Fort Hancock 21st Century Federal Advisory Committee
Meeting #19 Summary
Sandy Hook Chapel, Middletown, New Jersey
February 5, 2015

Action Items:

1. Gerard Scharfenburger and Anthony Mercantante will set up a meeting between the National Park Service (NPS) and EPA, DEP, USACE, DOT, EDA, NJDOT, NJEPA in order to make a presentation. Jeff Tyler, Jim Krauss, Shawn Welch, Linda Cohen and Mike Walsh agree to be on this committee. Gerard Glaser, Scharfenburger and Mercantante will notify the above as to a proposed date (late spring is targeted). Those groups may then be able to offer advice as to how to incentivize the process. Typically they like to see existing conditions, and proposals. There has to be a brownfield component in order to call this meeting to order (which we can meet based on former use a proving ground).
2. NPS will meet with FEMA on February 26 to address the Flood Insurance issues that have been discussed during the meeting.
3. The Committee has recommended reaching out to elected officials about the progress and roadblocks pertaining to leasing. Members of the Committee have agreed to work on a briefing to present to the elected officials. Shawn Welch volunteered to put a draft together.
4. GATE Public Affairs will work on an Open House for spring.
5. Middletown Township must address taxes, levies, abatements, etc.

Decisions:

1. Shawn Welch was chosen as co-chair, filling the position for a full two-year term. Welch was first chosen as co-chair in June 2015.
2. Confirmed: NPS cannot waive the flood insurance requirement: it is required by Law. In any case, NPS wants Lessees to obtain flood insurance for the protection of the NPS and of the Lessee.

The meeting was called to order at 9:36 A.M. by Designated Federal Officer Jennifer T. Nersesian. Snow from the night before delayed the opening while members arrived.

- Superintendent Jennifer T. Nersesian, the Designated Federal Officer (DFO), opened the meeting.
- Stacie Smith, Facilitator, reviewed the agenda.
- One change to the agenda: Brookdale Presentation will be presented by Michael Walsh (not Patricia Blaser due to snow).
- Lunch break speaker will be Tom Noji of NOAA.

John Warren presented a summary of the last meeting and made announcements.

- NPS has made a decision to waive CAM charge for the life of the lease for the first five leases. This is an incentive to pioneers. Key point stressed by Chief of Cultural Resources: Leaseholders should consult early and often; and include annotated plans and elevations. At this early stage, the park is seeking schematic design. The park will coordinate with SHPO. Co-chairs can be removed by committee at any time and this will be so noted in the operating procedures. Meeting dates for the first half of 2016 are posted on the website: April 1, May 13 at Middletown Arts Center, 36

Church Street, thanks to Stephanie Murray, and next on June 17 at Thompson Park, thanks to Lillian Burry.
- A survey will be sent out concerning possible dates for the rest of the year.

GATE Superintendent Report:

- Since the last meeting, all projects are further along than last reported. Telecom project will be half complete by April and we expect to be in full service operation by fall. We are providing much better, faster, and more resilient service. We are adding money to the Sandy recovery to bring service all the way down the Hook. We do not need that service right now because we are serviced by microwave satellite but we are preparing for what is ahead.
- Mobile food and beverage services will be available at Areas B, C, D, and E this summer. We are looking at possible leasing opportunities at North Beach (Area I) and Gunnison (Area G).
- We are working with USCG, SHPO, and Verizon on getting 4G service out here.
- We are moving contents of history house into storage to get started on the rehabilitation of the building.
- Signage will start being installed in late march. We will be working around plover nesting season.
- We have about one week's worth of work left on the observation plaza, which has been held up by snow. We are looking forward to a dedication event in the next couple of months.
- Staffing changes: We will say Goodbye to William Bickerstaff, our Sandy Hook Chief of Maintenance, who is heading out to Montana. Also, Chas (Charles) Donohue with our Harbor Parks Work Control Center is moving to Statue of Liberty.
- We are not yet officially in our centennial year. We will be rolling out a calendar of centennial events. One of those roll outs is an App for Sandy HookGateway National Recreation Area, Statue of Liberty National Monument and of all eight other national parks in New York Harbor. We will see if we can provide the FACA Committee with a preview.
- Regarding the Call for Nominations, there is no new news. We will continue to keep the committee informed.

SHU Coordinator Update.

- We are working on a pilot program for group camping at the Nike radar area. That program will be connected with camping at Horseshoe Cove. Group camping area in tents is also proposed at the Sandy Hook Unit. The Sandy Hook Foundation (SHF) and volunteers will clean the proposed area and erect fences and tables so that the program can be up and running by May.
- Glaser: Camping used to be a really big deal out here. Boy scouts used to come out a lot.
- Lillian Burry has made contact with NJ national gas to get a line out to Sandy Hook.
- Shawn Welch: Explains that parts of Sandy Hook were directly tied to Bethlehem Steel, the manufacturer of one of a kind army 140-inch gun turrets as big as this room. They were brought in from Bethlehem Steel by Lehigh Valley RR. The turrets and guns were tested in in 1916 – one hundred years ago. The foundation test blocks still exist in the north beach parking area and AGFA hopes to be done clearing the area and putting up some interpretive signage for the NPS Centennial.

Nersesian continues.

- Regarding Building 23, there needs to be at least a partial demolition. We are reviewing how much of the building and materials we can salvage. We are working with NPS Northeast Regional Office to line up funding for that and to take action in support of Building #24, to prevent a similar outcome. Nersesian wants to assure people it is safe around that area. Perimeter fences have been erected 75 feet away from the building, around the entire building, which

should be adequate to keep everyone safe. That is always our priority: safety of employees, visitors, and neighbors. The corresponding safety report only required the fence be erected at a distance of 30 feet from the structure.

- Michael Holenstein asked if camping is limited to service, access, park, funding.
- Nersesian: Camping and the proposed expansion is a service activity, access activity, and park related activity. It does generate some revenue but it is primarily a program.
- Welch asked if the presence of Law Enforcement (LE) will be increased due to an increase in camping. Nersesian: We have a number of critical vacancies in LE that we are working to fill. In the coming months, we can move forward on other organizational issues and look at how best to structure it.
- Welch: Hats off to LE team here. He has noticed a change in their presence at Sandy Hook, their growing knowledge that all of Sandy Hook is in fact Fort Hancock and a NHL.
- Glaser: Is there a possibility that NPS could consider some break for non-profits in camping?

BSD Chief's presentation.

