

**FORT MONROE
FEDERAL AREA DEVELOPMENT AUTHORITY**

August 27, 2007 - Meeting Minutes

The Fort Monroe Federal Area Development Authority (FMFADA) meeting, held at Hampton Roads Convention Center, Room 106 was called to order at 1:06 p.m.

I. ADMINISTRATIVE MATTERS

A. Roll Call

Present:

Viola Baskerville, Alvin Bryant, Preston Bryant, Robert Crouch, Tom Gear, Catharine Gilliam, Patrick Gottschalk, Robert Harper, Kanata Jackson, Wayne Lett, Mamie Locke, Robert Quarstein, Robert Scott, Tommy Thompson, Jody Wagner.

Interim Executive Director, Conover Hunt, and Hampton City Council Liaisons, Charlie Sapp and Joe Spencer were also present.

Absent:

Phil Hamilton and Marty Williams; Army Liaison Colonel Jason Evans

B. Approval of Minutes

Chairman Bryant called for a motion for the approval of the minutes and asked if there was any discussion. Conover Hunt read off a list of corrections (see attached).

APPROVAL OF MINUTES: Chairman Bryant asked if there were any additional corrections or additions to the minutes. Hearing none, he called for approval. Tommy Thompson moved to approve the minutes as corrected. The motion was seconded and approved.

II. PUBLIC COMMENT

Chairman Bryant stated the Authority would hear comments from the public (See Appendix I).

III. REPORTS & BRIEFINGS

A. Remarks by Interim Executive Director Conover Hunt

A. Introductions - Ms. Hunt began by introducing Joan Baker, the new Executive Assistant to the Fort Monroe FADA. She added that the following people were also in attendance: Jay Sweat of the Office of Economic Adjustment; David Knisely, BRAC Attorney Consultant; Alisa Bailey, President of Virginia Tourism Corporation; Economic Analyst Blount Hunter; and Eddie Marsheider from Kimley-Horn. She stated that each consultant would give updates so the Board may move forward with alternatives to the original reuse plan.

B. Financial Report – Ms. Hunt gave a financial report to the Board (see Appendix II) She added that the FM FADA is expecting to receive the first quarter of the annual budget payment from the Commonwealth in the next day or so. She also stated that we are moving forward on setting up the financial systems.

C: Update on National Park Service – She has been in frequent contact with Congresswoman’s Thelma Drake’s office, and representatives from the Philadelphia Office of National Park Service. She is preparing a grant to the OEA to defray the \$25,000 cost of the reconnaissance study and waiting to receive information from the National Park Service. When this is done she will finish the grant request and the recon study can move forward.

D. FMFADA office – Ms. Hunt stated the offices are now occupied and thanked everyone for their help.

E. Consultant’s Subcommittee – Ms. Hunt announced that this committee, under the Chairmanship of Delegate Gear, will meet on September 5, at 9:00 AM in the Lawson Conference Room, 8th Floor, Hampton City Hall. Headquarters. This will be a public meeting and will be posted.

F. Additional Remarks – Ms. Hunt added the following: we need to move forward with the Draft Reuse Plan. We all have expectations of Historic Preservation w/some interpretation. She will encourage the Board to begin a tourism study to provide additional form to the economic and infrastructure issues.

Chairman Bryant stated that his office is in touch with Thelma Drake’s office, that discussions are underway, and that Ms. Drake’s office realizes the urgency; they have gotten great assistance from Thelma Drake personally.

Chairman Bryant then introduced David Knisely to brief the Board on the HUD Homeless Application.

B. HUD Homeless Application by David Knisely, Garrity and Knisely

David Knisely gave a legal discussion on the HUD Homeless Application. (See Appendix II)

Chairman Bryant asked Dave Knisely to comment on the extension request. Knisely stated Conover Hunt had requested that the OEA grant us a year's extension. Knisely stated that Jay Sweat and the OEA realizes this project will take time and there should be no problem getting a year's extension. Mr. Knisely asked if there were any questions. Chairman Bryant asked if Rick Russ had any comments on this. Mr. Russ stated that he had none.

