

Fort Hancock 21st Century Federal Advisory Committee
Meeting #21 Summary
Middletown Arts Center, 36 Church Street, Middletown NJ
Middletown, New Jersey
April 1, 2016

Determinations:

1. The Committee issued a consensus and adopted the following recommendation:

The Committee recommends that the Park Service engage in further discussion with the Township of Middletown and other stakeholders, drawing on the facilitative role of the County, to encourage a swift resolution to the question of taxation for the lessee of Fort Hancock, with a goal of minimizing or eliminating the tax burdens on those lessees with a sustainable agreement.

The Committee supports this action because of the:

- Ability to consummate leases is jeopardized by failure to favorably resolve this issue in a time critical manner.
- Failure to resolve the tax issue risks a loss of the buildings due to current condition of the assets.
- Need to incentivize the rehabilitation and preservation of these highly significant buildings.
- Potential area wide benefits of a successful rehabilitation of Fort Hancock.
- Precedent as to how such situations are frequently managed by other municipalities with taxing authority of federally owned, privately leased properties

Action Items:

1. Freeholder Burry will schedule a meeting with NPS, the County Tax Assessor, and representatives of Middletown Township.
2. Working draft of the handbook will be provided to the subcommittee by the week of 5/5 with a target to have a final version by mid-May.
3. The Open House will take place on Saturday, May 22.
4. Daphne Yun will follow up with BCC to find out if they can integrate their presentation as part of the Open House events on May 22 (perhaps on the Porch of Building #7).
5. GATE Public Affairs will work with Ocean Fun Day Committee to cross-pollinate events.
6. Standing times on the agenda to discuss issues that Committee Members deem important.
7. Possible Topics for the Next Agenda:
 - a. What to do if we don't get more buildings leased and what is the back-up plan?
 - b. We have to be realistic about which of the buildings will survive the next four years, or the next two years, and make recommendations to the park about where it puts its maintenance funds over the next few years and identify priorities.
 - c. What do we need to know to be effective? Maybe we should consider a lot more "benchmarks" where we say we've looked around and cannot find anything different or similar but then in our discussions, different types of examples come up and we

- should address what may be possible on a more detailed scale. Ask how else these problems are being grappled elsewhere and is that applicable to us. As for next meetings, do we want to start off with what we need to know?
- d. How to prioritize our recommendations and lay down the structure for going further.
 - e. Non-government funding and fundraising
8. Consider a future meeting/luncheon with SBA.
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Designated Federal Officer Jennifer T. Nersesian called the meeting to order at 9:21 A.M.

- Gerry Glaser opens the discussion. He wants the Committee's Meeting Agendas to concentrate on things the Committee can explore and discuss but invites the Committee to address topics that we can actually do something about and make recommendations about. We [Committee Members] are here to listen and advise and we should think more deeply about how we provide that advice in the form of more structured comments to the park. We can all think a bit more about the actions and we should refrain from revisiting the same old stuff. This is not trivial. If we are not getting the agenda out in enough time, or we are, that is not to say we aren't willing to consider changes to the Agenda up to the last minute.
- Shawn Welch: The quality and usefulness of our recommendations are important. To shape a good recommendation we need to have a good understanding how the NPS does business, the key information/data that informs NPS decision making, what the NPS capabilities and limitations are now and in the future. We need to ask well thought out questions of the NPS so we in turn better inform our analysis and recommendation development. This will more likely result in recommendations the NPS can actually act upon. I personally understand the NPS does many things differently than the Army. For me this is as much about learning about the NPS as it is about applying knowledge that I personally gained from my many years in Army real property and installation management. The value of the individuals around the table is the experiences and knowledge they bring to the discussion. Your knowledge and its application is important.
- Nersesian: We are open to suggestions. We need what you have to offer. We value the expertise around the table.
- Glaser talks about the importance of working lunches being part of the meeting. He differentiates between Committee action vs. NPS action (lunch speakers are usually set up by the Committee independently of NPS).

Taxes vs. levies

Karolyn Wray: Since we are addressing the issue of open topics, there is a problem with Middletown Township coming up with taxes almost out of the blue. We have been working on this Committee for four years, trying to incentivize investment in FOHA. To me, this tax is unjustifiable. As a Sea Bright resident, I know we are the primary back up for emergency services and Sea Bright is not making a tax grab. We really need to look at this. This is Federal land.

- Lillian Burry: Agrees. The recent article in the Two River Times about Middletown taxes is a very negative way to get people interested in reviving and restoring the buildings here.
- Michael Holenstein: We need to have a working group that addresses the taxation issue so we can make a recommendation to the park. The park should address how it is being addressed so the committee can understand how the park is addressing the taxation issue.
- Glaser: Agrees. It is incumbent on us to find a way to have a deeper conversation about the tax issue today, sometime on the Agenda. The conversation can focus on how we create a group that can make more formal recommendations about that. I'd like to be able to make that as brief a process as possible. We are running out of time. The typical model of establishing a working group will not allow us to address this in sufficient time. We need to make recommendations about the importance of this issue and address how it can impact the ability to move forward in a timely way. I am open to the idea of having a working group but am just concerned that this will be an effort that will take a couple months.
- Nersesian: Recommends shifting the construction handbook update (next agenda item) to later in the day so we can have this discussion now.
- The Committee agrees to start the discussion about taxes at this time and to move the outreach meeting to the afternoon. We will move the handbook meeting to the afternoon too if we have to.
- John Ekdahl: My recollection is that Sea Bright and Highlands are the municipalities responding to the emergencies and it seems the seed for taxes was planted with Middletown when someone mentioned school age children and the minimal, at best, impact it would have on Middletown.
- One of the Committee members points out that it was the meeting after that where MT expressed an interest in some sort of taxation.
- James Krauss: To my knowledge, some of the towns in this area will accept students out of district on a tuition reimbursement basis. My recommendation is "no tax" and use a tuition basis reimbursement.
- Ekdahl agrees.
- Wray agrees this makes sense. Just throwing the tax out, the bulk of which is for an additional push on EMS, I know for a fact that Sea Bright is providing this service. The distance is negligible from SAHO to Sea Bright. I should not speak on behalf of Sea Bright but SAHO also provides back up to Sea Bright. It impacts everyone.
- Holenstein has counterpoints and will wait.
- Katherine Stevenson asks if Middletown has the legal authority to tax. Nersesian confirms that it does.
- Burry: There was talk from Anthony Mercantante, Middletown Administrator, that one of the services provided [to occupants of Fort Hancock facilities] is the Library. Fort Hancock facility occupants can use any branch of the Monmouth County Library Branches, a county service. Similarly, any 911 call goes to the County Sheriff, and is not a Middletown service.
- Nersesian: A point on the schools and charging tuition – prior to Sandy, when NPS employees resided at Fort Hancock, our employees sent their children to Middletown schools. I would hate to put those employees in a situation where they have to pay tuition on Middletown schools. Also, when Mercantante was here, he pointed out that schools

were not the big issue, it is EMS that is the larger issue. (Mercantante did not attend this meeting.)

