

**FORT MONROE AUTHORITY
January 6, 2011 ~ Meeting Minutes**

The Fort Monroe Authority (FMA) Board meeting was held on January 6, 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 1:06 p.m.

Roll Call: Nia Lissimore, Assistant Secretary

Present:

Terrie Suit for Secretary James Cheng, G. Robert Aston, Jr., Colin G. Campbell, Secretary Doug Domenech, Delegate Tom Gear, Councilman Ross Kearney, John R. Lawson, Senator John Miller, Mayor Molly Ward

Garrison Commander Colonel Anthony Reyes was also present

Absent:

James Church and Kim Maloney

B. Approval of Minutes from the November 18, 2010 Board Meeting.

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

C. Treasurer's report. Mr. John Hutcheson, FMA Director of Operations. Mr. Hutcheson reviewed the financial statements from November 30, 2010. APPENDIX II. Mr. Hutcheson stated he would send the Board the December statements as soon as they are finalized. As of November 30th the FMA had a cash balance of \$789,777.40 at Old Point National Bank and is now operating surplus for the remainder of the fiscal year. Mr. Hutcheson reviewed the operating revenues and expenses with the Board and stated that there is \$1.8M in operating receipts and \$1.14M in operating revenues year to date. Mr. Hutcheson presented the current FY12 proposed budget to the Board and reviewed the OEA appropriations and revisions. Mr. Hutcheson stated the Governor's FY12 budget proposal allocated \$1.9M in general fund receipts for FMA operating expenses which are the same amount in current fiscal year. He also stated that there is \$2M in bond proceeds from the Department of General Services for utility and building repairs. Mr. Hutcheson stated it was important for the Board to understand the scenario that was presented in the budget, after many conversations with various utility companies the FMA anticipates entering into an agreement with Dominion Virginia Power either by private agreement or in cooperation with the City through their City franchise agreement (if doable). The proposed legislation would give FMA the authority to do either one.

Mr. Hutcheson acknowledged there was a long list of City services the City of Hampton would provide at Fort Monroe after the September 15th closure including; police, fire, emergency medical services, public education, library services, 311, 911 and all other services that City of Hampton citizens are entitled to. Chairman Suit explained that because the State of Virginia owns the property on Fort Monroe, the property cannot be taxed like other properties within the City and until there is a long term lease holder on Fort Monroe they will not receive any tax payments. The Chairman added that in order to make sure the citizens of Fort Monroe receive the same services as Hampton citizens and the City receives compensation for its services, the FMA and City are currently looking at a model that would pay the City of Hampton the equivalent of real estate taxes for property on Fort Monroe.

Chairman Suit invited Pete Peterson, Assistant City Manager for the City of Hampton to share the City's perspective on the FMA budget with Board. Mr. Peterson stated the City wanted to make a comment on the economic model instead of the budget and if the assumptions in the model make sense. Mr. Peterson added the City was concerned with the primary revenue source of the economic model coming from housing, the assumption that the majority of homes will be leased by military personnel, the supposition that 80% occupancy of property will indeed happen and the concept of prepaid leasehold which is a new phenomenon in the Hampton Roads area. Mr. Peterson stated that since the economic model was determining the revenues that would be needed to finance capital improvements it was very important that the model works.

II. REPORTS & BRIEFINGS

A. National Park Service Report – Terry Moore, Chief of Park Planning and Special Studies for the National Park Service. Mr. Moore stated the letter of report issued on September 20, 2010 by National Park Service Regional Director, Dennis Reidenbach, is a document that looks at Fort Monroe from the perspective of the National Park Service but could be applicable to any entity. The role in coming to the Fort last July was to provide an overview on what a park like experience might be at Fort Monroe. The NPS has not been authorized by Congress to do a special resource study, which is the vehicle used to determine whether resources are eligible for potential designation. Mr. Moore stated the NPS came and met with FMA, the City of Hampton and the Garrison Command in July, 2010. As a result of that visit the NPS determined a primary area of interest which includes; the moat, the road system around it, building #1, Building #50, building #17, the Casemate Museum, and building #22.

