

**FORT MONROE AUTHORITY
November 18, 2010 ~ Meeting Minutes**

The Fort Monroe Authority (FMA) Board meeting was held on November 18, 2010, 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. She stated she was representing Secretary Cheng under order of a proxy. Chairman Suit stated there had been a request to add a public comment period before taking a vote on the National Park Service issue.

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 August 23, 2010 Board Meeting and October 21, 2010 Board Workshop

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

C. Legal Instructions. Steve Owens, Office the Attorney General. Mr. Owens stated a copy of the FMA By-Laws was provided to each Board member. APPENDIX II. John Hutcheson noticed a revision that needed to be made to the By-Laws. Mr. Hutcheson stated that he noticed on page 6 in section 4.05 line #120 under New Language the words "Commissioners" needed to be changed to "Trustees".

AMENDMENT: Delegate Gear offered the amendment to the By-Laws and it was seconded by Chairman Suit. The amendment was unanimously approved.

Mr. Owens stated the changes to the By-Laws reflected the recommendations made at the workshop.

Chairman Suit asked for a motion on the document with the single amendment.

MOTION: A motion was made by Councilman Kearney to approve the Board By-Laws. The motion was seconded by Delegate Gear and unanimously approved.

D. Executive Director's Remarks. Bill Armbruster, FMA Executive Director. Mr. Armbruster stated that the Army was 299 days away from transfer to the State. He stated the FMA's strategy was to avoid the type of closure that has plagued many bases on the BRAC list and keep the installation occupied after closure. He stated that many families will remain at Fort Monroe due to the fact that they are being transferred to Fort Eustis and not across the Country. Mr. Armbruster stated the Economic Development Conveyance (EDC) negotiations are still ongoing with the Army and reminded the Board

of the three FMA governing documents: the Reuse Plan, the Programmatic Agreement and State law. Mr. Armbruster stated the Fort would be open to the public and no toll booths or admission fees are anticipated despite what has been reported in the press. APPENDIX III.

Mr. Armbruster reviewed a timeline that focused on new hires and establishment of the 501c3 foundation. Mr. Owens added the paperwork had been completed to file the 501c3 request with the IRS for FMFADA but since the governing organization had changed to FMA a couple of things needed to be changed including; a Foundation Board composed of 3 organizers which needs to be changed to 5 to complete the ruling request and revisions to the Articles of Incorporation from FMFADA to FMA. Chairman Suit asked what the relation was between the FMA Board and the Foundation. Mr. Owens stated the previous FMFADA Board appointed the initial Old Point Comfort Foundation Board and from that point on the Board was self perpetuating. Chairman Suit asked if anything would go into the By-Laws that would provide the FMA Board with oversight or recommendations for who is on the Foundation Board. Mr. Owens stated there are requirements for consultation, actions, and fiscal transactions to be authorized by the FMA Board. Chairman Suit stated she would like an agenda item for the next meeting to be a By-Law review to ensure production. She also stated she would like to look at some of the local university foundations to see how they operate and ensure the Foundation is related to the governance of the FMA Board.

Mr. Armbruster stated the FMA was hoping to have EDC negotiations completed in January. In addition, the FMA is looking at service provider selections with the City of Hampton and PPEA unsolicited proposals. Mr. Armbruster also discussed the transfer of buildings including; the Fitness Center and the Bay Breeze Community Center.

Mayor Ward clarified that the City of Hampton and FMA were working diligently on coming to an agreement on services and she was anticipating that draft legislation would be ready for Delegate Gear, Senator Miller and the rest of the delegation by the deadline of December 6th. Chairman Suit stated she spoke with Mayor Ward and she agreed to be the Chair of the Legislative Committee. In the interim Mayor Ward should think about some other individuals she would like to serve on the committee as well.

- E. Treasurer's report. Mr. John Hutcheson, FMA Director of Operations.** Mr. Hutcheson reviewed the financial statements from October 31st. APPENDIX IV. Mr. Hutcheson reminded the Board the reports were based on cash and tends to diminish towards the end of the grant term which is on December 31st. Mr. Hutcheson stated the year to date operating income was at \$628K reflected by \$1.5M of cash revenue and about \$900K in year to date operating expenses. Mr. Hutcheson reviewed the balance sheet which reflected \$684,514.16 on deposit at Old Point National Bank as of October 31st which leaves the Authority with adequate capital to continue operating.

Chairman Suit stated she asked staff to scale down on spending due to austere times and there would no longer be a food spread at the Board meetings.

Mr. Hutcheson stated that Board members received a revised 2011 budget which reflected a 6 month extension of the Office of Economic Adjustment (OEA) grant for \$682,000 which was finalized in October. The revised budget reflects salary and consultant support for the FMA. It was presented to the Finance Committee and unanimously approved and recommended to the Board for approval.

MOTION: There was a motion to approve the revised 2011 budget by Councilman Kearney. The motion was seconded by Delegate Gear and unanimously approved.