- Glaser wants to be sure that the record reflects we are not trying to make a decision without a representative of Middletown here.
- Holenstein: Our discussion should approach Middletown separately, not with Middletown as a representative of the Committee.
- Tim Hill announces he is retiring from Highlands on June 1 but will continue serving on the FACA. We have established that Middletown has taxing jurisdiction. It makes sense that Middletown would want to ensure it can cover costs for services, but the NPS has some of their own EMS and that should come further along as buildings are filled. This cannot be a unique situation across the country to the NPS. I will leave it at that.
- Nersesian: We looked into this around the country when the issue came up. There were no other cases where the Municipality imposed a tax for leases on Federal lands. But we did confirm that local Municipalities have the authority to do so.
- Margot Walsh: The Mayor of Middletown is here in the audience so there is no reason why we can't have this conversation. I think we have consensus around the table that this is an issue and we have to make some recommendations. I don't see the purpose in a working group, we can make a recommendation and we should move on it.
- Smith: Margot Walsh is suggesting there is a consensus. We should test around the room. Would Margot Walsh be willing to restate that as a recommendation?
- Margot Walsh: The Committee would like to recommend that the issue of taxation be studied further with Middletown with the goal of resolving the interest of the Committee not to have property taxes at Fort Hancock.
- Smith asks if there are any Committee members who do not agree with the above statement.
- Holenstein: Understands Margot Walsh's recommendation and has heard a lot of sentiment from the Committee regarding same. We have a situation where we have "what is" vs. "what we want." NJ has the absolute right to tax this property. The Federal Government has stated that where the Municipality seeks to tax, the obligation of the Lessee is to pay those taxes. If the Municipality decided to overlook this, it would be unenforceable and "at will." The Municipality should just tax it (the properties) normally without going to stakeholders (the various users of tax revenue) for approval, and proposed Lessees will be faced with whatever they are faced with around the state (e.g. "customary taxation"). What the properties will be assessed at will be based on the value of the property as determined by the Assessor. Let the Municipality do its work. If you take away the structure of taxation, you satisfy some parties but not all, and you will take away the statutory power of the Lessees to fight the assessed value. No making deals. Just let the Municipality do what it has to and assess the properties normally.
- Welch: Government owned contractor operated (GOCO) installations have family housing for military and contractors. No taxes have been levied based on my questions to knowledgeable people. There are at least five of these GOCO installations around the country.
- Ekdahl: There is no question that Middletown can tax or has the authority. It is just a question of past practice. Did you mention that park employees resided on site and sent their kids to Middletown schools?

- Nersesian: Yes, our employees are renters and they sent their kids to Middletown schools. But, in those cases, the government was (and still will be) the owner of the houses.
- Michael Walsh: Every municipality has the ability to change taxes, waive taxes, and make the determination that taxation need not be applied at the statutory rate. If we are trying to incentivize the creation of the community, that is great but we are not recommending taking away Middletown's ability to charge taxes. Middletown has agreed to waive the taxes for the first five years and nothing prevents them from collecting a lesser rate. The burden is minimal. We cannot tell Middletown what to do as a Committee but we can make recommendations to NPS and to Middletown's mayor that they refrain from charging taxes to incentive the projects at FOHA.
- Holenstein: Are you referring to something known as a special taxing district?
- Michael Walsh: There are those but there are concessions made by municipalities with respect to taxes in all municipalities.
- Holenstein: I don't think Middletown can speak for the schools, the library, the County, or the Fire Department so while there may be a way to waive aspects, there are interested parties that are more than just the hosting municipality. If a municipality kept that revenue and they did not pay the county, the county would object. If it were determined by competent legal counsel, that Middletown could waive taxes, that would be great but we as a Committee are making recommendations that we do not know if Middletown has the ability to adopt.
- Smith: So perhaps we can find a middle ground. Could we agree with the proposal that Margot Walsh put forward, to the extent there is no legal conflict or there is resolution as to any uncertainty regarding same?
- Holenstein: If we want to make a recommendation to NPS asking they come back with a conclusion, there is no argument but I don't think that for NPS to ask this question without appropriate counsel and understanding the question is a legitimate way to solve the questions.
- Smith: Could you then imagine restating the recommendation with some parameters regarding same?
- Holenstein: If it is not something that is based on appropriate legal standing, it will result in additional problems.
- Nersesian: I want to be clear in terms of what you are asking the NPS. We have been talking to Middletown. This is outside of our purview.
- Holenstein: Get your solicitor and set up a meeting with Middletown.
- Nersesian: It is not necessarily our role to advocate with Middletown what the tax rates should be. We need to be careful as the Federal Government.
- Holenstein: You should ask Middletown how they wish to tax us. You need advice from a NJ tax attorney as to what you need to do to do it properly in order to avoid problems down the road.
- Glaser: We need to be more particular about crafting the recommendation. Margot Walsh has put out a good statement and we should nuance it to address how the Committee feels about it. We cannot direct the NPS to retain local counsel and fight the tax fight. But we can determine how we see the issue. Middletown will respond, hopefully, and they have perspective on that that we don't know about.

- Wray: We are not here to figure out how to get it done and the mechanics. In my opinion, we want to get people in the buildings. Let's yank this tax and move ahead. Going back to what Margot Walsh said, I would like to find consensus, not to find one more thing we have to worry about.
- Hill: I don't think this Committee has the authority to tell Middletown how to tax. But I also hear again and again the benefits to Middletown. Those benefits may not be as great as everyone thinks. The spillover does happen for Sea Bright and Highlands. The benefit to the area is greater than the benefit to any single community. Also, if NPS cannot approach Middletown on this issue, who can?
- Burry: They [Middletown] function under the County which needs to be included in this discussion.
- Hill: Everyone who has an interest in taxing on this issue should get together.
- Burry: And do what? The tax assessor to the County is appointed by the State and they oversee it. If you have an appeal and it is not settled locally, it goes before the County Assessor. You can't discuss it without the Assessor.
- Stevenson asks Burry if this is something the Freeholder can facilitate. (Yes, says Freeholder Burry). Stevenson: Those buildings are running out of time. If we don't facilitate something soon, we will not have anything to lease or to tax. I think the consensus is that we don't want a tax, the tax should be zero.
- Burry will work on it next week.
- Dan Saunders: Our recommendation should be that we make recommendations to Middletown based on a case we build that Middletown will hear and consider.
- Michael Walsh: There are a lot of stakeholders and Burry articulated that well. We as a party cannot say there should be no taxes. Our role is to advise the NPS. I would advise the NPS or ask the Committee to ask NPS to be engaged and take a position they can advocate. The NPS will directly benefit from there being taxes. They will have facility occupants. I disagree with the position that it is not the NPS's place to ask Middletown about taxes. NPS should be well informed and well advised and find reasons to advocate its position. Middletown will benefit from the visitation that comes down Routes 35 and 36.
- Glaser: In order to prevent the NPS from being in a position where they can't do the thing we ask, maybe we can forego the word "advocate." A member states we can ask the NPS to "encourage."
- Holenstein: The structure of taxation is that the good of all is served when all are taxed fairly. The idea that a group of people does not use a school or the EMS is one of the oldest arguments in taxation. The greater good is established and the best result is achieved when we are all treated fairly and everyone pays their fair share (relative to the probable progression of future renovation/development). When you are talking about a couple of buildings that produce a couple hundred thousand dollars a year, that is nothing (in the overall scheme of revenue collected); but if you are talking about a couple of million dollars twenty years down the line, the good of all is not served (if the money is diverted from the typical path into the coffers of a payment in lieu of taxes or "in lieu") and some people are not contributing to the good of all. Let the system work as it was intended.
- Saunders: We should stick to our areas of expertise. Our argument is that Middletown has the power to tax, and if they impose it, we will lose the ability to use the buildings. Our

argument is that, in a national context, Middletown is not unique. That way we pull to our strengths.