Chairman Bryant asked Secretary Gottschalk to introduce Alisa Bailey, President of Virginia Tourism Corporation for her presentation.

C. Tourism: The Economics of Culture

Alisa Bailey gave a presentation on how tourism development can influence Fort Monroe. (See Appendix II).

Chairman Bryant added that the next two presentations on the Economic Analysis and the Infrastructure Analysis may give additional information.

D. Reuse Plan Economic Analysis

Chairman Bryant then introduced Blount Hunter to discuss the Economic Analysis of Fort Monroe. (See Appendix II)

E. Reuse Plan Infrastructure Analysis, Past and Future

Chairman Bryant introduced Eddie Marsheider of Kimley-Horn. (see Appendix II)

Chairman Bryant asked if there were other questions, since there were none he thanked Mr. Marsheider for his presentation. He also asked Blount Hunter to email the Board a copy of his presentation to which Mr. Hunter agreed.

IV. UNFINISHED BUSINESS

A. Executive Search Update

Mr. Charles Ingersoll of Korn/Ferry International introduced himself and stated that he has just begun working with the Board and its search committee. In the next week or two they will come up with a job description. Once the job description is written and sent out to the selection committee he will get Board comment and thoughts. He also will send his contact information to get feedback from everyone about good candidates. He stated he will be doing a national search, but also will be doing a search through the Commonwealth. Chairman Bryant asked Mr. Ingersoll if he could give a sketch as to how he conducts a national search. He replied first he talks to the stakeholders to make sure he gets what they want. Once the job description is decided and everyone agrees on it, the search should take about 90 days. After about 6 weeks he goes back to the search committee with a long list of names. That list gets narrowed down to 5 for an interview, which ultimately gets narrowed down to a list of finalists. After a second round of

interviews, and depending on the process, the search committee decides on a final candidate. Ingersoll's goal is to have the search completed by the 1st of the year if not sooner.

Delegate Gear asked of Chairman Bryant how much we are paying for this search. Ingersoll replied about \$60,000.00. Secretary Wagner stated that she has worked with Korn/Ferry before with great results. Delegate Gear stated that he is comfortable with the Interim Director and suggested that the FMFADA save the taxpayers \$60,000.00.

Ingersoll stated that the committee wanted a national search and that sometimes the best candidate is the candidate already in place. The search process would be the best way to validate that point. Ingersoll thanked the Board and asked if there were any other comments.

V. ENROLLMENT IN THE VIRGINIA RETIREMENT SYSTEM

Conover Hunt the Board needed to adopt a Resolution to allow the FMFADA employees to participate in the Virginia Retirement System. A copy of the Resolution was in each Board member's packet. There would be no previous coverage because the existence of a full time employee is the reason for joining VRS. Chairman Bryant motioned that we enroll the FMFADA employees in the Virginia Retirement System. The motion was seconded by Bob Harper and passed unanimously.

VI. OTHER BUSINESS

Delegate Gear asked Chairman Bryant why they couldn't just put an ad in the paper; get the interviews done and save \$60,000 instead of conducting an executive search. Chairman Bryant replied that the contract was already signed and that Delegate Hamilton and his committee had already made the decision.

Chairman Bryant asked if there was any other business to come before the Board. Ms. Hunt stated that there are printed copies of the Reuse Plan available for those who do not already have a own copy.

VII. ADDITIONAL PUBLIC COMMENTS

Chairman Bryant called for any additional public comments based on what has been said today. (See Appendix I)

VIII. ADJOURNMENT

Chairman Bryant called for any remaining comments. Delegate Gear asked if the FMFADA had paid to rent the room for the meeting and asked how much. Chairman Bryant replied yes they did pay for the room. Conover Hunt stated approximately \$700.00. Chairman Bryant added that it was because the facility they usually use on Ft. Monroe was not available for this meeting. Delegate Gear asked if we could move the meeting date to when the Bay Breeze Community Center was available. Chairman Bryant

stated it was difficult to get everyone on the Board together with their busy schedules. Robert Crouch asked if there was a community college that would let us use space. Chairman Bryant said he would consult with the City of Hampton to see if they had space. Gear added that it is a shame to waste the money.