- Update on leasing progress/issues: The 60 year lease term is an issue we are trying to work out with Washington. NPS policy is to issue a lease not more than 40 years. Most of our proposed Lessees are looking for the maximum term. We are trying to negotiate those terms to the maximum but we need to be mindful that there are levels of approvals. We are going to have to make some strong arguments to upper level leaders.
- Other areas we are concerned about is once we execute the lease, how long will it take to hit the ground running? We have been meeting with Middletown Officials to address Permitting and the process. The NPS has the final say on approvals and permitting because these are Federal Facilities. This joint effort will allow for uniformity and clarity.
- Another area we are concerned about is utilities, which as you know were severely compromised by Hurricane Sandy. Jim Grant has been trying to figure out how we can recover the costs of utilities as required and still be fair to Lessees. It should be noted that CAM charges such as snow removal, trash removal, lawn care, are being waived for the first five leases, and those are different from the DO #35B costs we are required to recover .
- Karen Edelman made a quick presentation about FEMA and flood insurance based on two slides in the presentation. Topics include the National Flood Insurance Program (NFIP) administered by FEMA, and the rule limiting improvements to a structure to less than 50% of the building's value.
- Mercantante, Middletown Township Administrator, provided some information about coming up with an in lieu tax payment. Middletown uses different types of construction considerations. Middletown plans to discount the value of anything to 55% to account for the fact there is no value in the land, and also because there are extra ordinary costs of construction to the property. So the in lieu tax payment is reduced and will be waived for the first five years, and then phased in over the next five years. This way, people who are developing have time to phase it in to their costs, and can understand what to expect. We (Middletown Township) have not had any discussions with Lessees about this and we will continue having internal discussions about this but we are willing to talk to proposed Lessees about this. Also, going back to the permitting issue, because there are a lot of old structures that are going to be repurposed, we are glad to be working out a process and agreement to move ahead with a consistent form of permitting.
- Karolyn Wray: It is clear that the bulk of the levies are for EMS and Fire response. Sea Bright and Highlands are the first to respond as backup. Sea Bright's back up is Rumson and other towns, not Middletown. Please take this into consideration as you address the growth in population at Sandy Hook.
- Mercantante: That is likely to change in the future due to the volume of activity expected to take place out here, especially as Sandy Hook becomes a neighborhood. Other things to consider, if

someone were to open a B&B in any of these towns, they would pay taxes, so is it fair to say that they would not pay taxes for running a business at Sandy Hook. The fact is, there are going to be services provided by Middletown, and we have to find a way to account for that.

- Burry: A good portion of your taxes are apportioned for schools. Are you accounting for that in the levy?
- Mercantante: No. I don't think there will be sizeable number of students coming out of this. The county gets its share through the revaluation process but schools do not count towards that.
- Burry: The County will not get anything out of this
- Mercantante: You will indirectly because as a PILOT, this will have a real value, and a percentage of the tax rate goes to the county (approx. 14%). When the tax rate is struck, County gets a portion of whatever is collected.
- Jeff Tyler: Are you anticipating a portion will come to the County?
- Burry: Any 911 call comes to the county and we re-direct those calls to the appropriate municipality or servicing entity.
- SHU Coordinator: Currently those calls go to our dispatch in Staten Island.
- Mercantante: We are moving all of our dispatch to the county system in a few months
- Burry: We've seen a greater presence in Sea Bright and Highlands going out to Sandy Hook. Also, County provides snow removal to entrance of Sandy Hook, not Middletown, and also we have a vested interest because we have MAST at Sandy Hook. Burry finds it very hard to see how Middletown Township can levy a tax, even if they are only presenting it incrementally.
- Mercantante: I'd be happy to look at another formula if anyone has one but no one seems to have one because it's never been done before.
- Glaser: Please talk about the internal process and considerations because it sounds like maybe we are making it up a little bit as we go along.
- Mercantante: A little bit. I've had discussions with the Township about how to move forward and ultimately we will have an agreement, just like we would have an agreement for permitting?
- Glaser: How would one have the opportunity to participate in this discussion?
- Mike Walsh: Middletown Township (MT) is being very thoughtful about this and he appreciates all the work that is put into this. Do you know what percentage is collected for schools?
- Mercantante: About 60%.
- Michael Walsh: Will you take that into consideration going forward? The Township seems to be getting its share and if you do not expect children out here to be going to school, that should be considered.
- Mercantante: Consider the system. Businesses pay taxes and they don't generate school children that use Middletown Township schools.
- Welch: This is similar to how DoD entities charge other services, federal government entities and non-governmental entities for identifiable incremental costs. We need to ask local community what is the real cost and how that was calculated. What service or equipment are you now providing that you were not providing before, or what costs increased that you were not paying before? First (fire) response has to come from within Sandy Hook due to National Fire Protection Act (NFPA) 8 minute required fire response. The federal government is providing the main services here. Absent children in the school district, I am at a real loss as to what you are providing as a service here, in spite of the fact that you have full property tax powers in Middletown. I am at a loss to understand why you are asking to be involved. What are you spending here at Sandy Hook that we have to pay you for? This is federal property that has its own services baseline.
- Smith: As a forum for discussing this issue, I am not sure this is the place where we will resolve this issue but it may be more appropriate to share thoughts with Mercantante so he can report back to the township for further consideration. Do we agree? Yes from the Committee.

- Welch: Has no expectation of an answer now.
- Tyler: My recollection is that Mercantante has agreed to throw something out there, which he has done. In this case, is the Township a vendor that is providing services and does NPS have a choice as to who will provide it with any services. Is using Sea Bright problematic?
- Nersesian: Using Sea Bright is not a problem, we can enter into agreements for services with any municipality but because this area falls under the jurisdiction of MT, that is who we must deal with.
- Tyler: What does MT get for whatever services provided? What does the NPS get in terms of services?
- Linda Cohen: Do existing residents pay taxes to MT?
- NPS: There only are non-profits and employees out here.
- Mercantante: Middletown Township had no idea that this was a question. It was NPS that came to MT to ask about offsetting costs of services. Most facilities in National Parks are managed by the federal government and are different animals. This process is different because it is entirely possible that there will be a big community here in 10 -15 years.
- Mercantante: We have been asked why we cannot collect a flat fee from NPS per structure (paid by facility occupant) but that is against the existing regulations, so we have to consider other methods.
- Holenstein: What regulations allow municipalities to collect taxes from NPS?
- Pam McLay, GATE chief of business services division: The leasing authority requires us to subject non-NPS lessees to pay taxes as required by municipalities.
- Holenstein: Thinks there is no question that a publicly owned property in the state of NJ is subject to taxation. Debating this question otherwise, is a waste of time. If NPS states that if the municipality has the right to tax, we will stand behind that municipality's right to collect the taxes. Typically in NJ, NJ cannot collect taxes on government facilities because there is no support for payment of those taxes. In this case, it seems the federal government is standing behind MT's right to collect taxes. The idea that a public property is subject to taxation when in use by a private citizen is not new in NJ. It just needs to be worked out here. It is established and worked out every day in the State of NJ. The idea of whether there is going to be taxation is not a debate for this forum. Except for information purposes, how this is worked out is not an issue up for debate. Sandy Hook can be set up by administrative line item and can be shared among constituents.
- McLay: But they have to value the real estate interest, which is a leasehold interest.
- Holenstein: Yes, but this is well established in the State of NJ.
- Jim Krauss: Has questions about flood issue and leasing issue. Did buildings at Sandy Hook sustain flooding on the first floor or only basement? Basements, says SHU Coordinator Pete McCarthy.
- McLay: We do not have baseline data such as what is the current value of the just the structure, not the land. We are told by FEMA that the federal entity has to establish the value as of today in as is condition. When FEMA comes out to Sandy Hook, we are hoping they can help us address the baseline and current value condition.
- James Krauss: The way I see it the way the value of the lease will run is like a reverse mortgage. Is that correct, is there flexibility?
- McLay: Are you referring to rent reconsideration?
- Holenstein: What is the discount rate to pay off the value of the lease? Is it set by regulation?
- No, says McLay.
- Holenstein: The rate of return will be a market rate and the lease rate will be a corresponding lease rate. It is a return on the investment for a period of time.
- Krauss: Rates are low right now.