- Pam McLay, GATE Chief of Business Services Division: When NPS acquires property, there are resulting life estates and Use & Occupancy (U&O) agreements that do get taxed. Those taxes are not imposed on the Federal Government. They are imposed on a party that does not have tax exempt status. Generally, those life estates and U&Os are valued for the full value of the property, and the tax is reduced to reflect the portion of the interest that is being taxed. There is a way to do that through the tax assessor's office. What Middletown has not yet figured out is what percentage of that tax they are going to levy/collect. I hope that clarifies things a little.
- Holenstein: That is exactly correct.
- Welch: These buildings don't have much time. Even in NPS came in with \$30MM for repairs, you might get halfway through before the buildings start crumbling. The NPS cannot go to the local entity if the Township has the authority to tax. But as an advisory body, we [the Committee] can go to the Municipality. Taxes are for services. The vast majority of services are being funded by the Federal Government in the form of a CAM so the leaseholder is already paying for the services available from the local community. We should compare what NPS is paying for the services vs. what the local community is paying for the same services. If the reality is that Middletown has no bill but they are about to crush this program, that should be self-evident to Middletown. If the Committee can help anything, maybe it is just to shape what is the bill, what can we help shape, where are tenants getting their services, and just issue that to Middletown. The NPS cannot advocate.
- Smith: So Welch's take on this is that it is a fact finding mission.
- Welch asks Nersesian if she sees this as useful or not?
- Nersesian: There are ways to refine this discussion. We have already had the discussion about what the park provides and put that on the table. Also, we are very close to signing a couple of leases and this is one of the last issues preventing us from getting there.
- Smith repeats back the finer points of the discussion:
 - National importance of the buildings and desire to preserve could be undermined by taxation by Middletown
 - Time Sensitivity – Resolution of this issue has to happen quickly
 - Service Burden – The actual costs to Middletown are low and the benefits outweigh those costs
 - There is precedent for allowing municipalities to refrain from exercising their ability to tax with respect to Federal Government and DOD properties.
- So that sums up "the case" and the reasons you could provide the NPS to move forward.
- Glaser: I'd like us to craft some sort of recommendation. What I am hearing is that the park and or the Committee engaged in a conversation with Middletown. I am not suggesting the park has not had any such conversations with Middletown, this is just the time where it has to be put on the table in a serious way. We do not have time to have a prolonged discussion on this. Nersesian just made a critical point that NPS is unable to get leases signed until this issue is fixed. It is a real today stumbling block. Sixteen days from now, it will be one year ago that the RFP submissions were due.
- Margot Walsh: Include the County in the conversation
- Glaser: The recommendation was to include the County in the conversation

- Burry will try to schedule a meeting for April 11.
- Stevenson: A person from this Committee should be the spokesperson and carry the Committee's recommendation that we prefer low or no taxes. That person should be Burry.
- Glaser asks Burry if she is comfortable in that role. He does not want to put her in an awkward spot. Burry points out that she has been put there many times.
- Agreed, the NPS will make a recommendation under the auspices of the County, based on the Committee's recommendation, that taxes should be as low as or as close to zero as possible.
- Smith asks the Committee to get the language "perfected" for consensus so Freeholder Burry can take it with her before she leaves today.
- Holenstein: The effective benefit provided to this constituency should start with what McLay said - start with the full value and reduce it by the percentage considerations so as to come to the fairest conclusion.
- McLay: Points out that it is not unusual for government property to get assessed, in which case the government does not get a bill. The tax assessment is just zero because the property is federally owned.
- Stevenson: They just need to make the determination.
- Welch: We need a one page fact sheet boiled down to show what NPS is paying for and what Middletown and/or the County is paying for in terms of potential services.
- Saunders: The fundamental thing is to allow the Middletown experts to make the tax determination. That is their area of expertise.
- Margot Walsh: Yes, keep it simple and let the County move forward with it.
- Glaser: We have a very generous offer from Burry to begin the conversation and mediate on our behalf.
- Glaser: If Burry is prepared to facilitate it as soon as April 11 we [the Committee] have to draft a recommendation that is consistent with this conversation. It is in our interest not to burden ourselves with too much fact finding. We can make the point and not overwhelm the participants with spreadsheets.
- Smith asks for time to play with the language for the consensus recommendation and we will come back to this topic later today.
- Nersesian: We can bump the park update and move into the next topic but Burry needs time to make an announcement.

Building 23, partially collapsed, to be used as a gym by local high school

- Burry: We were able to effect a meeting with Nersesian, Sandy Hook Unit Coordinator Pete McCarthy, Earl Moore (Principal of Marine Academy of Science and Technology or MAST) and the County finance person to take Building 23 and refurbish it (and expand it if permitted) for MAST to use as a gymnasium or drill hall. Here is a high school that has a very large and effective ROTC program with no place to drill. The meeting was very positive and effective. Lillian sees it as a win on both sides for the county and for the vocational technical school. We estimated about \$6MM for the project (which Nersesian indicates in the minimum). There is a lot of excitement related to this issue. Burry thanks Nersesian for her commitment and persistence. There will be another meeting on this

topic next week. Freeholder Burry is also trying to get NJ natural gas out to Sandy Hook but the cost of construction out to Sandy Hook would entail too much cost relative to the recoup. It is not financially feasible as far as NJ Natural Gas is concerned.

- Nersesian points out that Building #23 is the large building with the collapsed roof. Because the interior is gone, there is a lot more flexibility on what is allowed to be done with the inside. We want to maintain a historic façade but making accommodations to save and utilize the building is our goal. We want to prevent a “gap tooth” in the row of buildings.
- Burry indicates the timeline for this project is three years.
- Lease Presentation - FEMA Progress/Status
- GATE Business Services Division addresses subsequent questions about National Flood Insurance Program (NFIP) eligibility and cost. Michal Wisniewski gave the presentation and explained that the FEMA imposed limits in the form of the 50% rule [to qualify for flood insurance under NFIP, improvements to a structure cannot exceed 50% of the value of the building] is superseded by the historic structure designation. The Otherwise Protected Area (OPA) and Coastal Barrier Resource Area/Act (CBRA) designations applicable do not impede the ability of a lessee to procure NFIP insurance.
- Lessees at SAHO will be treated as any other seeker of NFIP insurance.
- NPS is working with FEMA to provide some additional information about ranges of costs pertaining to same.
- McLay thanks Mercantante for putting us in touch with the FEMA representative. The FEMA representative is very helpful and willing to walk any Lessee through the process of obtaining NFIP insurance.
- Thanks from Michael Walsh and from Welch in resolving this issue.