Chairman Bryant thanked the Authority members for their time and adjourned the meeting at 3:25 p.m.

Respectfully submitted:

The Honorable Mamie E. Locke

Secretary/Treasurer

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APPENDIXES

APPENDIX I – PUBLIC COMMENT:

Dr. H.O. Malone – Representing: Citizens for a Fort Monroe National Park

Dr. Malone stated that Representative Thelma Drake had received a letter from the National Park Service saying they would conduct the requested historical study of Fort Monroe but due to support of other studies cannot allocate the funds to do so until FY 2008. The DOD however said they would allocate the \$25,000.00 as requested. Dr. Malone then strongly proposed that the FADA formally request Representative Thelma Drake to request these funds immediately, so the study can get underway.

Mark Perreault – Representing: Norfolk Preservation Alliance

Mr. Perreault asked: if the general consensus of citizens want Fort Monroe to be a “grand public place,” how can they make that happen? He stated that his group came to the conclusion that they will not get a grand public place at Fort Monroe unless there is federal participation. There is too much uncertainty for people to buy into unless they see that the Federal government will buy into it. He compared Fort Monroe’s challenges to other National Parks that faced greater challenges, but despite all odds were still created. He ended by saying this grand public place would be very achievable through Federal participation.

Colonel I Neill McInnis, Jr.: Representing: Hampton

Col. McInnis passed on his comments

Public Comment (continued)

Steve Cornelliussen – Representing: Self

Mr. Cornelliussen would like for this area to consider a Historic Quadrangle transformed from the Historic Triangle. He also stated that the Contraband issue makes Fort Monroe ten times more important historically than any Jamestown, Williamsburg or Yorktown because it involved Americans standing up for American principles.

Chris Gergely – Representing: Daughters of the Confederacy and Self

Ms. Gergely urged against new neighborhoods on Ft. Monroe, calling for the preservation of existing houses. She also urged against large grocery stores or convenience stores. She proposed historic themed restaurants tied in with history, like a Civil War Restaurant, WWI, WWII, etc. believing that such themes attractions will bring tourists. If they made Fort Monroe different, it would bring people in. The current reuse plan is not sufficient because it only addresses neighborhoods. She applauded the board for looking into additional studies. She added ideas for retreats for businesses, churches.

Colonel I Neil McInnis, Jr. – Representing: Self

Colonel McInnis stated that he could not understand why they are spending \$60,000 in search for a new director when they can’t spend \$30,000 on a survey.

Sam Martin – Representing: Self

Mr. Martin stated that he is a professional planner representing himself but from a planner’s view. He stated that the plan that they have had up until now has been an incomplete plan. He stated that today’s presentations were good but they must go much further. In good planning they assess desires, constraints, and need to look at how they can use the buildings on Fort Monroe in the future. He stated they need to look at multiple alternatives. He stated what they have done so far is one alternative with three different variations. They need to come up with the best alternative for the American people, not just the people in this area. He concluded by saying raising buildings would destroy the integrity of the buildings on Fort Monroe, and costs a lot of money, and to think about public ownership of Fort Monroe.

Michael Bobrick- Representing: Self

Mr. Bobrick thanked Ms. Hunt and her staff for allowing him to look over information as to how different consultants were chosen. He strongly suggested to the Board when it comes to relooking at the consultant's contracts to not be in a rush. He wished the Board good luck and thanked them.

APPENDIX II – BRIEFINGS & PRESENTATIONS

1. Briefing by David Knisely

A. Homeless Assistance Application - deals with the following components: outline for outreach program, data on homeless issues in Hampton Roads Area, how to balance economic development with needs of homeless, etc. Goal is to have application complete by January or February. Once application is complete he will be able to brief the Board in greater detail. Mr Knisely stated they are on track and things are going well.

2. Presentation by Alisa Bailey

After Ms. Bailey's overview Bob Harper asked: based on the current reuse plan what would be a suitable approach to tourism and how could it be implemented? Ms. Bailey replied that although the current reuse plan is extensive, it does not address tourism development, and that there are firms that specialize in this area. For the future, they need to look at the historical and ecological attributes of the area, the community history attributes, and to capitalize on these.