- Holenstein: There are terms in the lease that say it will be reset in X years or there is a CPI increase.
- McLay: The lease contains provisions for rent reconsideration and CPI. We are in the weeds about details but there is a mechanism in the lease. CPI increase and rent reconsideration are two different things.
- Katherine Stevenson: Asks Mercantante if MT would consider foregoing a tax at Sandy Hook.
- Mercantante: Sure, we could always ask for nothing and that is why we agreed to collect nothing for the first five years. We will make a determination as to how that is done down the road. If people live here, they will have access to MT services such as EMS, they will be able to vote here, they will use our libraries. There must be a fair way by which these services are paid for and it has to be fair, it cannot be arbitrary.
- Nersesian: Asks if we can postpone the Brookdale Community College discussion scheduled during the morning session of the meeting for this afternoon in order to finish this conversation by 11 am. Agreed.
- Glaser: The reason this was placed on the Agenda was because we asked what are some of the things the park has learned since the park has started negotiating leases. Flood insurance is one of them and we have a working group that is looking at flood insurance which I am still confused about. Doesn't the federal government self-insure properties?
- McLay: The law requires a lessee to obtain flood insurance once the building is used by a non-Federal entity.
- Glaser: It is my understanding the park has the authority to waive flood insurance requirements.
- McLay: We don't have the authority to waive that requirement because we do not have the authority to waive the law. We would certainly ask the SOL for a legal opinion if FEMA gave us something in writing, indicating that flood insurance cannot be obtained.
- Glaser: We should be mindful of the opportunity to support the park as they move issues up the line for support. We can weigh in on those issues to help the park make the case, whatever that issue turns out to be. It is a significant role we can play.
- Welch: For the assessed value of the buildings can we use current replacement value (CRV) or other standard government accounting metric?
- McLay differentiates between assessed value, which is what the Township identifies, and the baseline value that FEMA needs to determine whether the 50% value applies. That is why FEMA is coming out here, so that we can make such determinations.
- Welch: Directed to Mercantante, how do you address the 20 or so NPS employees that live out here in terms of taxes?
- Mercantante: Those are not leases.
- Shawn Welch: In military communities, there is very little taxing that goes on, unless there is a specified cost associated with the community.
- Mercantante: There is a real property value in a long term lease and that is different from a military site. We have people living in Naval Station Earl and they have kids in our schools. Some of them live at Earl, others in Colts Neck.
- Welch: There is an example of the government leasing an entire military depot. – We call these "GOCO" – government owned, contractor operated. Hawthorne Nevada is an example. I am unaware of any "levies" for the contractors living in former military housing.
- Timothy Hill: Has MT ever collected any taxes for anything out at Sandy Hook? Second, I can appreciate the flood insurance issue and I think lenders are going to require it, regardless of what NPS may say about it.
- McLay: We are hopeful we can get flood insurance out here. It protects the Lessee.
- Mercantante: On the flood insurance issue, it is very difficult. MT and the county had to go out and get flood insurance on buildings we own. The issue is going to be the lenders. They won't

lend to lessees that cannot get flood insurance. This whole 50% rule could really be a problem. It could be a hardship.

- McLay: We don't have baseline value and so we are going to have to come to an agreement with FEMA to determine whether they will accept our value.
- Mercantante: Since the NPS owns the buildings, perhaps NPS can get insurance and have a Lessee purchase flood insurance for contents. Other government entities can obtain flood insurance. Most insurers are not going to want to insure a tenant, they want to insure the owner. Every one of these rehabs is going to go over 50% (of the value of the building).
- Facilitator: We should take these comments and discuss them.
- McLay: To wrap up, as you can see, we have very complex lease negotiation issues to resolve. We appreciate patience the lessees have shown but until we can get real answers on these issues and costs, we continue to forge ahead. We are hopeful we will have leases executed shortly.
- Tyler: Is glad we are working on real issues. His question is about termination language. How is the Federal Government's ability to terminate for any reason or no reason being addressed in terms of a party who invests $500K in a rehab?
- McLay: There are other issues we are negotiating that have not made it into the presentation. We are working on language changes that we have to work really hard with our leadership to incorporate. We can make good arguments and we think we can persuade our leadership to help.
- Holenstein: Asks if it is true that the government pays out LSI to a Lessee if a lease is terminated.
- McLay: That is not true. We are getting too much in the weeds, this is not a topic for discussion here.
- Michael Walsh: We've heard there are three lessees, are there more that came in through the RFPs?
- McLay: We are working on our leasing issues so that we can resolve issues moving forward. Winter is always slow but this allows us the time necessary to truly address leasing concerns.

Chief of Project Management gives a presentation which will be uploaded to the website.

- First topic is Repair and Maintenance Reserve (which does not include major components/renewals). Lessees can expect to set aside $1-$2 psf.
- Second Topic is the Construction Project Handbook – We are looking at what GOGA did
- Marilou Ehrler: The key takeaway is that we design our facilities to be incompliance with the Organic Act. We consider energy resourceful design, design that is pleasing to the eye, compliance with SOI standards, executive orders, sustainability in the future, impacts for climate change,
- We use international building codes for existing buildings, fire code NFPA 101 which is used differently in the private sector than it is here.
- We have decided to use codes adopted by the State of NJ through the NJ Division of Community Affairs. NJ has an edited version of the international building code but for existing buildings we will use the NJ Rehabilitation Subcode and NFPA 101 – otherwise, the codes are the regular, adopted state of NJ codes and anyone who works in the state of NJ should be familiar with those codes.
- Jim Grant: The next part of this presentation is understanding the process the we must go through:
    - 4 step design process: Pre-design/concept phase; schematic design;
    - Jim shares the Denver Service Center website page as an example.
- Questions for Jim Grant:
- Holenstein: With respect to replacements and reserves, one of your slides talks about an element of maintenance, capital improvements are not included?
- Jim: Right, capital improvements are not included.