Return to agenda

- John Warren announces the selection of the following dates for the next meetings, based on a poll of committee members: August 19, October 14, December 2.
- Consensus on dates from the Committee.
- Locations for the above identified meetings? Burry offers Thompson Park as a venue for the upcoming meetings.
- Glaser: The issue is lack of space which is accessible at FOHA. Is there any way a location could become accessible for this meeting? Sea Grant and NOAA have conference rooms we can use but they are not ADA accessible. Could a temporary arrangement be made to accommodate the accessibility issue?
- Nersesian: We will see if there is a way to do so.
- Welch asks about the Chapel but that is booked well through the summer. NPS wants to make that facility available for the public.
- Warren: Advises the Committee that NPS is required to publish the dates and locations in the Federal Register.
- Warren provides a summary of last FACA meeting which took place February 5, 2016:
 - The NPS meeting with FEMA was an action item which we just discussed

- Another action item to set up a meeting between Federal and State entities regarding reuse of brownfields. Public Affairs will work on the proposed open house (May 22).
- The Committee agreed they would reach out to elected officials and prepare a briefing to present - Welch was spearheading the effort to prepare a draft.
- Welch was selected as co-chair at the last meeting is now filling a 2 year term.
- We confirmed that NPS cannot waive flood insurance provisions in the lease – those are required by law.
- There was a discussion of Middletown taxes, a discussion of the future role the Committee will play. This discussion will continue today.
- Nersesian provides the Park Update:
 - We are working on a handout describing where all our various projects stand. We have a lot of on the ground work. You will see a lot of construction work going on out at “the Hook” to provide fiber optic cable. There is also work at the beach centers. Some of those old structures are coming down. Pads and utilities are being installed in some places and more permanent structures in others.
 - Seasonal housing is coming inline in Building 102.
 - Staff housing is also coming back on line (mostly “Sergeants Row” area).
 - Small buildings are coming down. The small white buildings at the north end of the historic post, such as Building 104, are now in consultation.
 - Internally, our leadership team has been working to refine our processes and put tighter controls in place to better serve the park and the public.
 - We’ve had a recent staff change, and have just hired Captain Greg Norman of USPP as the new GATE Chief Ranger. He is top notch and works well with the community and with groups. We are not looking to change our Law Enforcement Rangers to USPP.
 - We are ramping up for summer and are in the midst of hiring lifeguards, facilities folks, and interviewing candidates for seasonal employment.
 - It is our Centennial year and we are looking forward to making this an exemplary summer. We are excited about the big campout planned for August, sponsored by REI. We will have a slew of programming and will release the centennial event calendar in the next few weeks.
 - The NJ Youth Corps will be out to finish Building 26 in April. We will be setting a ribbon cutting ceremony date for that with Hands-On Preservation Experience (HOPE).
 - Piping plover and osprey, two migratory birds, have been sighted at Sandy Hook. There are no nesters yet. We have had some harbor seals too.
- Welch asks if NPS plans to get the osprey nests off the buildings before they start nesting.
- Nersesian: It seems our efforts have resulted in more perfect foundations for nests. We will keep trying.
- Margot Walsh asks about the Seagull’s Nest (former Area D concessioner).
- Nersesian: NPS will provide mobile food and beverage service this summer. We are moving ahead with plans for all areas except D, which turned out to be not as structurally as sound as we hoped. We are still working on what we propose to do at Area D - it may be different from what was there in the past.

- Margot Walsh asked if this will be leased. Yes, it will be competitively leased, says Nersesian.
- Nersesian continues with the Park Update: We continue to work on multiple projects.
 - We have been making efforts to streamline with other Federal Agencies and work out issues such as Flood Insurance.
 - We have brought on a retired land use solicitor to advise us and to expedite our leasing program development. Though we have leased buildings in the NPS, those leases were issued under different authorities, at a different time. There are a lot of eyes on us. We are trailblazing and are being watched in terms of future policy development. We are lucky to have the Commissioner and Regional Director pushing on our behalf and helping us complete with the private sector and allowing us to make progress on a national level. This is the first time we have had to go before a national board (Development Advisory Board or DAB) for lease approval. We do not want to have to go before a board that meets once every four months once we have begun negotiations with Lessees. We are asking for every delegation we can to be made to the local level. What we are building here is not just the saving of buildings at FOHA, which is our first priority, but we are also building a program that can be used nationally to save all buildings across the country. Many thanks to the Committee for being at the forefront.
- Glaser: Thanks to the Regional Director and the NPNH Commissioner. We want to know what we can do help. Is the park looking at “try before you buy” options or are these authorities being applied on a national level?
- Nersesian: It has been a little bit of both. Partially because people are watching us to see how we do, and partially because we are moving faster than the development of national policy. We want to show it in action and show that it works to bolster our case.
- Kate Stevenson points out that we would not have as much authorization/delegated power if we did not have the current Chief of Business Services on staff at GATE.
- Nersesian continues with the Park Update: We are looking at gas and fuel considerations on a building by building basis. We would love to have natural gas if we could get a line out to and through Sandy Hook.
- Glaser asks if alternative energy on the table at all. Am I going to see my wind turbines and solar?
- Nersesian: We are looking at incorporating as many green technologies as possible. We still need to work on the balance between that and the historic character of the buildings. I can’t say that we are going to approve a wind turbine right now but we share the same goals; wanting renewable energy.

Short Break

Public Comment Period (begins at 11:30 A.M. as stated in the Federal Register):

- **Claudia DeFino:** Has a question regarding the Fair Market Value Rent of the properties and how that is going to work. She is not clear as to how to Fair Market Value Rent (FMVR) is being determined. She read the proposals and is not clear.
- McLay is asked to comment on that issue after the public comment period.
- Sandy Henne: Signed up on the list but did not provide comments.

- **Laurent Vierre:** Two comments. Has green infrastructure been considered and who have you talked to about it? As far as the restoration of the buildings, is there any process in progress to allow the Lessees to contact historical contractors that may have work in progress?
- **Brian Samuelson:** Knows we have spent four years working on this. Understands that the Number 1 goal is to save the buildings and appreciates the spirited discussion and respects the comments made by various Committee members. Samuelson is thrilled Burry was able to get an answer in one month about the gas line. Samuelson further states: The Park Service has been very slow but most of my questions have been answered. The lease negotiations are almost complete but the one thing that is stopping me, in spite of this privilege, is the tax issue. How can you seek compromise on the tax? Follow the process and the accountability, but this is an unknown. This will be a fantastic and beautiful community, like the Hamptons. If you've been in The Citadel in San Fran you know that an act of Congress was required to make that work. In this case, this is being funded by individuals like me but we need an answer imminently on the tax question. I value everyone's hard work. I am trying to be practical. Middletown can still protect its interest by giving us a 20 year tax abatement and letting us establish value. I appreciate everyone's dedication to this issue. Middletown will still be protected and we are still incentivizing the growth and development. I want to sign this lease. Once the first lease gets signed, the flood gates will open. I just recently got info on the NFIP and Homeowners insurance questions due to the proximity to the water. These buildings qualify for a tax credit based on their status and there is a public enjoyment component. I am seeking the tax credits. Thanks the Committee.
- **Gerry Scharfenberger, Mayor of Middletown:** Wants to calm everyone down and assures everyone that we will work out the Middletown tax issue. He is glad we will present information to Middletown because these are uncharted waters and Middletown does not want to impede the growth but also wants to be fair to all the residents of the Township. The whole property tax issue is so sensitive that we have to be careful, but we also do not want to be the ones standing in the way. We really want to see this happen and will do everything we can, and be very reasonable. He guarantees we will get this done and that we are on the same team. Applause from the Committee.
- Responding the earlier question from a commenter as to how FMVR determined, the Chief of BSD indicates there is a lot of information on the FACA website. We determine the FMVR by a professional evaluation and we offset the value of improvements. For example, if the rent is 100K, and you make 10K in improvements, that improvement is offset. There is a matrix on the website.
- With respect to the question as to whether there is Green Infrastructure in use: There is power point presentation on the FOHA21 website which addresses our green initiatives and efforts.
- GATE's Chief of Cultural Resources is here and can speak to the green initiatives. Warren reminds everyone they can access the website at forthancock21.org. The Chief of BSD brings the website up on the projector. John Warren explains that there is a great deal of info about the buildings on the website such as square footage, layout, etc. We have also addressed use of solar panels, and other of green building initiatives. GATE's Chief of Cultural Resources, Marilou Ehrler, clarifies solar shingles are a better