Chairman Bryant asked Alisa Bailey after hearing the presentations on economic analysis and infrastructure information if she could give a better answer to Bob Harper's question. She said she thought the FMFADA is on the right track especially adding unique shopping and focusing on the capacity for greater lodging. These would bring more restaurant and tourist money into the Fort. She also mentioned the addition of bike trails.

Robert Quarstein asked Alisa Bailey if she had suggestions of similar places that the FMFADA could use as models. She replied that she thought this was a really unique project that combines historical preservation, ecological preservation and tourism and it was something you want to do right, not rushed. She also added many times areas are not up to speed with what the tourist's want since they are not used to tourists. She added if you are going to have a thriving tourism economy, you must think of what the tourist wants. Mr. John Quarstein asked if there were any consultants that she might recommend and if she could provide the Board with more thoughts on that. Ms. Bailey replied that she would.

3. Presentation by Blount Hunter

At the conclusion of Mr. Hunter's presentation Chairman Bryant asked Mr. Hunter when the Chamberlin was functioning as a hotel if Mr. Hunter knew how many rooms they had and what the occupancy rate was? Mr. Hunter replied that he did not know the room count, but thought that you could not get reliable data on the occupancy rate since the Chamberlin operated over the years in such a marginal manner; that you could not rest a decision on Ft. Monroe's future on the Chamberlin's operation. Chairman Bryant stated that he understood this. Delegate Gear asked Mr. Hunter what the breakdown of retail space as opposed to residential space would be needed to support Fort Monroe. Mr. Hunter replied that was not a question that could be answered as retail space is based on predictable shopping needs such as grocery items or service items. He stated that Ft. Monroe does not have enough households to support the needs of a grocery store the size of the Farm Fresh in Phoebus. Delegate Gear asked if what Hunter was saying that we needed more retail on Fort Monroe, and based on that we would have to do some building. Hunter stated most of the impact on Ft. Monroe was based on the amount of office space and tourism. Mr. Robert Crouch asked Mr. Hunter to return to the Presidio model, and if there were B&B's or other type of hotel facilities on the Presidio now? This was answered by Dr. H.O. Malone who replied that there are B&B's but they are not newly developed, they are adaptive reuse buildings that are already there. Mr. Crouch and Dr. Malone both agreed that there were no hotels there. Mr. Hunter gave very strong recommendations for those who are planning the Fort's retail sites: Fort Monroe is a very weak setting for regional retail development. It could be a very nice site for residential retail development. If you are looking for a sight for an anchor store or an outlet mall then Fort Monroe is not the place. Mr. Crouch directed to the Chairman, that although we are not near the final reuse plan, in terms of this sort of "big box" development, that he did not know of anyone on the Board who is seriously promoting that type of development. He added can we assume that that is off the table? Mr. Hunter agreed that based on citizen input the big box type of development was not something the public wanted and that is was a dead horse.

Nontraditional uses - Mr. Hunter suggested based on the initial report the Board may want to consider these examples of nontraditional uses for Ft. Monroe, i.e., earth watch, specialized research center, college campus, maritime center, residential conference center, a Chautauqua type retreat, oceanographic center, an artist colony, museum or history center, magnet school or governors school of arts & science. Hunter stated the Board should consider these because all the scenarios for economic modeling show that with housing development, retail development, restaurant development, hotel development, the most they could support would be 53% of the revenue of \$15, 000, 000.00 needed to support Fort Monroe. Mr. Hunter ended by asking if there were any more questions.

Chairman Bryant asked if there were any more questions. Mr. Robert Scott added that we have pretty much shot down the big box theory, but wanted to know what the existing square foot of the office space was. Mr. Hunter replied 516, 000 sq. feet. Mr. Scott asked if that square footage would not be for nontraditional users and is there a market

for that space. Mr. Hunter stated you would have to search for a single large group that might not necessarily be local that would need an office space as large as the Fort has. You could divide it up. Mr. Quarstein asked what was the hotel for tourists to retail for tourists ratio and would like to determine the retail square footage.