Mr. Hutcheson announced that the 2010 audit performed by the FMA's audit firm, Cherry, Bekaert and Holland, LLP was finished with a clean unmodified opinion. There were six recommendations for remediation after last year's audit and based on this year's audit all six have been successfully completed.

Mr. Hutcheson stated the next item for adoption was the revised procurement policy. Mr. Hutcheson stated that the changes were based on recommendations from the FMA's Procurement Manager, Yvonne Cash, who attended the Virginia Institute of Procurement and recommended the changes to the

policy based on her training and alignment with State's procurement policy. The revisions also reflect the FMA's name change and the new corporate structure but because it is an amendment it needs to be approved by the Board.

- F. Park Service Task Force Report. Cheryl Widell, Historic Preservation Office and Director of Heritage Assets and David Dutton, Managing Partner of Dutton & Associates.** Mr. Dutton stated in 2002 the NPS Task Force was formed by the Historic Preservation Advisory Group (HPAG) to look at the different types of models of Park Service participation in different areas. The group gave a presentation to the FMFADA Board last year that outlined a number of options for the Park Service partnership. Following that presentation the Board established a sub-committee to look at what kind of relationship (should there be one) should be at Fort Monroe. The findings of the sub-committee were presented to the Board last fall and it was recommended that the Board consider a partnership with the Park Service and that partnership be a unit. The Unit would focus principally on the historic assets and some specific properties. The Board directed the committee to move forward with discussions and negotiations with the Park Service. Mr. Dutton stated that FMA staff members have been consulting with the Congressional Delegation on how to proceed and engage with the NPS in dialogue. After a visit by the NPS in July, the NPS produced a technical report which highlighted their interest. The principle interest is in the following buildings; Building # 1, Building #17, Building #50, the Parade Ground and the Casemate #22. The NPS cited these resources as having the highest value for visitor experience. In addition, the NPS asked for donated services, ownership and easements on all resources of primary interest from the FMA.

Mr. Dutton stated at a recent meeting there had been a proposal by Mr. Mark Perreault on behalf of the Citizens for a Fort Monroe National Park that included expanding the NPS area of interest to include some of the northern natural area and a green strip that connects it to the fort. Mr. Perreault suggested that one of the benefits would be to enable Fort Monroe to participate more fully with natural resource education and initiatives with the Chesapeake Bay. Mr. Dutton stated that the programmatic agreement covers the entire installation providing safe guards and protections because of this the Task Force determined that staying with the original proposed area made the most sense at this juncture.

Chairman Suit stated that the process of having an NPS presence at Fort Monroe could take as long as 4 to 5 years. John Reynolds stated that under the Antiquities Act of 1936 the President has the authority to proclaim a national monument which has the same force of law as a congressional action. In order to do that the land has to be in federal ownership and that can be done by donation or sale. Mr. Dutton stated the Committee thought the appropriate next steps would be for the Board to discuss and direct the Committee on how to proceed. Afterward the Committee would request for Senator Webb to send a letter requesting special drafting services from the NPS. Mr. Dutton stated that with the letter came the ability to sit down and have further discussion and negotiations with NPS. Chairman Suit asked that a Board member be involved in the NPS negotiations. She appointed Secretary Domenech to participate in the NPS negotiations and Mayor Ward as the Legislation Liaison to also participate to the extent that it relates to the legislation. The Chairman stated the Board would not take a position during this meeting on the NPS issue but she would allow a public comment period for input. APPENDIX V.

Public Comment: Steve Cornelessiun, representing Citizens for a Fort Monroe National Park, stated the NPS would give Fort Monroe a brand, stability and it was important for it to be present at Fort Monroe. Mr. Cornelessiun stated the Commonwealth of Virginia could take the lead in Washington to cause to happen at Fort Monroe what "ought to happen". Chairman Suit suggested Mr. Cornelessiun provide the rest of his comments to the secretary of the Board to be distributed to the Board members.

Mr. Sam Martin, representing himself, stated he was 1 of 7,000 petitioners that were visionaries for Fort Monroe. Mr. Martin stated that there were five key principles of what those petitioners wanted to see; the first was no land sales, the second was an economically sustainable place, the third was a no undue tax burden on Hampton citizens, the fourth was Fort Monroe as a grand public place and the fifth was a substantial national park. Mr. Martin stated the FMA Board needs to address the national park criteria when considering their negotiations with the NPS.

Mr. Scott Butler, representing Citizens for a Fort Monroe National Park, stated the Fort Monroe Authority should balance any new development against respect for the historic character of the property, all of which is an historic landmark district.

Mr. Jim Neff, representing himself, stated the only way Fort Monroe could be successful after closure was with 100% occupancy. Mr. Neff stated that at every meeting the public should be informed of how much real estate was occupied. Chairman Suit stated that it was possible to do that. Mr. Neff also stated that it was important to establish a foundation so that local citizens can donate money.

Christine Gergely, representing the United Daughters of the Confederacy, stated her organization had a large stake in Fort Monroe.