alternative than a panel. There are other topics in the “green alternatives” presentation which can be found on the website that address methods of greening structures.

- Nersesian: If you take a look at the green alternatives presentation and believe there are topics that should be included, please share with us so we can include it.
- Responding to the next question, Where to get historical materials? Are there manufacturers NPS or others are in touch with in order to get those materials and cost them out (cost of rendering, etc.)? Ehrler explains that we have provided some information as to where you can obtain historic materials required in connection with projects. NPS cannot recommend anyone in particular as a federal agency, but there is a list of professionals that have been vetted by the State. That list is available on the website.
- Holenstein: Response to Samuelson. Our lunch session is going to be about financing. Is there any insight you can provide in terms of funding? Are you privately funding this project? I am not trying to pry.
- Samuelson: No one in their right mind would loan you anything for any of these buildings. The giant risk of capital is one of the challenges here. That’s what makes the tax question such a gigantic risk for me. I have so much risk and so much cost to consider. The maximum amount of flood insurance I can get is \$250k but I am not risk averse.

Public Comment Period is closed.

- Smith: Attempts to articulate what the Committee was discussing regarding taxes and Middletown. Smith drafted a statement. The committee makes changes to the statement in real time and it is contained in its final form below (the real time changes and corresponding discussion are not captured in these notes).
- The Committee issues a consensus and adopts the recommendation statement as it appears here:

The Committee recommends that the Park Service engage in further discussion with the Township of Middletown and other stakeholders, drawing on the facilitative role of the County, to encourage a swift resolution to the question of taxation for the lessee of Fort Hancock, with a goal of minimizing or eliminating the tax burdens on those lessees with a sustainable agreement.

The Committee supports this action because of the:

- Ability to consummate leases is jeopardized by failure to favorably resolve this issue in a time critical manner.
- Failure to resolve the tax issue risks a loss of the buildings due to current condition of the assets.
- Need to incentivize the rehabilitation and preservation of these highly significant buildings
- Potential area wide benefits of a successful rehabilitation of Fort Hancock
- Precedent as to how such situations are frequently managed by other municipalities with taxing authority of federally owned, privately leased properties

Lunch Break/ “Lunchtime Lecture”

- Lunch Time Lecture Series set up by the Committee Chairs independently of NPS. All present Committee members introduce themselves to the Speakers:

- Karen Mastria, Branch Manager at First Constitution Bank, Rumson. Also a Middletown resident.
 - Christina “Tina” Hungrige, Vice President Commercial Lending, First Constitution Bank, Rumson.
- First Constitution Bank has 19 branches, most of which are in Central NJ.
- Mastria and Hungrige are providing general information about lending capabilities for this project. They are speaking in theory and nothing they say should be construed as an approval.
- Hungrige asks: Are there tax credits available for this project? Kate Stevenson: There is a potential for a 20% tax credit.
- Mastria: There is a potential for entering into a public private partnership. If you can get the project approved by the State, you can get a developer in to build out some of the commercial components of the project such as B&Bs or Restaurant if the Developer can benefit from the tax incentives, thus qualifying the develop for some attractive financing. A developer could also complete the residential facilities. According to the bank, rent payments which must be made by the lessee for a sixty year lease term would be subordinate to the bank loan. Hungrige explains the leasehold mortgage is held by the bank as collateral and the NPS would have to agree to subordinate their interest to the bank.
- Welch explains that the buildings are owned by the Federal Government.
- Hungrige did not understand that the buildings are owned by the Federal Government. She switches gears and talks about the hard costs of construction which the bank can finance. Soft costs are not financed by the bank. Soft costs include architectural and development fees, insurance costs, taxes due and owing to any Municipality during construction.
- Hungrige is not familiar with lending against federally owned properties. She has been doing this for 30 years.
- Wray asks if this isn’t similar to a leasehold improvement against a commercial building. Hungrige does not know if you can get leasehold improvement loans for residential purposes. She will research it. Typically, a corporation holds a leasehold improvement loan in the form of a small business administration loan using other assets as collateral.
- McLay is asked if we subordinate to loans? Yes, we recognize a bank’s position before our position (to be paid). Subordination to a bank loan is not a deal breaker for NPS.
- Hungrige explains that failure to subordinate is a deal breaker for the bank.
- Hungrige explains that SBA loans are partially government guaranteed. They are interest only loans during the construction portion of the project and are fixed rate for a good part of the balance of the loan, which typically has a 20 year loan repayment term. SBA loans can go up to as much as 90% of the costs of project construction. At least 51% of the Commercial part of the facility must be owner occupied/utilized in order to qualify for an SBA loan. SBA loans are small economic engines and the purpose is to generate commerce. B&Bs can qualify for SBA loans. SBA loans are also available for disaster relief. SBA loans are not typically available for residential loans. Hungrige recommends getting in touch with SBA. representatives who have the expertise to discuss residential and possibilities of public/private partnerships.
- Right now though, unless a borrower has other collateral to pledge, Hungrige does not see how a borrower can qualify for a loan just by assigning the Leasehold Interest. If a

developer were to come along though, the likelihood of qualifying is greater. Hungrige believes that individuals will have to pledge other forms of collateral to secure a loan for an Officers Row Building.