- Holenstein: It is the intent of lease to return the lease to the NPS with the facilities subject to wear and tear or completely rehabilitated as new?
- McLay: Not as new, the reserve is for normal maintenance but over the life of the lease, additional capital improvements can be made and can be offset.
- Welch: Adding on to what Holenstein was asking, How is NPS coming up with the $1-$2 psf figure?
- Grant: It is a negotiable figure based on planning.
- Welch: So if the lease is longer than 10 years, will that require a separate term/component for issues such as roofs and furnaces, which are beyond the 10 year picture?
- Grant: My understanding is that the bigger improvements will handled outside of the R&M.
- Welch: Is that statutory guidance or policy guidance?
- McLay: I don't know of any statutory guidance applicable.
- Glaser: What about people who want to know who to talk to about these issue and issues such as resiliency issues?
- Marilou Ehrler, chief architect at GATE: One of the things we are doing now is moving systems outside of the flood zone. We are about to release an RFP for Building 7 to incorporate the things we have learned from our climate change and sustainability intern into the work we are doing on Building #7.
- Grant: We are already raising Air Conditioning units, for example, and undertaking these efforts ourselves.
- Glaser: Suggests NPS consider corresponding workshops about resilience as it pertains to Fort Hancock.
- Nersesian: Piggybacking on Glaser's comment, and our related efforts in terms of a workgroup, the project handbook will be a huge help going forward. There is a need to have all of this information compiled in one place. Once we get past the initial stage of lease negotiations, where we amass all of this information, the next leases will be easier to negotiate.
- Michael Walsh; So if someone makes capital improvements 10 years down the road that would be grounds for potential extension of the lease?
- McLay: No, think of capital improvements as a debit against fair market value rent, it is an ongoing effort to continue investment in the facilities over the life of the lease.
- Holenstein: So you make your initial investments and then you make additional capital investments, all part of the same thing that is continually offset as you go along. If you invested $100k initially, which is offset over ten years, and then you invest additional funds, which run over 2-5 additional years, and the lease term is 20 years, you have offset over a longer part of the lease.

Public Comment:

- John Warren reads ground rules.
- Scharfenburger, former mayor of Middletown Township: Wants to offer an interagency work group meeting, much like those he runs with respect to brownfields. Scharfenberger will set up the meeting with EPA, DEP, USACE, DOT, EDA, NJDOT, NJEPA and asks NPS to make a presentation to those groups. Those groups may then be able to offer advice as to how to incentivize the process. Typically they like to see existing conditions, and proposals. There has to be a brownfield component in order to call this meeting to order (which we can meet based on former use a proving ground). There can be as many as 50-60 agency representatives who can provide input and maybe even some sort of grant funding.
- Mercantante: I have participated in these meetings before and find them a valuable resource in terms of looking at things from a different angle, and finding funding. I suggest you do it, it is very worthwhile.

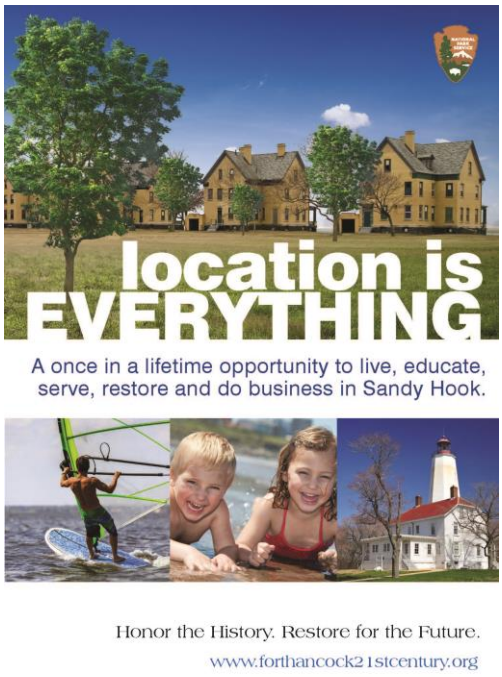
- Glaser: Has taken the liberty of mentioning the efforts at Sandy Hook to EPA. We could have the meeting at Thompson Visitor's Center. Glaser can provide a template for the presentation. He believes it is a no lose situation.
- Facilitator asks if there is a procedure for a consensus.
- Superintendent asks for volunteers: Jeff Tyler, Jim Krauss, Shawn, Linda Cohen, and Mike Walsh agree to be on this committee. Glaser Scharfenburger and Mercantante will notify the above as to a proposed date (late spring is targeted).
- Brian Samuelson is the next speaker:

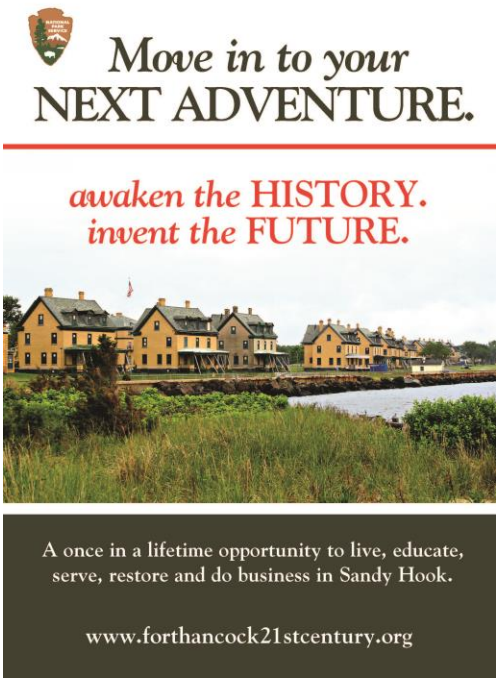
Thanks all the Committee members for their efforts. It has been over two years since John Warren has shown him the buildings and he knows it takes time and patience to cross "t"s and dot "i"s. Thanks Burry for contacting natural gas because heating is a difficult topic and he is held hostage by DOI standards (propane, oil, gas). Big stumbling blocks include flood insurance and Middletown Township taxes. He wants to know what DOD is paying to send their kids to schools. Mercantante points out that DOD kids typically go to Colts Neck and other district schools. Brian mentions that he does not see kids out here. He is concerned that he may have to pay $16K or so in taxes out here. He points out that he is using his own money to rehabilitate a building at Sandy Hook but the termination language is severe and he stands to lose his investment absent some modification to that language. He is trying to save these cultural resources. Also, with respect to the taxes, Middletown Township does not know what those costs are. Brian proposes a 20-year abatement. A 20 year tax abatement is kicking the can down the road, and in 20 years there may be definite value but there is no value today. If we can save 20 houses, that would be great.

