

April 8, 2011

The Honorable Robert F. McDonnell
Governor, Commonwealth of Virginia
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Dear Governor McDonnell:

The Fort Monroe Authority (the “Authority” or “FMA”) as the successor to the Fort Monroe Federal Area Development Authority (“FMFADA”) is pleased to submit its annual report on the reuse and future management plans for historic Fort Monroe during the July 1, 2009 through June 30, 2010 fiscal year. The requirements for this report are stated in Section 10.01 of the FMA By-Laws, which were adopted on November 18, 2010.

Membership

The FMFADA maintained 18 Commissioners operating under the Chairmanship of Secretary of Natural Resources L. Preston Bryant, Jr. and City of Hampton Appointee Vice Chairman Tommy Thompson. Board members included; Secretary of Finance Ric Brown, Secretary of Commerce and Trade Patrick Gottschalk, Secretary of Administration Viola Baskerville, Assistant to the Governor for Commonwealth Preparedness Mr. Robert Crouch, Jr., Delegate Tom Gear, Senator Mamie Locke, Senator John Miller, Delegate Phil Hamilton, gubernatorial appointees Ms. Catharine Gilliam and Mayor Jeanne Zeidler, Hampton Citizen Appointees Mr. Robert Harper, Dr. Kanata Jackson, Dr. Wayne Lett, Mr. John Quarstein, Mr. Robert Scott, and Dr. Alvin Bryant. General Bob Wagner was appointed by the City of Hampton to fill the seat vacated by Dr. Bryant in November.

Hampton City Councilmen George Wallace and Joseph Spencer served as City of Hampton liaisons to the FMFADA Board. FM Garrison Commander, Colonel Anthony Reyes served as the Army liaison to the Board.

In March 2010 the FMFADA welcomed new board members Jim Cheng, Secretary of Commerce and Trade (to fill the seat vacated by Secretary Patrick Gottschalk); Doug Domenech, Secretary of Natural Resources (to replace Secretary Preston Bryant); Lisa Hicks-Thomas, Secretary of Administration (to replace Secretary Viola Baskerville); and Terrie Suit (to replace Mr. Robert Crouch), Assistant to the Governor for Disaster Preparedness.

In May 2010 Delegate Glenn Oder was appointed to the FMFADA Board by the Speaker of the House to fill the vacancy of Delegate Phil Hamilton.

FMFADA Responsibilities

The FMFADA was created by the General Assembly in 2007 to plan for and manage the reuse of Fort Monroe at Old Point Comfort after the Army ceases its military mission there on September 15, 2011 in accordance with the Base Realignment and Closure (“BRAC”) Act. The FMFADA is recognized as the official Local Redevelopment Authority for both planning and implementation by the Department of Defense. Its actions have been guided throughout its existence by five planning essentials specified by then Governor Tim Kaine:

1. Protect this historic place and keep it vital
2. Open it up to the Public
3. Establish a large scale open space park
4. Seek economic sustainability
5. Allow new development within strict limits

To direct the planning and execution of its overall responsibilities, the FMFADA Board met seven times during the reporting period. All meetings were open to the public, appropriately noticed, and a public comment period provided. Detailed minutes of all meetings were kept and posted on the FMFADA website, www.fmauthority.com. In the interest of maximum transparency in its actions, the FMFADA makes it a policy to post all board briefings and reports on line. A summary of the FMFADA’s accomplishments during the reporting period as well as goals for FY 2011 are summarized below.

Finances

A financial audit of the FMFADA for fiscal year ending June 30, 2010 was procured through the Auditor of Public Accounts of the Commonwealth of Virginia. Cherry, Bekaert & Holland, L.L.P. was awarded the contract for fiscal year 2010 and fiscal year 2011. In accordance with the Independent Auditor’s report dated October 19, 2010, the financial statements presented fairly, in all material respects, the financial position of the governmental activities and general fund of the FMFADA as of June 30, 2010. In addition, the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accomplishments for 2010

- Creation of the National Park Service (“NPS”) Review Panel and National Park Service Task Force

The NPS Review Panel was established by the FMFADA Board to digest the information from the NPS Working Group and work with the Historic Preservation Advisory Group (“HPAG”) to make recommendations to the FMFADA Board for establishing a NPS presence on Fort Monroe. This NPS

Review Panel consisted of John Quarstein (chair), Dr. Wayne Lett, Deputy Secretary of Natural Resources Lyn Hammond, President of Citizens for a Fort Monroe National Park Mark Perreault, and Cheryl Widell former Federal Historic Preservation Officer for the Presidio Trust.