- Glaser asks: If I walked into your bank and I wanted to borrow \$250K of \$1MM, and I have \$750K of my own funds, would I qualify for the loan?
- Hungrige: We determine these things on a case by case basis and look at your financial history and assets. She backs up and explains that there is no “product” available for this type of loan but only as part of a secondary market. It is not a conforming standard product. Most banks will only accept a five year fixed rate maximum on their balance sheets if it is a non-standard loan. In that case, the bank has to hold the loan on its own books.
- Linda Cohen asks if you can use other assets as collateral, such as securities. Yes, says Hungrige. That is easy. She explains that she has a client who has marketable securities he put up as a collateral for a loan in the form of CDs. If the same client had come in for a typical commercial loan, he would have had to fill out paperwork and show two years of income statements, etc. Another example, she has another client who ask for a margin line of credit based on stocks the bank is holding as collateral. The bank has to make sure the value of the pledged stock is sufficient to cover the loan and associated costs.
- Hungrige explains they look at sources of repayment and makes clear that the NPS is not going to pay the balance of the loan taken by a Lessee if the Lessee defaults.
- Hungrige explains they will look at architectural plans, the costs from the builder, obtain an appraisal, have an appraisal review, and determine whether the budget is sufficient to build the facilities as called for in the architectural drawings.
- To clarify, lending is available for the commercial component of such projects, not for residential, unless it is through a developer.
- Michael Walsh asks if this can be applied to facilities that are being used as income producing (one part of the property is an investment property and the other is used as residential). Hungrige does not think this qualifies for an SBA loan because it is an investment property, not a commercial property.
- She recommends getting the SBA in to talk more about this topic.
- Hungrige relates that she has met Kim Guadagno, NJ Lieutenant Governor, who is interested in cutting red tape preventing development in the state. Hungrige recommends that a chat with the Lieutenant Governor may result in movement pertaining to financing and incentives resulting from public private partnerships.
- Hungrige says that construction loans are considered high risk loans and that is why they have to be supervised and monitored. You cannot sell an unfinished construction project. So in this case you would have a double risk, you have a construction loan and the fact that the collateral is not liquid. How does the bank get repaid if the loan does not get paid by the borrower and the bank cannot seize the asset?
- Glaser: Would you say that all banks in your class of banks would feel the same way about this? I am trying to understand whether this is an issue that all commercial banks view the same way.
- Hungrige indicates this is pretty typical. All banks use the same banking regulations whether they are local banks or larger banks.

- Wray: Explains that smaller banks are more invested in the local communities. She explains that post-Sandy she needed a construction loan to tear down and rebuild and found it relatively easy to obtain that loan through a local bank.
- Hungrige explains that if you own the land/asset, the bank can foreclose and sell the property if you do not make lease payments.
- Ekdahl: Makes the point that there is a possibility another Lessee can take over a property against which there is a loan and the bank can recoup its loan and costs to the original borrower.
- Hungrige feels that based on her experience such a scenario is not likely to be approved. Even so, as a local banker she would try to accommodate such a request for a loan. Nonetheless, she thinks that a person would have to have substantial means in order to qualify for a loan for one of these structures.
- Jim Krauss: Has 40 years of experience working with high net individuals. Everything he is hearing is consistent with his experience as a CPA. Banks do not want to work hard to make their money back and are looking for collateral that is easy to sell if they need to foreclose.
- Holenstein asks Hungrige to explain what she means when she talks about financing tax credits. Hungrige confesses this is not her area of expertise but shares that under a current project, a developer was able to obtain tax credits in connection with a project because of improvements to public lands in the form of dormitories. The developers are able to pledge tax credits as collateral for another loan or they can sell the tax credits to companies who need to minimize their tax liability.
- Holenstein wants them to discuss how large a vehicle a tax credit might be in terms of the cost to undertake such a project.
- Hungrige is talking about the kind of tax credits issued by the State. For further explanations about tax credits, she recommends the group have someone from the NJ economic development authority come speak about it.
- Stevenson explains a little bit about 20% tax credits available for certain projects. Holenstein clarifies that the 20% is a portion of the costs, not all.
- That concludes the talk.

Presentation by Brookdale Community College (BCC) Students

- Students are working with NPS on rehabilitation projects at SAHO.
- Patti Blaser, The Department Chair, introduces Dr. Callander, BCC's Dean of Humanities.
- Patti Blaser introduces Kathleen Walsh, a BCC student who brought the project to the class.
- GATE's Chief of Cultural Resources is working with the students to teach them about restoration, conservation, rehabilitation, preservation, etc....
- The Students are working on CAD files and creating marketing and rendering tools for use of the buildings. They have one student working on the history house. Patti Blaser loves having hands on project to work on with the students.

- Kathleen Walsh takes the lead and takes us through the presentation. Each group will present its concept for one of two buildings which are shown in the slides.
- **Repurposing of BOQ as B&B:** There are two concepts for this space.
- Concept #1 – Years 1900-1910 as period of Significance (Endicott Period). B&B will be named The Endicott. They did a lot of research into what it was like to live in FOHA at the turn of the century. Photos from 1902 show the building with balusters which no longer exist. They researched the turn of the century interiors and are incorporating fabrics and styles from that period into their design. They would like to bring the building back to the splendor of the past days. One of the areas on which they will focus is the staircase which is to be made a focal point. Gracelynn, a student, talks about the current condition of the building which contains asbestos, lead paint, is missing historic windows, contains rounded rooms and beautiful radiators and fireplaces which all need to be restored. This includes moldings, transoms, and they will do their best to keep it in the original state. The building has great potential and they will do their best to turn it around.
- Giselle, a student, talks a concept to take the building back to turn of the century style and restoring it to the original floor plan that was in effect during the Endicott period. They want to remove some walls and doorways that were subsequently put up. Also, opening up to allow for accessibility, and retaining the original materials as possible. They plan to repurpose and use sustainable design as much as possible but with modern amenities such as plumbing and lighting.
- One consideration is how to make the building ADA compliant without touching the façade? Ramp up to the front porch? They do not want to affect the exterior look of the building. They consider use of landscaping to camouflage any ramps and putting an ADA suite in the back. Code and safety considerations will be utilized/complied with.
- The goal is to make the building modern and clean. Making it a place in which people will want to stay is critical but in design, it will hearken back to the past. They will utilize LED lights that look like old gas lamps and they are working to match the general paint plan. The goal is to honor the past but look to the future to do justice to this magnificent building.
- Concept #2: Maureen, Paige, Jessie, Kiersten – students. Looking at the WWII era and the way that influenced a generation. They want to make each bedroom its own genre. Each room will become an expression itself while the entire building will be a trip through a 1940s timeline and how the US was changing and evolving at that time. They will utilize the multi-color palette of the 1940s but each bedroom will be dedicated to a separate theme of the time. The theme will also focus on the way the country came together and the “United Front” as it is reflected in the pop culture of the time.
- **Lieutenant’s Quarters – Two Concepts**
- Concept #1: Melissa, Laurie, Sabrina, and Matt - students. The theme is women’s role in the 1940s. During the 1940s, women’s roles and expectations were changing rapidly from the homemaker to Rosie the Riveter. They became the center of society and of the entertainment world. The students came up with two different floor plans for the first floor. The second and third floor will remain the same. One concept is for the whole building to be residential. The other concept is that the first floor will be a café and the other floors will be residential. They will have separate entrances. They feel that FOHA needs a place for visitors to come and spend community time. They will use the 1940s

color schemes but will use sustainable design as much as possible. Some of the design is in the industrial style with exposed brick and shelving, industrial light fixtures and stools. They also proposed to use a lot of rustic as well as sustainable pieces to showcase the era.