Mr. Moore explained the NPS is very concerned with future resource protection and what happens around the resources. Secretary Domenech asked what restrictions if any would there be on buildings inside the moat. Mr. Moore stated management agreements between the FMA and the NPS, structured in the beginning during negotiations, would determine the types of uses that would or would not be compatible with visitor experience. Secretary Domenech asked how long it would take to become a "park unit". Mr. Moore stated the NPS normally responds to a request for drafting services within a few weeks but after they respond the NPS has nothing to do with the process. The timeframe would then be determined by Congress.

Chairman Suit asked Mr. Moore to address the question of why Fort Monroe couldn't become an NPS unit under the Antiquities Act (Presidential Proclamation). Mr. Moore stated the pathway that is usually followed on a presidential proclamation under the Antiquities Act is that the President requests the Secretary of the Interior to prepare a report and the Act requires the landowner to convey property or the property to be owned by the Federal Government. There is also a provision of the Antiquities Act that requires the proclamation to be directed at the resources that are the minimum necessary for the establishment of the national monument. Mr. Moore stated that if a park was established at Fort Monroe there would probably be an immediate presence by the NPS. Part of the process is determined by the Commonwealth in terms of land transfer and the FMA in terms of agreements with other properties.

B. Legislative Affairs Committee Report – Molly Ward, Mayor City of Hampton. Mayor Ward stated that during the last 30 days the City of Hampton and FMA staff met with Congressman Rigell and Citizens for a Fort Monroe National Park and had very productive meetings with both.

C. Executive Director Remarks – Bill Armbruster, FMA Executive Director. Mr. Armbruster stated it was important to minimize the negatives during the closure process. The FMA has gotten great response from citizens and the local community with another town hall meeting scheduled for next week. In addition, the FMA is currently working with the Army on the transfer of the next increment of family housing and the FMA hopes it will be transferred in the beginning of February. Mr. Armbruster also stated that he would attend the General Assembly meetings in Richmond and the FMA would continue to push hard for the efforts at Fort Monroe. APPENDIX III.

D. Office of Economic Adjustment – Jay Sweat, Fort Monroe Project Manager, OEA. Mr. Sweat stated that the \$1.8M mentioned during the financial report has not been committed by the Office of

Economic Adjustment. The OEA is committed to providing a portion of the FMA's staffing through June 2011 but anything beyond that is speculative. The OEA is on a continuing resolution with the Federal Government through March of this year so anything beyond that is not budgeted. Mr. Sweat added the OEA is a need based organization that looks at needs and tries to fill them.

E. Legal Matters– Steve Owens, Office of the Attorney General, Cynthia Hudson, City of Hampton City Attorney. Mr. Owens stated there was not a final draft of the legislation for the Board to review so the board would not have to take any action. Mr. Owens stated that last year when the Fort Monroe Authority Act was drafted and proposed it was not clear how much responsibility FMA would need. As a result, a great deal of flexibility was maintained in the language of the Act in regards to the provision of municipal services. He added that now it is clear that the City of Hampton will serve as the municipal government providing the municipal services for Fort Monroe. The City of Hampton has proposed a bill that addresses and clarifies language in the Act that was ambiguous in verbiage regarding services and municipal government. Mr. Owens proposed to send the Board a one sheet executive summary with bullet points that highlights the changes in the current statute. Mr. Owens also stated the Chairman should call a meeting of the Executive Committee to review and decide if a meeting of the full Board should be called in order to vote on the legislation. Ms. Hudson stated the bill has been introduced to Senator Locke and is currently under the drafting process. Chairman Suit stated it was very important for the Board members to know what was in the bill in detail and she would like the Board members to have an executive summary. Chairman Suit added she would have a meeting of the Executive Committee to review the bill. Mayor Ward stated the proposed legislation submitted to drafting services proposed that the City of Hampton recommends that the Governor have the ability to make a fee simple transfer of property to the National Park Service. She stated she would like to see the Board agree or support that recommendation.

Chairman Suit clarified that Mayor Ward was asking the Board to support the notion that the General Assembly approve the Governor having the authority to do any fee simple transfer of FMA property to the National Park Service in the event that there is a National Park arrangement made with the FMA. Chairman Suit stated the Board would like to have the opportunity to consider whether language should be in the bill that gives the Governor and Board the authority to review potential uses of the property as opposed to taking detailed usage of the property back to the General Assembly for full approval.