No other comments.
Public Comment Period is closed.

Acting Public Affairs Officer presents outreach topics:

- Members are encouraged to like our Facebook page. The Committee agrees GATE should add Twitter and Instagram to our the committee's social media platforms.
- Regarding promotional posters: Are we happy with our current poster or do we want to go back to the advertising company and come up with something new? There are currently two posters that have been made, which were made into postcards and distributed.





- Should we have an open house this spring? Should we wait until building 7 is complete? Nersesian recommends we have an open house sooner. We can always have another open house.
- Lynda Rose: Both posters are great. Use both and circulate what we have. Everyone on this committee must have someone they can ask to share the Facebook page with.
- Acting Public Affairs Officer will share GATE's Facebook address via email.
- All of our promotional materials require an updated QR code.
- Facilitator Summarizes: There is a request for additional members to the outreach subcommittee.
- Acting Public Affairs Officer typically sends out meeting emails regarding outreach.
- Shawn Welch volunteers to help. Jeff Tyler agrees to be on this subcommittee.
- Lunch Break
- Speaker is Tom Noji of NOAA.

Resume post lunch:

- Michael Walsh will speak briefly about a proposed Agreement between NPS and Brookdale Community College (BCC).
- Patricia Blaser head of BCC's Design Division was not able to join today because of the snow.
- McLay explains: The effort to partner with BCC arose in the course of the Committee's discussion about how to address some of the challenges at Fort Hancock. Michael Walsh's wife is a student at Brookdale and BCC and started discussions about incorporating historic design elements in the curriculum at BCC.
- Architectural drawings in NPS possession for many of the Buildings date back to the last century. The BCC students will get those into Auto Cad format. They will also create designs and plans for various buildings and aspects such as furnishing and lighting plans. Buildings will include those on Officers Row, Building 7, and the History House. BCC and its students are looking forward to working on this project.

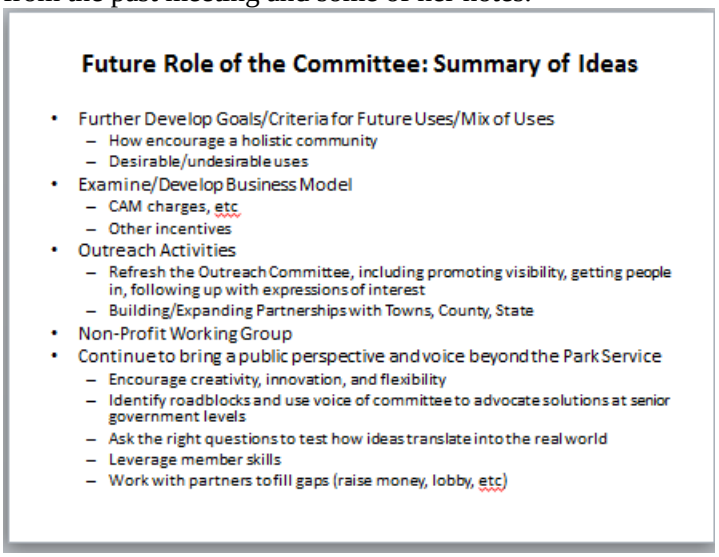
- Michael Walsh points out that a lot of students never knew you could see NYC from here and they were blown away at a recent site visit to the facilities.
- Ehrler: We recently had a BCC class out at Fort Hancock to tour Buildings 27 and 1. The students were introduced to the SOI Standards for rehabilitation of historic structures. Approximately 19 students came out.
- The students will be dealing with interior issues such as egress codes, stairways. For building 7 it will be another project, for History House, it will be a furnishings plan.
- The students can make recommendations for changes to finishes and other elements but it is up to NPS as to whether to accept those.
- Mercantante: It is a great opportunity to partner with BCC. Most people don't even know who BCC has an architecture program. Ed O'Neal who runs the program, worked with MT to provide students for a county project (MT paid tuition for one semester). Mercantante's question is whether we can work with the program on a methodology for accessibility on a per building basis. Mercantante notes that BCC architectural program students typically go on to some of the best schools in the country.
- Ehrler: Yes, those are among the requirements. One of the things we talked about for Building 27 for example is a LULA (limited use limited application) elevator.
- Glaser: Thanks Michael for taking the BCC project on. This is a story that needs to be told and he encourages the park to get the word out on this projects. It is not known that you can get architecture students involved with NPS. Also, it is another resource people may consider when they work to rehab facilities.
- Holenstein: Wants to know what the committee is expecting from this?
- Michael Walsh: This will spread throughout BCC and the community. It is informational and also a practical way of spreading the word about Fort Hancock. They are talking about a potential five year agreement and long term relationship. The Agreement is with all of BCC and not just its architecture and design department.
- Margot Walsh thanks Mike Walsh for this effort. BCC had such a strong presence out here for such a long time and it was a disappointment when they left and created a vacuum. Bringing them back is productive and an example we can emulate.
- Stevenson: Points out that there is only one Ehrler and one McLay, one thing she would ask is that Superintendent expedites Ehrler's hiring of employees. It takes an immense amount of time to supervise volunteers.
- Nersesian thanks Ehrler, Michael Walsh, and Committee members who helped to work on this project. A good thing to consider is what the next action item is with respect to the BCC agreement. We should add this to the next agenda. Also, it is this type of working together that generates good ideas.
- Ehrler: We are also working on an agreement with Monmouth University.

Next Topic: Co-chairs

- Nersesian: We are a consensus based group and that is how make decisions but we also heard that some of our group members are not comfortable speaking aloud about the decision for co-chair. After we hear from both our nominees, we will write down our "votes" for lack of a better term and tally those up. We will use that tally to inform our discussion and consensus.
- Facilitator checks that people are still on the phone (Howard Parish is still there). Howard will join in for consensus portion.
- Mercantante: Has indicated his interest in serving as a co-chair of the Committee. Mercantante is happy to join the Committee. He has spent a lot of his career doing community development and

this is a form of same. He has background in historic preservation, He loves Sandy Hook having come here since he was 8. He has a lot of experience in career development.