- Concept #2: Connor, Marisol, and Diana – students. The concept is to embrace the surroundings and history of SAHO. They were inspired and motivated by the commissioning of Fort Hancock which was to protect the shore. They are also looking at two concepts for this building. They are considering making the first floor a luncheonette to make it more inclusive to the public and allow visitors to walk around and engage with the history, but are also considering making it a fully residential building. They want to restore the architectural structural elements of the house such as fireplaces, staircases, and all the wooden components. They will incorporate a fresh beach clean look to create space for rest and relaxation. They also want to highlight the coastal beauty of SAHO and combine today's life and the historic past. In terms of furnishing inspirations they are trying to convey a feeling of comfort which embraces the surroundings. They proposed to use clean furnishings that will contrast with the exiting woodwork and details. They proposed to use some more organic fixtures that pull the outside in. They also want to evoke a slightly military feel that is authentic to the location in terms of the furniture they use. For the future, they envision this being a vibrant coastal community and embrace the preservation of nature and wildlife.
- According to Patti Blaser, the CAD files the students are working on are well on their way to completion. The students will be completing them by the end of the semester. The students started with drawings from the 1800s which were hard to read. The students went out to the site and did some dimensional modeling. The students are also doing some 3-D modeling.
- Of the group that presented today, almost all are graduating. This project allows them to physically document a space that exists and allows them to interview professionals who have a deep knowledge and understanding of the place and space. The students are excited to be involved in real projects, especially ones that have a community service component.
- Glaser asks if the college has any options to follow through on these designs and allow the students to undertake the actual projects?
- Blaser explains that there are actual projects by the students underway on campus but that typically the funding necessary to complete projects such as the ones proposed here require funding that is unavailable.
- Glaser asks if there is way to make introductions between students, projects, and funding?
- Blaser: Of course. It is especially good for the students to have actual experience on their resumes. Interior design is so much more than paint and color. It requires the students to learn about architecture, codes, specifications, lighting, textiles, etc. The students are also constructing projects as part of this coursework.

Remaining topics:

- Construction Project Handbook Update, presented by GATE's Chief of Facilities and GATE's Chief of Cultural Resources who have an internal working draft of the document.

- There are remaining issues to work out with the permitting and how that is going to work with the Municipality. Once those are addressed, the NPS expects to have a draft for internal review. They will attempt to get the handbook into some form for the Committee review in May. If the proposed leases come online prior to the completion of the handbook, there is currently enough information to provide as guidance in terms of compliance, NEPA and Section 106 Review.
- NPS is also working with the Denver Service Center schedules for project to ensure we are in alignment with standard NPS practices. Remember, that all submittals and schedules are configured to meet federal requirements. We are pulling out all information about budgeting and schedules and focusing on codes, approval, and inspections.
- Glaser: So from the Lessees POV, does the Lessee work with Denver?
- GATE Facilities: There will be a project manager in the park assigned to each lease as the technical phase starts. Questions and submission will be routed to the park directly and the park will review, direct, and track.
- For anything that is really complicated we will seek Denver input but for the most part, it will all be managed in the park.
- Glaser: What will the work load associated with the lease be? Will it be a different person for each lease or will it go to a team?
- GATE Facilities: We are working on that right now. It will be a team effort regardless. We will have a project manager but we will do it as a team. The team will be comprised of the same folks. We are talking with Middletown to determine who has the responsibility for which component of review.
- Ehrler clarifies that Denver really does not have much to do with this. They simply have schedules and terminology we will adopt for the sake of consistency.
- Next Steps: Working draft of the handbook to the subcommittee by the week of 5/5 with a target to have a final version by mid-May.
- It will be learning process as we go through the first few leases. We want to make it as effective as possible but also avoid red tape.
- Smith asks if the Committee can have that draft on the agenda for the May 13th meeting.

Outreach Committee Update

- Presented by Acting Public Affairs Officer Daphne Yun.
- NPS websites have just undergone a redesign and the leasing program is pretty prominently featured on NPS.gov/gate. One of the reasons they changed the website was to make it more adaptive to mobile devices. We now have Instagram and twitter for FOHA. One of the possible dates for an open house is April 16 (Saturday). It will not be at the Chapel.
- The purpose is to show people FOHA. There will be two or so buildings open for viewing. There are new people interested and we would like to spread the word.
- Linda Cohen recommends May 3 through 4 during Old Historic Monmouth Weekend as a date for the Open House.
- SAHO Unit Coordinator does not believe the lighthouse is on the County List this year. The County rotates its location.

- Yun explains we looked at the 16th as a possible date because there are a lot of other events going on at SAHO that weekend. The weekend of the 30th (beach cleanup scheduled) is also a possibility but once you get into May, you are almost into full season visitation.
- Cohen and Margot Walsh ask about tying it into other events during the summer.
- Nersesian explains that we are hoping for a spring showing typical of spring real estate market.
- Committee agrees that we will have the Open House on Saturday, May 22nd which coincides with Ocean Fun Day Weekend. It is a very interactive weekend with a lot of families. By that time, BCC projects will be finished too.
- Margot Walsh thinks this is a good day for families to come out and see what BCC has envisioned for FOHA. Maybe we could set up an exhibit on the porch of Building 7.
- Yun will follow up with BCC to find out if they can integrate it into the structure of the events on the 22nd and of the proposed open house.
- Yun asks if 12-3 pm works for the Committee. Agreed that we will be there from Noon-2. Linda asks if NPS can provide info to Ocean Fun day for cross pollinating.

Future of the Committee

- Glaser opens with these thoughts: How do we move our findings to people other than the Nersesian? How are we getting the help the park needs to be recognized? Over the past months, we have been focusing on the leases in development. We must also consider how to preserve structures other than those that will be managed under a lease until we can get a more active leasing program in place.
- Another topic to consider is all around governance.
 - What does it mean once there is a community developed?
 - What role does the committee have in something like that? What is the role absent a Committee? We probably won't be around as a Committee forever.
 - What does that mean for the type of community we are trying to create?
 - What if the bandwidth to operate such a community is not there (in terms of what the park can do)?
 - What is our role?
 - If we are really trying to consider advice and advocacy at a senior level, what are we doing to get that attention?
- Summarized:
 - What are we doing to preserve the structures?
 - What are we doing to ensure a future of collaborative governance in the FOHA district
 - How will we do so?
- Holenstein: We don't have to come up with all the questions and answers now. We can suggest the items and questions we think are worth discussing on the next agenda. We don't need to figure out all the answers, we need to have a mechanism by which to address them. Maybe we need to consider a "lessee association" where there is a representative there to hear the continual input of the Lessees as time goes on.