MOTION: There was a motion by Mayor Ward for the Board to approve the sentence in the proposed legislation that provides the Governor can transfer property in fee simple manor to the National Park Service. The motion was seconded by Councilman Kearney.

Chairman Suit opened the floor for public comment before the final vote.

Public Comment: Kathleen Kilpatrick, State Historic Preservation Officer of Virginia stated the programmatic agreement which is a legal controlling document does layout a process for disposing of property by the State to parties. It does not distinguish between the Park Service or any other entities. In addition, there are steps that need to be taken pursuant to the programmatic agreement and requirements in the agreement for the conditions under which the properties are transferred. Chairman Suit stated the statute takes priority over the programmatic agreement. Chariman Suit added that in order to do any type of transfer the State law has to be changed first then the programmatic agreement would have to be reviewed and followed. Ms. Kilpatrick stated she would recommend the language in the bill be amended to reflect authorization consistent with the programmatic agreement. Mr. Owens stated the property cannot be transferred unless it is in compliance with the programmatic agreement and since he has to sign off on it he will make sure that happens.

Mark Perreault, representing the Citizens for a Fort Monroe National Park, stated the CFMNP supports that the legislation allowing the Governor authority to transfer property in a fee simple manner to the National Park Service.

VOTE: The motion was approved unanimously.

F. Army Update – Colonel Anthony Reyes, Garrison Commander. Colonel Reyes stated under BRAC driven actions the Garrison Command was currently ensuing the following processes; supporting the transfer

of property, protecting the historical assets until transfer, completing the environmental cleanup, and planning to mothball any buildings that will be vacant for more than 12 months after closure. Colonel Reyes stated his command has also been working with the FMA to allow the Army families to stay on Fort Monroe at Base Army Housing (BAH) rates after the September 15th transfer and believe doing so it is a win for both FMA and Army families. Colonel Reyes stated the lease plan has been going smoothly and currently the goal for February 1, 2011 is to transfer the following; 21 sets of quarters in the Tidball circle area, 8 sets of quarters inside the moat and 2 administrative buildings (Buildings #14 & 268). The next part is phase 2 to be accomplished by August 1, 2011 which includes the transfer of the remaining 109 residential quarters and lease the MWR facilities. Colonel Reyes clarified that although the MWR facilities would be transferred prior to closure the Army uses would still take priority over any other uses. APPENDIX IV.

G. Casemate Museum Memorandum of Agreement– Dr. Joseph Rainer, Chief of Museums and Historic Properties, Bill Armbruster, Executive Director. Dr. Rainer stated that because of BRAC law semantics are very important and the only resources that the Department of the Army will allow TRADOC to offer the FMA for the Casemate Museum after closure is assistance through the detailing of TRADOC employees from Fort Eustis to manage the collection of Army artifacts at the Casemate Museum while it is managed by the FMA. Dr. Rainer stated hopefully this will help the FMA standup their museum organization and eventually replace army employees with their own employees and secure a long term arrangement of the loan of the Center For Military History’s artifacts to the FMA’s Casemate Museum. Dr. Rainer stated that prior to such an arrangement the MOA needs to be passed and the FMA needs to develop an organization to run the museum and an implementing agreement that spells out the details between the FMA and TRADOC. The Center of Military History which owns all the historical artifacts will have to come up with its own MOA with the FMA. Once this is complete the FMA museum organization can get a two year loan on the artifacts. Mr. Armbruster stated he recommends approval of the Casemate MOA.

MOTION: There was a motion by Mr. Campbell to approve the Casemate Memorandum of Agreement. The motion was seconded by Councilman Kearney and unanimously approved.

H. Real Estate Report – Jerry Moore, FMA Director of Real Estate. Mr. Moore stated the FMA has an interim leasing plan and is working closely with the Garrison Command to get the second wave of housing. The focus is to keep the housing occupied with mostly military personnel. Mr. Moore stated the revenue generated on an annual basis from rentals is projected at about \$3M. Monroe Apartments are currently at 93% occupancy with no delinquencies. Deferred maintenance continues to be addressed and turnover of residential vacancies has gone down. The focus is currently on keeping the residential units occupied and leasing commercial space. Mr. Moore stated the Real Estate department is anticipating a specific landlord RFP for a 20,000 square foot estate for a Commonwealth entity sometime next week that would help with income and job creation. APPENDIX V.