Based on the NPS Review Panel's recommendations, the NPS Task Force was created to pursue a legislative initiative to have a NPS unit on Fort Monroe. This group's members were Secretary Preston Bryant; former Deputy Director of the National Park Service John Reynolds; former Federal Preservation Officer for the Presidio Trust Cheryl Widell; Steve Owens, Office of the Attorney General ("OAG"); and Bill Armbruster, Executive Director of the FMFADA. Negotiations are ongoing and will continue until an agreement is made.

➤ Infrastructure Funding

FMFADA worked closely with its congressional delegation to pursue funding from the Federal government and opportunities for infrastructure projects at Fort Monroe. The FMA continues to seek funding opportunities from various sources. The three top infrastructure priorities for FMA are: (1) completion of the flood control project, (2) water system improvement, and (3) upgrades to the wastewater system. Requests will be submitted for funding under the Water Resources Development Act ("WRDA").

➤ Report of African American Working Group

The African American Working Group presented their final report to our FMFADA Board. The group created an extensive outline on how to continue the research and opportunities available at Fort Monroe to attract tourists and continue education of African American culture through education. The group consisted of Dr. Lauren Lee (chair) of the Virginia Historical Society; Vernon Courtney, Director of the Hampton University Museum; Cassandra Newby-Alexander of Norfolk State University; Harvey Bakari, African American Research Historian for Colonial Williamsburg; Christi Coleman of the American Civil War Center; and was staffed by David Dutton of Dutton and Associates.

➤ Report of the Natural Resources Working Group

The Natural Resources Working Group, a subcommittee of the HPAG presented their recommendations to the FMFADA Board. Members of the group included Jim Beard and Denny Casey both of the Virginia Museum of Natural History; David Whitehurst, Director of the Virginia Department of Game and Inland Fisheries; Donald VanPatten, Division Chief for Morale, Recreation and Welfare of the US Army; John Davy of the Virginia Department of Conservation & Recreation; Michael Barber, State Archeologist of the Virginia Department of Historic Resources; Ron Pinkoski, the US Army Fort Monroe BRAC Coordinator; Stephen Living of the Virginia Department of Game and Inland Fisheries; and Steven Bowman, Director of the Virginia Marine Resources Commission. The FMFADA Board gave a consensus to forward this report for inclusion in the Interpretive Master Plan process.

➤ Recognition for Programmatic Agreement

The FMFADA, Army, and State Historic Preservation Officer (“SHPO”), Kathleen Kilpatrick, were honored for their service in the adoption and creation of a Programmatic Agreement for Fort Monroe. National recognition was awarded when The Advisory Council on Historic Preservation commended the FMFADA for its role in the important partnership efforts to preserve the National Historic Landmark.

➤ Legislation creating Fort Monroe Authority

An Act was passed by the 2010 General Assembly to amend and reenact § 15.2-6304 of the Code of Virginia; to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 73, consisting of sections numbered 15.2-7300 through 15.2-7315; and to repeal the first the third enactments of Chapter 707 of the Acts of Assembly of 2007, the first and third enactments of chapter 740 of the Acts of Assembly of 2007, and § 15.2-6304.1 of the Code of Virginia, relating to the Fort Monroe Authority Act. As a result, the Fort Monroe Authority became the successor in interest to the FMFADA effective July 1. The Fort Monroe Authority stands in place and stead of and assumes all rights and duties formerly of the FMFADA.

➤ Revision of By-laws

The By-laws committee was created by the FMFADA Board to review the current by-laws. This group recommended, based principally on the new legislation, by-laws which were adopted by the FMFADA Board at the June meeting. Members of the committee were Dr. Wayne Lett (chair), Senator John Miller, Secretary Ric Brown, and Steve Owens.

➤ EDC Negotiations

BRAC Attorney David Knisely and Steve Owens, OAG are negotiating with the Department of the Army to facilitate the transfer of property from the Army to the Commonwealth through the Economic Development Conveyance (“EDC”). The FMA and Army continue to negotiate on environmental matters, personal property needed to operate post transfer, non-reversionary land areas, preservation and protection of assets post transfer. The FMA and Army have had several productive meetings and continue to meet on a regular basis to settle on an agreement.

➤ Final report of the Historic Preservation Advisory Group

This group had done extensive work on the Design Standards and the Preservation Management Plan for Fort Monroe. Members of the group were Kathleen Kilpatrick (chair), Virginia SHPO; Dorothy Redford, Director of Somerset Place Historic Site; Eleanor Krause, RKtects Studio; Jeanne Zeidler, Mayor of Williamsburg; John Munick, Drucker and Falk; Dr. Lauren Lee; Robert Frazier, Principal Architect of Frazier and Associates; and Robert Nieweg, National Trust for Historic Preservation. Subcommittees within the HPAG were the African American Working Group, the

Natural Resources Working Group, and the National Park Service Working Group. The Historic Preservation Advisory Group served its purpose and helped create many vital documents for the FMFADA. Having fulfilled their charge, this group was dissolved at the end of the fiscal year.