Mayor Ward stated the City of Hampton was committed to pursuing a NPS presence at Fort Monroe. The Hampton City Council endorsed a unanimous resolution supporting it last spring and was still united behind that concept. Mayor Ward stated she would like to see the NPS area of interest expanded.

MOTION: There was a motion made by Ross Kearney to move forward with a NPS drafting request with understanding that details and negotiations will be made by the Board as they are advised by their negotiators on what is possible and what can be pushed for. The motion was seconded by Mr. Campbell and unanimously approved.

II. REPORTS & BRIEFINGS

- A. **Army Environmental Report. Rob Reali, Army Base Environmental Coordinator.** Mr. Reali stated he would brief the board on the moat which is one of the larger environmental programs the Army is currently working on. Mr. Reali stated the Army recently completed a large investigation on the moat and is currently analyzing the findings. Mr. Reali stated the risk assessment calculations needed to be completed for chemical contamination as well as completion of a remedial investigation report. After completion of the report the Army needed to provide the report to the stakeholders and propose a remedial action plan to be presented at a public meeting. Chairman Suit stated the FMA would need information that could be used for negotiations with the Army as soon as possible. Mr. Reali stated that as data comes in it is shared with the DEQ and Matrix Consulting and would be available for FMA. APPENDIX VI.
- B. **Real Estate Update. Jerry Moore, Director of Real Estate.** Mr. Moore stated the Real Estate department has taken over Monroe Apartments and is working closely with the Garrison Command to take over additional housing in advance of closure. There are 25 units in the family housing area that have been identified for takeover with a target date of February 1st. Currently, the Monroe apartments are 95% leased and 87% occupied. A commercial assessment has recently been completed on Monroe apartments and will be presented to the Board in the near future. Mr. Moore added that there are three office buildings (building 74, building 75 and building 8) that the FMA is currently discussing with the Garrison Command on taking over and leasing. He also stated that the real estate team was currently talking to developers about adaptive reuse of some of the properties.
- C. **Economic Model Update. David Shiver, Bay Area Economics.** Mr. Shiver gave a brief overview of the economic model. APPENDIX VII. Mr. Shiver stated the model reflects the FMA under the current law and shows the operations as a real estate entity, a public sector entity and a master developer with responsibility for major capital improvements and infrastructure projects at the installation. Chairman Suit stated that at some point the Board needs to get an understanding of the cost benefit analysis on Wherry apartments so they can determine the way ahead. Mr. Shiver stated the model is organized by 14 clusters of buildings which highlights the performance of a building (like Wherry) and shows the cost benefit ratio on a sub-district basis. He also stated the model is EDC and Park Service neutral which means that no cost or financial benefits associated with those entities have been considered in the model. It was also noted that any future payments to the City of Hampton were not considered in

the economic model either. Senator Miller stated he had serious concerns about the economic sustainability of the model and felt that it was critical for an NPS role to be expanded as much as possible because they come with cash. He noted the Senate Finance Committee is currently meeting and the State is facing a budget deficit this year as well as next year that is going to have adverse affects on their ability to bail the FMA out of any financial shortfalls. Mayor Ward stated the City of Hampton also had very serious concerns about the optimism of the economic model.

- D. Design Standards Update – Cherilyn Widell, Director of Heritage Assets.** Ms. Widell stated the historic preservation and design standards manuals are part of the programmatic agreement. The Design standards have recently been put on the website for public comment but very little comment was received. They have now been sent to the thirty two consulting parties and are in the programmatic agreement but framed by much broader documents that govern a number of other issues. The documents are put together by another piece of the NPS called Technical Preservation Services. Ms. Widell noted that the thirty two consulting parties have until January 14th to comment on the Design Standards that were sent. The final draft will be reviewed by the State Historic Preservation Office, Kathleen Kilpatrick, and the NPS then brought before the Board for approval. APPENDIX VIII.
- E. City of Hampton Utility/Infrastructure Report. Bill Armbruster, Steve Owens and Mary Bunting, Hampton City Manager.** Mr. Owens stated that he did not think it was necessary for the City of Hampton Utility/Infrastructure report to be presented to the Board at this time.

III. OLD BUSINESS

None

IV. PUBLIC COMMENT

Chairman Suit asked that public comments be emailed either to herself or the Assistant Secretary of the Board.

V. NEW BUSINESS

There was no new business presented.

VI. ADJOURNMENT

Chairman Suit stated the next meeting is on January 6th, 2011.

Chairman Suit motioned for the meeting to be adjourned at 3:40 p.m.

Respectfully submitted,

Nia Lissimore
Assistant Secretary

APPENDICES

APPENDIX I August 23, 2010 and October 21, 2010 Board meeting minutes

APPENDIX II By-Laws

APPENDIX III Executive Director's Remarks

APPENDIX IV Financial/Treasurer's Report

APPENDIX V Park Service Task Force Report/ Public Comment

APPENDIX VI Army Environmental Update

APPENDIX VII Economic Model Summary

APPENDIX VIII Design Standards Update