- Welch: Has indicated his interest in continuing to serve as a co-chair of the Committee. The job of the co-chair is to help keep this project moving. We have weekly calls, if one co-chair can't make it, we have the other as back up. I have spent my career in management planning, federal real property, and budget; and I have a good idea about what NPS is trying to do. I am deep into historic preservation and am trying to learn more. I've learned quite a bit about it. Once the leases start getting signed, there are probably things we will have to address. I am semi- retired and have flexibility, and would like to work in this capacity or any capacity the committee so chooses.
- Nersesian asks everyone to write down their choice.
- Glaser takes the opportunity to announce that Pim Van Hemmen from American Littoral Society has brought copies of publications that are available on the way out.
- Howard Parish calls his vote in to John Warren and Stephanie Murray texts her vote in to John Warren.
- 11 votes for Shawn Welch
- 5 votes for Mercantante
- Nersesian: Now we will have a discussion about it.
- Mike Walsh: Do we want to adopt that balance as our consensus?
- Group agrees to move for consensus.
- Facilitator: For those who wanted Mercantante as the co-chair, are people comfortable with a consensus decision that Shawn will be the co-chair?
- Lynda Rose moves to adopt the consensus decision and someone seconds (Margot, Burry, Wray?)
- Facilitator: Does anyone not feel comfortable with the decision to proceed with Shawn Welch as a co-chair as a result of the consensus?
- Group agrees "No".
- Nersesian: Thanks to both candidates.
- Tyler and Michael Walsh tell Mercantante they are looking to him for his continuing leadership on this committee.
- Next co-chair election is in one year.
- Next topic: Role of the Committee going forward. Facilitator prepared a slide based on notes from the past meeting and some of her notes.



- Facilitator reviews the slide.

- Glaser would like to add "advocacy" to the list.
- Also, Glaser is concerned that we are not goal focused enough and that we need to be mindful about how we can translate our general talk and conversation into action. We play an important role in surfacing them but then we need to answer the "so what" question, so what do we do about those ideas.
- Smith: We will call it the "so what" and the "now what."
- Stevenson: Some of the issues raised in our discussion are not quite ready for Washington review and there is plenty of opportunity for the Committee to support the park. Also, in terms of raising money, there needs to be an opportunity.
- Welch: In terms of helping the park, what about the park's capacity to do what it needs to do? The more I compare NPS to DOD, there is lack of authority for NPS on the matter of real property management. There is a lack of similar statutory structure. Parametric modeling process are absent for real property sustainment. This is a comptroller process in the NPS as opposed to a program driven process. The NPS is as much a real property management agency as it is a land management agency. NPS may need more authorities to do what they need to do.
- Stevenson disagrees. Authorities create a more difficult process and more paperwork. One of the initial budget categories has grown from 60% to 90% and that eats money. NPS does not have the money to do the sustainable maintenance necessary to keep any backlog from happening all over again, if you wiped out the deferred maintenance that NPS has to date. The deferred maintenance backlog is an issue that is addressed by $1/100^{th}$ of the NPS budget
- Nersesian: GATE has a $730 million deferred maintenance backlog:
- Stevenson: And if we had the money tomorrow, we don't have the capability to address that deferred maintenance.
- Welch and Stevenson will have an offline discussion. Welch says the army had this problem in the 1990s and they took action to fix it on a national level. He does not expect to fix it on a national level but thinks they can look at numbers together.
- Stevenson: Can I show you numbers from the Budget office? Those numbers will blow your mind.
- Holenstein: One topic we previously discussed is whether the Committee can help by writing letters or approaching the Director of the NPS. I know we have to be very careful but what do we do? How do we take this to mat? Some of the things we've learned is that the federal government has an obligation to maintain. If this committee is going to do something, we can make a recommendation that some of the rules that are already on the books be followed. We should take it up the chain, make the suggestion into a form of action that we can do as a committee.
- Holenstein: Can this committee look to McLay and say: What is the timeline you can anticipate with respect to getting some answers, after four years, with respect to flood insurance, so that we can follow up and work toward getting something done, and finding a solution? Let's take a bite of the elephant and solve a problem. You have to eat the elephant one bite at a time.
- Glaser: We have been silent about our work beyond our own group. Maybe there is some opportunity to produce something that we would send forward to commissioner, to the director, to capture what we have learned after a few years. Maybe one of the few bites of the elephant is to communicate our views and see if there is an audience for that. I think that Kate Stevenson Stevenson's other point of more structure and formal advocacy is also important but I don't know how that works, or how to go about it . I don't know how to lobby congress for money.
- Stevenson explains that the amount of money that is allocated for NPS as a whole, is closed, and so asking for money for GATE will result in that money being taken away from another park.
- Glaser was not looking at lobbying in that manner. He thinks maybe we can work through NPCA and find a way to contribute.
- Welch agreed. This is about prioritization.
- Facilitator: So it sounds like we are working on two issues

- Advocacy around resolving particular issues with solutions that are advanced up the chain (such as flood insurance).
- The second issue has more to do with resources and funding.
- Stevenson: I feel very comfortable working with Washington folks, having been there for 20 years, and I am sure that McLay does too, but we need more information before we move ahead. FEMA needs to give us just a bit more information before we approach Washington. McLay agrees.
- Margot Walsh: We are at a critical juncture and we have to become advocates. You cannot always ask for money but you can ask for things you care about. When I introduced this project to Congressman Frelinghuysen who is on the budget appropriations committee and is crazy for historic sites, he knew nothing about this. I do see an excitement if we become vocal advocates for what we want to see.
- Michael Walsh: Yes, we need more money across the park service. Though we are talking about the roles for this group, I don't think we should take a national role for NPS in general. We need to be advocating for Fort Hancock 21. If I take money from someone else, that's what I advocate for. If the money does not go to Presidio or some other place, it is time to shift some of the NPS budget to this place, which has been neglected for 40 years, even if it takes money away from someone else. Yes, we should also be advocating for FEMA to come up with a more streamlined process. I would be happy to sign a letter that NPS needs more money but I would rather sign a letter that Fort Hancock 21 get more money.
- Welch: How many of you heard about PPBE (Planning, Programming, Budget, and Execution)? Priority is the name of the game. We have to be careful not to compromise GATE with our prioritization of Fort Hancock 21. Obtaining additional funding may result in a directive to solve problems in house. There is utility to having these discussions off line and reshaping them. We need additional capability and need to manage how it works in terms of national planning. I see this as a prioritization discussion. That is why the NHL designation is so important to this process.
- Tyler: There is no money available due to cuts and sequestration. How can we be advocates when we don't have anything to sell. The day the first lease gets signed, we have something to argue for and show. The primary focus should be getting that first lease signed, so we can move ahead with how we build this. There has been a lot of progress, it takes a long time. Concerning FEMA, getting an answer out of them, there are people with no resolution from FEMA three years after Sandy. I know how difficult it is to get an answer but not having any answer is the worst case scenario. At least if we are told "no" we can look for an alternative solution. Also, I am sure there are a few issues with the lease negotiations that will set a precedent and will require a lot of buy in from folks up the chain. That is something we need to focus on.
- Mercantante: The idea of going and asking for money is not going to work, or it would have been here already. Maybe once we have projects underway, we shine a bright light on then and get media attention, so that we can have a product that will rope in the attention required for additional funding.
- Burry: We have to appeal to their sense of connection to their district, their constituents, their history. We have to ask now. We cannot wait.
- Mercantante: It is very hard to get Congress to allocate money
- Burry thinks we need to go to the State of NJ.
- Mercantante: Thinks EDA (Economic Development Association) money may be available but we are not eligible. It has to be requested through an individual applicant.
- Holenstein: Reminds the group that in the first meeting, then Superintendent Linda Canzanelli stated there was no money available and that we had to solve this problem in a creative way. The answer is to lease buildings. I have come to respect efforts and learned a great deal. I think the process that will yield greatest results is taking action on our behalf. When I hear from potential

Lessees that they are unwilling to proceed because they can't get an answer about flood insurance or CAM charges – let's solve our problems. Something as simple as getting a no answer from FEMA on the 50% rule, let's close the book on flood insurance. We have moved far on many of the things we are talking about but are not nearly as productive as we need to be. We have to remove these little things in our way and remove them as obstacles.