➤ Establishment of 501(c)(3)

The Office of the Attorney General is leading the creation of the Articles of Incorporation and By-laws to establish a non-profit foundation for the Fort Monroe Authority. The law firm of Kaufman and Canoles has volunteered their services pro bono to help establish the non-profit. Initial officers of the foundation are Otto Konrad, Kaufman and Canoles; Steve Owens, OAG; and Bill Armbruster, Executive Director of the FMFADA.

➤ Recommendation of FMFADA Board to adopt RCLCO staffing outline

The Robert Charles Lesser Company (“RCLCO”) was retained to develop new governance and management organization guidelines consistent with the Reuse Plan implementation mission of the FMFADA. The FMFADA Board adopted the RCLCO recommendations that implemented a new board and staffing organizational structure. The FMFADA Board appointed a Governance Subcommittee consisting of Mr. Robert Crouch (chair), Mr. George Wallace, Mr. Robert Harper, Secretary Viola Baskerville, Senator John Miller, and Ms. Catherine Gilliam to review RCLCO’s recommendations. The FMFADA Board adopted the RCLCO recommendations and approved the governance structure of an eleven member board with the Governor appointing four experts in the fields including, but not limited to, historic preservation, tourism, environment, education; and one citizen’s representative from the region.

➤ Approval of Employee Handbook

A committee consisting of Mr. Tommy Thompson, Secretary Preston Bryant, Dr. Wayne Lett, Mr. Robert Scott, and Delegate Phil Hamilton was appointed to evaluate the draft employee handbook submitted by staff. The original handbook was borrowed from the Virginia Resources Authority as part of the transition of the FMFADA from the fiscal agency of Department of Housing and Community Development (“DHCD”). The handbook was reviewed by the OAG and adopted by the FMFADA Board.

➤ Completion of Interpretive Master Plan

FMFADA consultants, Interpretive Solutions, presented their draft Interpretive and Educational Programs Plan for Fort Monroe to the FMFADA Board. The Interpretive Master Plan will serve as an outline for public programs in regards to natural resource management and interpretation. In accordance with the Programmatic Agreement, the plan will be provided to the Signatory Parties, the VCI, identified federally-recognized tribes, and other Consulting Parties for review and comment within the 24 months of execution of the Programmatic Agreement.

➤ Design Standards

The Design Standards are required by the Programmatic Agreement to serve as a guide for the restoration, rehabilitation, and renovation of pre-existing structures as well as a guide for new construction. HPAG was given the responsibility to provide a first draft of the Design Standards and their final report was accepted by the FMFADA Board. The Design Standards have been extensively reviewed by staff, posted on the FMFADA website for public comment, and will be sent to the Advisory Council on Historic Preservation.

➤ Memorandum of Understanding between the City of Hampton and the FMFADA

The FMFADA and representatives from the City of Hampton signed an MOU for a partnership between the City of Hampton and the FMFADA for municipal services. This MOU is not legally binding, but does set the tone for future collaboration between the City of Hampton and the Fort Monroe Authority.

➤ Approval of the Homeless Assistance Submission

The US Department of Housing and Urban Development recognized the FMFADA's Local Redevelopment Authority ("LRA") application and determined that the application complies with the requirements of the Base Closure Community Redevelopment and Homeless Assistance Act. This approval enables FMFADA to move forward as the LRA for Fort Monroe, and proceed with implementation of the Reuse Plan.


The Future

The Fort Monroe Authority will restate its goals from the previous FY:

- *Seek new legislation from the General Assembly authorizing the above changes and providing authority for the FMA to operate as a political subdivision with full powers to implement the Reuse Plan*
- *Complete organization and registration of the Fort Monroe Foundation, 501(c)(3) non-profit foundation to assist the FMFADA in fundraising and public programs*
- *Complete a long range Interpretive Master Plan upon which to build future public programs*
- *Complete detailed condition assessments and mapping of infrastructure systems at Fort Monroe and develop a detailed Capital Improvement Plan to implement over 15 years*
- *Organize a plan for and actively seek federal funding support for infrastructure upgrades*

- *Develop Economic Development Conveyance language to transfer title to all of Fort Monroe reversionary as well as Army Surplus property to the Commonwealth of Virginia*
- *Expand the FMA staff to prepare for assuming operations and management of Fort Monroe, thereby reducing dependence on private sector consultants. Staff increases to 15 FTEs.*
- *Complete Interim Leasing Agreements with the Army and assume management of target properties to generate revenues starting in early FY 2011*
- *Begin interim leasing of property by partnering with a property management company*
- *Transition web site from public information focus to marketing focus*
- *Continue municipal services negotiations with the City of Hampton and other service providers.*

Respectfully submitted,



William A. Armbruster,
Executive Director