- Glaser continues: In the future, how will we set the future agenda when there are a lot more community members to consider. Before we break we should have new action items/new business.
- Stevenson: We have to be realistic about which of the buildings will survive the next four years, or the next two years, and make recommendations to the park about where it puts its maintenance funds over the next few years. There is no way all the buildings are going to survive knowing what we do now
- Welch is concerned about the last statement because it invites an “adverse impact” as opposed to increasing the prioritization within NPS to execute stabilization of the buildings. This is in keeping with the entire Sandy Hook peninsula being a national landmark, and the only NHL in Gateway.
- Stevenson: I thought all the former military areas within Gateway were landmarks. Is that not true?
- Nersesian: Welch is correct. The only NHLs in Gateway are the Sandy Hook Light House and the entire Sandy Hook peninsula (Fort Hancock and Sandy Hook Proving Ground National Historic Landmark District).
- Glaser: This is a good topic to put on the next agenda. Do we need to identify priorities? How will we do so?
- Smith asks if there are other topics we want to identify now?
- Cohen recommends calling it something other than a Lessee Association so that it does not seem as though the association is affiliated with Middletown.
- Nersesian explains that we already have a cooperators monthly meeting.
- Margot Walsh: Maybe we need to discuss options to helping buildings survive. If we want to keep all those buildings... or just some.
- Hill: The FACA enabled us initially and things are moving well. How do we keep being advocates for the park?
- Glaser: How is there community advocacy for the park without the Committee?
- Hill: Sees a lot of this as within the Committee’s (or successor group’s) scope.
- Discussion about what the Committee is really set here to do. Agreed that as long as it has to do with adaptive reuse of FOHA, it is within the Committee’s purview.
- Michael Walsh asks if we shouldn’t be thinking as a group about what type of work we can do, what type of advice we can provide? What can we do to build a community? Is there something we can do to help/advice building a community?
- Glaser: The very way this Committee was constructed was to ensure the community has a seat at the table . There is another layer. The Presidio for example has a trust. I understand all the issues that come with the creation of that trust, but what it finally enabled was for a community group to take charge in a streamlined way. What I am hearing is that we are seeking a streamlined way to allow a community to have say in what happens out at SAHO. Maybe we need to create a Trust, in spite of the difficulty in doing so. But that is a government structure.
- Saunders: We can talk about money and what to prioritize but at the end of the day, we need to find people who do tax credit projects, and talk about how to syndicate because without money this does not get done. Maybe we need to look at higher tax credit as an incentive and get the government’s attention regarding same.

- Welch: When we first got our charter, we were only meant to exist for three years. Other committees have no sunset and those are congressionally mandated. Maybe we need to think about future collaborative governance. Looking at the future of Fort Hancock historic post, it is tied to history. As a National Landmark, the entire Sandy Hook peninsula's contributing historic structures are the highest priority from a historic property standpoint within Gateway. This is ¼ of the real property square footage at the park. When you hit Landmark Status, you have a duty to preserve per the 1935 Historic Sites Act and the 1964 National Historic Preservation Act as amended. The NHL status should impact prioritization of funds. One would expect that reprioritization would be a trigger for NPS to move funds to support stabilization of the buildings so they can ultimately be leased or otherwise reused and saved.
- Smith: Sounds like these are good topics to have on the agenda. We also agree that we should consider standing times on the agenda to discuss issues that Committee Members deem important.
- Welch: We need to find out what we don't know and delve into those things. There are things we do not understand, there are transparency issues that could be simple misunderstandings...
- Smith: So a good question is: what do we need to know to be effective? Maybe we should consider a lot more "benchmarks" where we say we've looked around and cannot find anything different or similar but then in our discussions, different types of examples come up and we should address what may be possible on a more detailed scale. Ask how else these problems are being grappled elsewhere and is that applicable to us. As for next meetings, do we want to start off with what we need to know?
- Holenstein: In order to rise to a higher level in terms of making recommendations that the park can act on, there are things that may be above the level we can operate on now. If we are not properly exploiting the asset and there is a way to do it on a higher level, that is what we should be doing. If the suggestion is made that we consider for an action item a discussion of how to prioritize our recommendation, and then they come back with a response, that is what we are trying to do, lay down the structure for going further.
- Stevenson: It is discouraging to see so many FACA related committees make recommendations that are not followed. Not only do we need to make recommendation, we need to figure out a way to make our recommendation s attended. The people who were on the 21st Century Report included a former Supreme Court Justice and those recommendations did not get anywhere.
- Welch: How do you socialize a recommendation before it becomes a recommendation?
- Holenstein: You have to know what questions to ask. The unknowns are what trip you up.
- Cohen: All of our advice and advocacy is going to be best exemplified when we get the first lease signed.
- Glaser: This is a great start. The real point is that we want to move forward with things that are bold and realistic and those should get equal weight. I don't see enough of the boldness part. If you increase boldness, you increase the level of risk and the chance that you will fail but it is commendable that we have reached the point where we are ready to assertively make recommendations. We should not be fearful of recommending something that is new and has not been tried before. We have recognition by park

leadership that this is a test. What better opportunity is there to institutionalize something than this?

- Stevenson asks facilitator to add fundraising to the list of topics (non-government fundraising).
- Glaser: A takeaway from the meeting that I did not want to hear but did, is that there is a small community of wealthy people that can help do these rehabilitations. We have to seriously consider this prospect if the community that we are trying to build is only going to be reachable by a small segment of the population. I think there are a few lessees that have overcome that problem but we do not know if there are more that may have confronted that issue and walked away because of that problem.
- Action item: Consider a future meeting/luncheon with SBA.
- Mary Eileen Fouratt: We are waiting to hear from National Arts whether the grant we wrote was selected for centennial arts programs.
- Hill found that the tax information, flood insurance information, and banking presentation were very informative and the meeting was productive.
- Holenstein: Acknowledges the professional staff. We are moving in the direction of a better structure by getting action items accomplished. It is important to start these meetings on time.
- Saunders: Is pleased we got a handle on the NFIP issues. What we are trying to do here is crazy and it is going to take a lot more creative efforts.
- Krauss: Is glad we discussed Real Estate taxes. Hopes that once we get leases signed there will be more interest. He is not surprised that the banks were reluctant. If we don't get more lessees, we should revisit the master developer concept.
- Margot Walsh: We have been blindsided by our movement to get the buildings leased without having a back-up plan. We need to think about what to do if we don't get more buildings leased and we need to prioritize in that regard. I appreciate the action oriented meeting process and I think the meeting was very beneficial but we need to take giant leaps into future realities.
- Nersesian: It was a really rich discussion today. It continues to be really helpful for us in addressing our highest priorities and understanding what it looks like from an outside perspective. I also think the banking discussion was very illuminating. Yes, we do need to consider another avenue. A master developer may consider other avenues that an individual does not. I would also like to see if the first signed leases are the tipping point for further interest and development.
- Welch: The co-chairs and NPS staff has been busy in the past few weeks. The change in openness has been huge and better. You will see more of that and get a chance to ask questions before the meetings so we can shape the meeting agendas with more committee input.
- Adjourned.

ATTENDEES

Stacie Smith, Facilitator

NPS attendees: Jennifer T. Nersesian, GATE Superintendent and Designated Federal Official; Pam McLay, GATE Chief Business Services (Chief, BSD); Karen Edelman, GATE BSD; John Warren, GATE External Affairs; Daphne Yun, GATE Public Affairs; Michal Wisniewski, GATE BSD; Marilou Ehrler, GATE Historical Architect; James Grant, GATE Chief of Facilities and Project Management; Pete McCarthy, SAHO Unit Coordinator (arrived at lunch time).

FACA co-chairs Gerry Glaser, Shawn Welch

FACA Committee attendees: Lillian Burry; Linda Cohen; John Ekdahl; Mary Eileen Fouratt; Guy Hembling; Tim Hill; Michael Holenstein; James Krauss; Lynda Rose; Dan Saunders; Kate Stevenson; Michael Walsh; Margot Walsh; Karolyn Wray.