2021
- Survey completed on May 13<sup>th</sup>
- Final draft of ground lease approved by Marina respondent on May 13<sup>th</sup>

2020.09.30



1 JPA\_SITE OVERALL 1-300  
SD-A/04 JPA-04 1" = 300'-0"

## Aerial view of the current Marina





## Aerial view of the renovated Marina



Conceptual Plan

## Summary of the long-term ground lease

- Term** - 40 years, with one extension term of 20 years based upon the then current market value of the property.
- Rent** - During the initial term, \$1 per year plus a portion of common area expenses based upon a percentage of the expenses of the FMA for maintaining the open spaces for the benefit of the Lessee, its patrons, and the general public. During the Renewal Term, Base Rent is adjusted to market rent and re-adjusted every 5 years.
- Lessee Improvements** - Lessee is expected to spend \$40M improving the property. Lessee anticipates replacing the marina piers and docks, rehabilitating historic Buildings 183, 204, and 205, replacing non-historic Building 207 and constructing a new restaurant building and a new hotel over the water.
- Permitted Uses** - A marina (including a dock master building, docks, slips, ramps, walkways, and utility and fuel service), hospitality (including a hotel with conference center and appurtenant offices), retail (including boat sales and rentals) consistent with the operation of a marina facility, and a restaurant (for sit-down dining and take-out meal service) or other uses permitted by FMA in writing.

## Summary of the long-term ground lease

**Effective Date** - Date lease is signed by all parties including OAG as to form.

**Marina Operations** - Lessee can assume operations of the Marina from Effective Date (subject to a negotiated transition plan with FMA).

**Commencement Date** - Unless terminated during the Contingency Period, the day immediately following the expiration of the Contingency Period. FMA will issue Notice of Lease Commencement to document Commencement Date and Term.

**Guarantors** - Principals of Lessee guaranty the construction obligations in the lease.

**Taxes** - Lessee is responsible for the payment of any and all taxes and assessments levied by the United States, Commonwealth of Virginia, or the City of Hampton, reducing the financial obligation of the FMA.

**Lessee Obligations** - The lease is triple net to Lessee. Lessee must comply with (i) the Governing Documents; (ii) the various historical and environmental restrictions; and (iii) all other applicable laws, rules and regulations.

## Summary of the long-term ground lease

**Maintenance** - Lessee has the obligation to construct and/or maintain all improvements in accordance with the Virginia Uniform Building Code and Design Standards.

**Lessor Obligations** - Lessor is obligated to (i) cooperate with Lessee in order to satisfy contingencies without cost to Lessor; (ii) to provide estimates of CAM; (iii) to provide notice concerning any tax assessments and cooperate with tax contests; (iv) to be involved with the construction of improvements; and (v) to coordinate with installation of utilities concerning to the boundary.

**Construction** - Lessee must submit any proposed plans and construction documents to FMA for review and approval. The parties must agree to the establishment of certain milestones.

**Transfers** - Lessee must pay 1% of the fair market value of the property to the FMA if it wishes to assign the lease.

**Remedy** - If Lessee defaults under any terms of the lease, FMA may exercise various traditional lessor remedies to regain possession of the property.

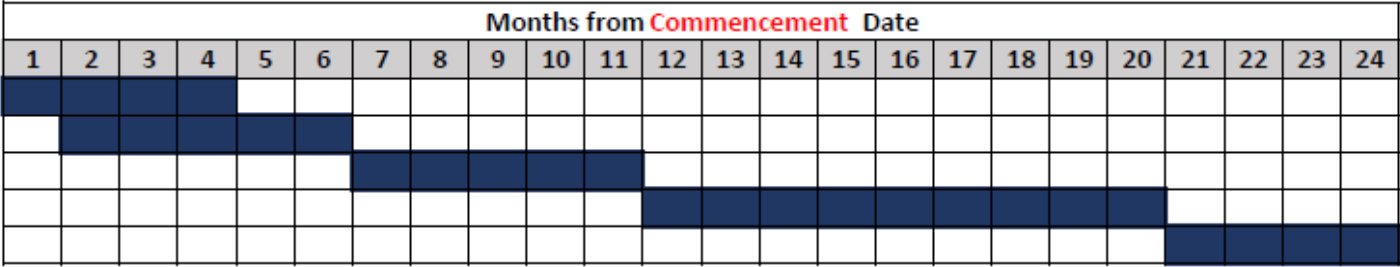
## Contingency Period

- VMRC Joint Permit to be completed within 9 months of Effective Date
- Private Placement Memorandum to be completed during Joint Permit process but no later than 180 days after Effective Date
- Capital commitments to be signed within 6 months of issuance of VMRC Permit
- Loan commitment(s) to be signed within 9 months of issuance of VMRC Permit
- Contingency Period ends no later than 24 months from Effective Date but ends earlier when the developer meets capital and lending thresholds
- Lease commences in earnest after Contingencies are satisfied
- In the event the Contingencies are not satisfied or completed within the time periods, either Lessor or Lessee may elect to terminate this Lease upon written notice to the other party

	Months from <b>Effective Date</b>																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Contingency Period [§ 3.01]																								
Permit Period																								
Private Placement Memorandum																								
Capital Commitments Complete																								
Loan Commitments Complete																								
Bi-Monthly Reports																								
Commencement Date																								

# Permitting

- Plans and specifications to be completed within 24 months of the Commencement Date
  - Pre-Design – 16 Weeks (Commencement Date + 4 months) - Pre-Design efforts will include a number of meetings with Project stakeholders (FMA, DEB, DHR)
  - Schematic Design (SD) – 20 Weeks (Commencement Date + 6 months) - Critical meetings/submittals: start-up DEB intro, AARB intro, DHR, DEB SD submittal
  - Preliminary Design (PD) – 20 Weeks (Commencement Date + 11 months) - Critical meetings/submittals: AARB approval, DEB PD submittal + response
  - Working Drawings (WD) – 36 Weeks (Commencement Date + 20 months) - Critical meetings/submittals: DEB WD submittal, review, response, and permit submittal
  - Procurement/Contracting – 16 weeks (Commencement Date + 24 months)



## Aerial view of the renovated Marina



Conceptual Plan

# Pack Brothers Hospitality



- Pack Brothers Hospitality is headquartered in Smithfield, Virginia.
- Principals Randy Pack and Brian Pack, both of Smithfield, VA, are seasoned veterans of hospitality operations and development.
- The Pack brothers own and operate The Surry Seafood Company in Surry, Virginia, while also serving as owner/operators of Smithfield Station with their father as a separate corporate entity.