Mr. Scott added that any user that would come in would require an investment to make the space usable. To attract these users might take a campaign by the Commonwealth.

Mr. Hunter stated that he didn't think only special use corporations would be attracted.

Robert Harper asked how we could attract businesses. Mr. Scott added one thing Ft.

Monroe has an advantage is it is secure, and there may be a market for a group who would desire that security, although the intent is to make the Fort more accessible to the public, not a more secure area. Mr. Scott said he believed it would be possible to find companies that would want office space, that it was just a matter of locating them. Mr.

Hunter agreed, but stated even once the space is modernized that you are still looking for tenants that want a campus experience and perhaps it doesn't fit small office spaces, i.e.,

a dentist.

Mr. Harper stated that in terms of marketing in the region, Ft. Monroe's office space does offer opportunities, especially with the availability of advanced communications systems that organizations might find attractive. Hunter used the simulation business in Suffolk as a good example of how 10 years ago no one would ever guess it would be as successful as it is today. Chairman Bryant added that the cost of rehabilitation today very quickly gets to the point where it is cheaper to build. Mr. Quarstein added especially without tax credits. Mr. Hunter said he is no expert on this but would estimate \$100 p/sq ft to rehabilitate. Robert Harper asked Mr. Hunter if in his study he found transportation to be a negative factor. Hunter replied that he did not take that into consideration.

Chairman Bryant said that question would be a good segue way into the next presentation.

4. Presentation by Eddie Marsheider

Eddie began his presentation stating that the good news is that overall the infrastructure on Fort Monroe is in good shape. Ironically a good deal of this may be attributed to Hurricane Isabel in that the Army received \$90,000,000 to repair and upgrade some of these infrastructure systems. The roads are in good condition, the water system is in good condition, and the sanitary sewer system is in very good condition. The drainage system is also in good condition and the electrical power system is in exceptional condition. The only system that is marginal is the natural gas system, but when the Fort Reuse plan goes into effect Virginia Natural Gas will probably go in and upgrade it. The bridges are in good shape and are inspected regularly.

During the presentation Chairman Bryant asked if the water system was connected in two places. Eddie Marsheider replied that there is a water transmission switch at both Main St. and Mercury Blvd. Marsheider said something that would be required in the low lying areas to the north was a pump station. One thing Marsheider mentioned was the Fort has not had to comply with State or Local storm management requirements, and that once the

reuse plan goes into effect the Fort will most likely be required to do so. This may be in the form of detention basins, which could be put in an open area with a fountain.

Marsheider added that the communications system infrastructure were state of the art since we are dealing with a military base. As far as transportation he compared Fort Monroe to a cul de sac, and with its proximity to I-64 and the Hampton Roads Bridge tunnel it would be impacted by both and they are exploring different scenarios as far as ways to get on the Fort.

Marsheider was asked by Chairman Bryant if there was the possibility of another water connection to Fort Monroe. Marsheider said that could be a consideration also. He also asked if there was anything on Fort Monroe that was classified as a dam. Marsheider replied no, there are burms but no dams. Bob Edwards stated that the flap gates were not funded in the larger project, but they are slowing getting them done with internal funding. Secretary Viola Baskerville asked how many flap gates there are. Bob Edwards replied he didn't recall...a handful mostly in the moat area.

Chairman Bryant asked about the reincarnation of the Chamberlin, if it going to be done as a co-op basis or individual condos. Conover Hunt replied it is a five year investment tax credit project so it cannot be sold until after five years. Marsheider also added that some of the buildings would be privately owned and that has raised concerns about the ability for private owners to obtain flood insurance. Tommy Thompson added that it would be a problem. Marsheider stated that newer construction would have to comply with FEMA, and if there were significant improvements since 1987 that would make the flood insurance exemptions go away. This would impact some of the reuse of the existing buildings.

Upon completion of his presentation, Mr. Marsheider said he would entertain any questions. Secretary Jody Wagner asked what he thought would be required to comply with the flood insurance. Marsheider said to raise the buildings is not feasible, because many of the buildings are too old. Flood proofing is the other option with special door openings and window openings.