- Margot Walsh agrees with Holenstein. We do not have time to wait for a Lessee to move in and rehabilitate a house before we can move forward. Maybe it is time to admit that we are a little bit stuck. One thing congressional offices are very good at is problem solving, but they need to know about the problem and be asked to solve it. We need more help with all the issues we are struggling with and we need to go outside ourselves to look for some support. Our congressional representatives need to know about us.
- Smith: So there have been suggestions about going out to congressional representatives to resolve and close issues. Is that as a collective group or as individual constituents? What about timing? When is the moment to do that? Do we have a pathway forward?
- Hill thinks we need to strongly identify roadblocks Lessees are facing. We need to spell those out for our officials and let them know what is preventing us from getting a lease signed. We have a bunch of issues we still have to resolve such as CAM charges and utilities. We have to resolve those so we are not sitting here one year from now discussing these same issues.
- Nersesian: We are hoping to have a the results of a survey undertaken last year that will help us identify what sort of economic engine the tourist industry is expecting here at Sandy Hook, and then we can approach Federal, State, and local entities, and talk about development and how that can be used to support us.
- Margot Walsh: We are collective. We speak as a Committee and whoever we would approach, we would approach as a collective body.
- Smith: If you all have a consensus that you want to speak on behalf of the committee.
- Burry: We should not be reinventing the wheel. The County is very strong into economic development and tourism. We are in touch with the State and have gotten federal money for that. I think it is a question of introducing the right person to make things happen here. We should get to that quickly and not waste any more time.
- Krauss: Agrees with Burry, Margot Walsh, Holenstein. There isn't an action plan we could work on in terms of resolving FEMA. I think the government is working at cross purposes. The 50% rule is designed to prevent rebuilding. We are trying to rebuild for preservation. If FEMA says "no" once you meet, we need to contact representatives.
- Stevenson: If you go to Washington and tell them FEMA said no, Washington may waive the requirement.
- Holenstein: And that presents a problem in terms of a lease.
- Smith: So if you were trying to take a committee perspective, and you were trying to get FEMA to waive that 50% limitation, or trying…
- Tyler: So if as a Lessee, you get a waiver from the requirement to obtain flood insurance, that reduces your costs.
- McLay: A Lessee may want that protection, a financial institution may not lend to a Lessee who cannot obtain flood insurance, and we cannot get a waiver from the requirement of the law.
- Holenstein: You need flood insurance but a lot of them are going to be commercially loaned or independently funded. You may be able to use other assets as collateral for a loan. There are plenty of people up and down the coast who don't have flood insurance, and nothing prevents them from renovating their homes. By the same logic, if people want to rehabilitate these homes, they should be allowed to without having to obtain insurance.
- McLay: This presents another hurdle that has really reared its head since Sandy. FEMA has to give us an answer about the flood insurance issue.

- Smith: This sounds like an action item that we need to take on and get an answer to. We need to talk about the future role of the Committee.
- Welch: The Committee's role is to advise to SOI on future use of Fort Hancock. We have a series of short and long term problems we have to address. FEMA is short, property management is long. What about Buildings 23 and 24, is there something we can do to support those buildings? Maybe that is worth discussing and seeing if we can push NPS Northeast Regional Office to authorize a new roof on Building 24 so that it does not suffer the same fate as 23 has. Jen is working this – does she need our help? We should also focus on short term, quick wins. Things that will allow us to continue to move ahead. We learned that with Building 7, when we realized delaying a patch to the roof led to substantial underlying damage.
- Glaser: Would like to know what the committee can do? What steps are in front of the park that this committee could help knock out of the way. I am not clear on waivers and what we need to do.
- McLay: We do not have all the pieces to the puzzle and when we have the information we need to move ahead on one issue or another, we will let the committee know.
- Nersesian: Points out that it will not be helpful to have folks calling Washington to ask for a flood insurance waiver when we don't know if we can/not get one. If we have an issue with it, the Committee will be one of the first groups to know.
- Mercantante: You have the actual flood elevations for the first floor. The problem may go away on its own once FEMA sees that the first floors of the buildings are above the Base Flood Elevation.
- Nersesian: I think that given all the reasons we discussed before, we would want to obtain flood insurance.
- Stevenson: Perhaps we should ask a congressional aid to join the meeting with FEMA.
- Mercantante will talk to our FEMA contact (his contact first) about having a congressional representative join at the FEMA site visit.
- Michael Walsh: Thinks the committee should provide advice and not to micromanage the park. Flood insurance is there to protect the owner of the building and the investment in the building. I can decide if I want to protect my interest. The park has interest in protecting the investment someone makes in those buildings. But if you want to get someone in here quickly, don't insist on flood insurance as a requirement. If a flood destroys the building that is a risk the NPS should be willing to take if the Lessee is willing to take. With respect to the 50% rule, I am fairly certain that the improvements will exceed 50% of the value of the buildings. My recommendation is that NPS not require Lessees to obtain flood insurance and they can decide to take the risk, and rebuild, if they wish to.
- Nersesian: We should consider what happens if they have made the improvements and post completion a storm wipes it out.
- Tyler: Giving the tenant the option to assess that risk, and to leave flood insurance out of the cost structure, is how we should proceed. Insurance or not, if a storm comes through here, they are out of business for some time.
- Michael Walsh: Recommends that getting people in to make investments should be our priority.
- Wray: Is afraid we would lose a lot of investors if we did not require people to get flood insurance. We have to move forward with FEMA and resolve this issue.
- McLay: I don't think we knew that FEMA would take the position that proposed Lessees would not be able to get insurance.
- Michael Walsh: What if a Lessee asks NPS to address damage as a result of flood instead of looking to insurance?
- McLay: We cannot do that – it goes against the anti-deficiency statutes.