Chairman Suit stated she would like to appoint a new Executive Committee member and officially appointed Colin Campbell to the Executive Committee.

I. Fort Monroe Foundation Report – Steve Owens, OAG, Otto Konrad, Kauffman & Canoles. Mr. Owens stated the Board had received the proposed Articles of Incorporation and Bylaws for the Fort Monroe Foundation. APPENDIX VI. Both have been revised in order to incorporate the new name and added that all directors shall be appointed by the FMA Board. The initial directors are Otto Konrad, Kauffman & Canoles, Mr. Owens and Mr. Armbruster but those directors will resign after the Board appoints new directors. Mr. Owens asked that the Board appoint two more directors to the Foundation so there is a total of five directors in order to file for the 501©3 status to be in compliance with the Bylaws. Mr. Armbruster will remain as Executive Director of the Foundation in order to maintain continuity. Chairman Suit appointed Mayor Ward and Mr. Aston as directors to the Fort Monroe Foundation.

MOTION: a motion was made by Councilman Kearney to approve Mayor Ward and Mr. Aston to the Fort Monroe Foundation. The motion was seconded by Mr. Lawson and unanimously approved.

MOTION: a motion was made by Councilman Kearney to approve the filing of the Fort Monroe Foundation for 501©3 status. The motion was seconded by Mr. Lawson and unanimously approved.

J. City of Hampton Local Government/City Services –Steve Owens and Mary Bunting, Hampton City Manager, Bill Armbruster. Mr. Armbruster stated the FMA continues to have very productive sessions with the City of Hampton regarding negotiations of City services. At the last meeting the number of services were defined in terms of what the City is willing to provide ranging from traditional municipal services (police, fire and rescue) to such things as animal control and beach grooming. Mr. Armbruster stated that significant progress has been made. City Manager Bunting stated the City also feels that positive progress is being made in terms of negotiations but there is still a number of things that need to be defined. There is a broad category of parks and recreation and a fine detail determined in terms of what parks and what recreation. Chairman Suit stated it was important for everyone to understand that programmatic agreement requires that the parks and open spaces be open to the public and if taxes are being paid to the City and the parks are open to the public, the FMA would like the City to take care of the maintenance of those parks. If there is additional level that the Fort would like to provide the agreement can be modified. Chairman Suit stated it was important that the FMA get equitable return for its tax dollars. City Manager Bunting stated the City would provide the same services it provides to its tax payers and if the City is going to maintain it they would like to have leases or a legal agreement.

III. PUBLIC COMMENT

Mark Perreault, representing the Citizens for a Fort Monroe National Park, shared with the Board his desires to have an open national park at Fort Monroe. APPENDIX VII.

IV. OLD BUSINESS

There was no new business presented.

V. NEW BUSINESS

There was no new business presented.

VI. EXECUTIVE SESSION

MOTION: There was a motion by Mr. Lawson for the Board to go into executive session in accordance with VA Statute §2.2-3711(A)(3)(5)(6)(7)(30). The motion was seconded by Mr. Campbell and unanimously approved.

VII. RECONVENE

MOTION: There was a motion by Mr. Lawson to go into open session. The motion was seconded by Councilman Kearney and unanimously approved. Each Board member certified that on matters appropriate for executive session were discussed.

VIII. ADJOURNMENT

Chairman Suit stated the next meeting is on March 24, 2011.

Chairman Suit motioned for the meeting to be adjourned at 4:15 p.m.

Respectfully submitted,

Nia Lissimore
Assistant Secretary

APPENDICES

APPENDIX I November 18, 2010 Board meeting minutes

APPENDIX II Financial/Treasurer's Report

APPENDIX III Executive Director's Remarks

APPENDIX IV Army Update

APPENDIX V Real Estate Report

APPENDIX VI Fort Monroe Foundation Report

APPENDIX VII Public Comment

APPENDIX VIII Design Standards Update