- Facilitator: It sounds like you all want flood insurance but it also sounds like you are advocating for folks to be able to assume a risk of proceeding without flood insurance, whether it is available or whether it is cost prohibitive.
- Michael Walsh: There is a cost component to availability – for example, if it costs $100K to get flood insurance that is not flood insurance availability.
- McLay: We are not asking Lessees to go to Lloyds of London. WE are asking them to get coverage through the NFIP, and we are asking NFIP to weigh in on this issue.
- Michael Walsh: So we should ask NPS to waive the flood insurance requirement if FEMA will not provide it.
- McLay: We have been asked to pay the cost of flood insurance for Lessees but we cannot do so as a result of anti-deficiency statutes. We are willing to offset the cost of flood insurance against rent.
- Tyler: Don't you want the flexibility of signing a lease if the Lessee is willing to take the risk of foregoing flood insurance?
- Smith: It sounds as though the group wants/prefers that any Lessee have flood insurance.
- Krauss: We need to find out what it costs to obtain flood insurance before we move further ahead with this discussion.
- Karolyn Wray is a willing participant for the FEMA meeting on the 26th. Mercantante plans on being there.
- Mercantante: We need to concentrate on the idea that we need to have flood insurance on these buildings. Think about the public policy considerations that will come up in connection with that.
- Holenstein: So we want to create a recommendation by consensus. We want to hear from NPS what happens with FEMA so we can make a recommendation at our next meeting.
- Nersesian: Going back to the Committee's recommendation about having elected officials know what is going on at FACA, perhaps the Committee could work on a briefing to present to the elected officials. Welch volunteers to put a draft together.
- Hill: Wants to know if there are other big lease issues that the Committee needs to work on.
- McLay reminds him that flood insurance, tax levy, DO#35B and lease term that were identified as issues in the earlier presentation are those that are problematic. We cannot speak to other issues. These issues are ones that came out during the course of negotiations.
- Smith has taken notes during the discussions:

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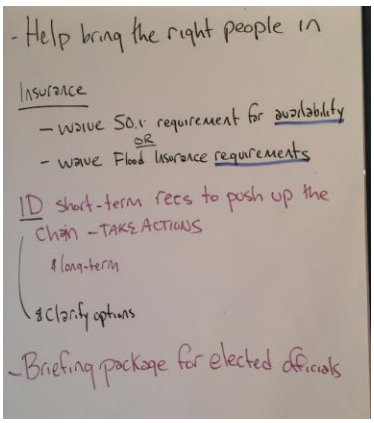

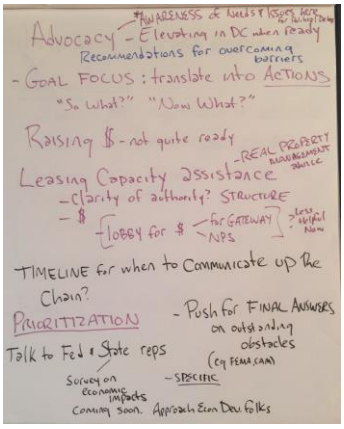

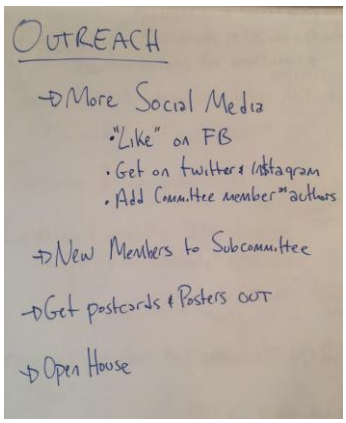

Closing Remarks

- Glaser: How well is our time at these meetings being used? I don't want these meetings to end in the middle and have to defer things for the next meeting. Should we consider two day meetings?
- Nersesian: Regarding buildings 23 and 24, it is not that these are not short term issues, but we are getting a positive response from various levels in the agency and do not need support from FACA on this.
- Michael Walsh: Work with BCC is great. It is not necessary to have two day meetings as Glaser suggested.
- Krauss: One day meetings are sufficient.
- McLay thanks Michal Wisniewksi and Mercantante for working with NPS in trying to resolve the FEMA issues.
- Tyler: The one day meeting format is sufficient. I liked that we got into the FEMA issue to discuss next steps. Perhaps at the next meeting we allow some free time at the end in case there is something we want to return to in terms of further discussion, time permitting.
- Mercantante: A one day meetings is sufficient. Maybe we could tighten things up.
- Stevenson: Agrees unless there is some big concern that requires a 2 day meeting.
- Holenstein: Thanks staff for work on the handbook. One day meeting format is fine. Using the lunch hour for discussion is productive. We can have a meeting that goes to 4 pm, our conversations are cut short.
- Hill: The one day meeting format is fine. Commends co-chairs for putting together agenda which drives our meetings. Negative though I may seem about the leases, I feel like we are making progress. Keep up the good work.
- Burry : We need to get answers from FEMA. This is critical but once that is resolved, we need to be advocates and we need not wait for the FEMA issue to be resolved. We should let people know what we are doing and what we hope to accomplish.
- Howard Parish: Appreciates the phone connection for the day.
- Glaser: I was not advocating a two day meeting. I want to talk about the individual contributions you all make based on everyone's experience. I urge everyone to bring up their own personal take on issues and work on understanding the incomprehensible. Thanks to all the NPS staff.
- Nersesian thanks staff members who have put a lot of time and effort into this and thanks the Committee members and even some people who have been volunteering in the background for their efforts, such as Stevenson's architect husband. Let's keep it to one day meetings. Both times we have discussed the future role of the Committee. It has been a rich and fruitful discussion, maybe we should keep it going.
- Welch: Every time we have a meeting, I learn something. I learned a lot from Holenstein on taxing authority. Thanks for entertaining both Mercantante and I as co-chairs. Thanks to Mercantante for throwing his hat in the ring. A few interpretive program announcements: On February 20, 2016, AGFA will be working at Battery Gunnison/New Peck. On 20-22 May 2016, over a three day period, AGFA will be part of Coastal Defense Days. On Friday 20 May AGFA will host a night Lantern Tour, on Saturday they will conduct a roughly 5 mile public historic hike through the defenses which will include a light Picnic , and on Sunday in connection with NJ Sea Grant's Ocean Fun Days on Sunday will conduct programming at Battery Gunnison/New Peck.

Adjourned 3:21.

ATTENDEES

Stacie Smith, Facilitator

Jennifer T. Nersesian, GATE Superintendent; Pam McLay, GATE Chief Business Services Division (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, Sandy Hook Unit Coordinator.

Gerry Glaser, Shawn Welch: FACA co-chairs;

FACA Committee attendees: Lillian Burry, Linda Cohen, John Ekdahl, Guy Hembling, James Krauss, Anthony Mercantante, Lynda Rose, Kate Stevenson, Jeff Tyler, Michael Walsh, Karolyn Wray.

Via conference call: Howard Parish, Stephanie Murray.