

Fort Hancock 21st Century Federal Advisory Committee
Meeting Summary #13
Brookdale Community College, Lincroft NJ
September 12, 2014

Gateway National Recreation Area (GATE) Superintendent and Designated Federal Officer Jennifer T. Nersesian called the meeting to order at 9:05 am. She stated that the park needs everyone's ideas to determine how to generate interest and success. Co-chair John Reynolds could not be here today, so the meeting was chaired exclusively by co-chair Gerard Glaser.

Summary from previous meeting

John Warren provided the link to the committee's web site (<http://forthancock21stcentury.org>) and provided a summary of the July 18 meeting. The summary had been approved by the committee via email. The committee endorsed a park proposal to increase committee membership, allowing up to 30 members total. This change would need to be approved as a charter revision by the Washington office. A presentation covered redevelopment efforts at Golden Gate Recreation Area concerning the Presidio. The main business of last meeting was discussion of the park's proposal for Phase 1 of Fort Hancock rehabilitation and renewal. The committee has been addressing options for rehab of over 30 buildings over the past year and a half. GATE proposed to move forward with three RFPs: one each for residential, Bed-and-Breakfast (B&B) and not for profit organizations for a total of six buildings. The B&B is the first category under development and the buildings are shown on the map boards throughout the room. The park and committee discussed communication efforts so that the public understands what we are proposing and what the park's intentions are (and are not). This pilot phase will begin help the park learn quickly what is needed for a larger effort. The meeting minutes have been posted on the web site, along with a Use Map detailing the overall areas of lease development.

Warren also mentioned a new information sheet detailing the basics of the Requests for Proposals (RFPs) which the park is preparing at this time for a fall release.

Park update

Nersesian identified several upcoming issues and meetings for the park:

- October 2 is a climate change workshop which is to be attended by a number of GATE community partners. The event is by invite only.
- October 8 is a public meeting to address the building of a new maintenance facility at Sandy Hook (SAHO). Hurricane Sandy severely damaged current and former maintenance facilities at Sandy Hook and the utilities have been lost. The park wants to relocate the maintenance facilities to a more resilient location; it is looking at area near current water treatment site or at "Tent City" area next to the MAST School. This meeting is a public scoping effort and the meeting will take place from 6-8 pm at the SAHO Chapel. If you cannot attend the meeting, the information will be publicly available.
- Construction on the final portion of the Multi-Use Path (MUP) trail is anticipated for the spring of 2015.

- Proposed US Coast Guard construction at Sandy Hook is controversial but we want to focus today's discussion on the RFP.

Committee expansion and the recent Call for Nominations

The recent Call for Nominations to the Committee for eight expiring terms and one vacant seat has seen a tremendous response. Also, the FACA Committee charter revision has been approved. We can add up to 10 members. We have not made any appointments for the vacancies we have now. We can fill the vacancies from the list received from the recent call. There were also folks who were interested in applying but who had learned of the opportunity after the deadline. Should we have another call for nominations to fill the new positions? If so, everyone who applied in the last call for nominations would need to resubmit. Or should we use the list we had obtained within the deadline period to fill all vacancies, old and new?

Linda Cohen said that we should determine what kind of applicant we want to fill the position. Maybe we want someone with good writing skills, maybe we want someone with a good science background.

Michael Holenstein said we need to address what areas of expertise the committee already fills and seek to improve or expand on that. This matter should be tackled by whoever at GATE was involved in the initial committee selection.

Nersesian noted that the final selection is by the Interior Secretary, not by the park. The park nominates others who must pass review by Washington.

Glaser noted that, when the committee was chartered, there was a designation of some areas of interest that should be filled. Are we bound by the designation of areas of interests in the charter? We should think about that. Nersesian replied that, yes, we are bound by the charter but now that we have additional slots, we can consider other applicants.

Margot Walsh suggested that we should continue to follow our guidelines and not make allowances for people who applied late by making others reapply. If we have adequate applicants, we need not reopen.

Shawn Welch wondered if the park should increase by counts of two or three until we get to 30 members. Welch named the areas from which we appointed people: Education, science, cultural, etc. Do we have the flexibility to approach in a tiered process? Nersesian replied that we have limited flexibility. We have the authority to reappoint the eight expired positions that we lost. We have the authority to reappoint those currently on the committee but if we do not add within the open period, we will have to reissue the Call for Nominations and announce it in the Federal Register. Welch asked if our options are to appoint everyone in one fell swoop or pull from the existing list within the allotted time? Answer: Yes. Bill Wilby said, if these applicants all share the same area of interest, you don't want to approve them all and have a lopsided committee. The list of initial areas should be considered.

Timothy Hill observed that seven current members of the committee have applied for renewal. That means we have six to reappoint and two to fill. Holenstein recommended that the park reappoint committee members who are interested and if you wish to add two additional applicants from the current roster, we can add more as time goes on. It has gotten to be somewhat unfair to those who are waiting to be reappointed. Those people should be reappointed and we should move on.

Nersesian clarified: For those who are subject to reappointment, you are a full member and have the same rights to participate in the process as you did before until a replacement is chosen. Even though your term has expired, you remain a full member until you are replaced.

Welch said, at the end of the day, this is a discussion of real property, historic real property management, restoration and use of such buildings, which are different from the sale and purchase of “non-historic” property. Considering that point, maybe we need to consider potential members with direct skills in those disciplines.

Mary Eileen Fouratt suggested that, when the park reappoints the current members who want to continue and the two vacant spots, it should bring on two new people at that time. It gives four new people the opportunity to participate but does not preclude us from adding more later.

Nersesian observed that, regarding the two resignations, Middletown Township is a key player. (SAHO is in Middletown Township). We need to work with them to address assessments on buildings as they are the governing municipality. They would like to appoint both their mayor and township administrator to the committee. Their mayor gets appointed every year and this has caused some derailing but the administrator stays on for a longer, more consistent term. Middletown is critical to our development (and is, in fact, a requirement under the current charter). The appointment of the mayor and administrator to the committee would fill two of those spaces.

Hill said that we look forward to working with Middletown but, if the mayor changes, we need to know how to handle that so we are not faced with an empty spot a few months after the appointment. Holenstein wanted to know why the mayor and the administrator cannot work effectively to fill “one spot.” Linda Cohen recommended Gerry Scharfenberger, a former mayor of Middletown for the committee if he is an applicant in the current pool. Nersesian reassured members that the park has a pretty clear sense of where the committee is at and will wrap this up in a manner that considers the comments of the committee. She thanked the committee for helping us in this decision.

Discussion of Requests for Proposals (RFPs) in Progress

GATE Business Manager Pam McLay gave a PowerPoint presentation regarding work in progress on the RFPs and their paths to approval by the National Park Service before they are open to potential leaseholders.

- A tear sheet with the outline of the RFPs has been distributed. Many thanks go out to John Warren for his tremendous work on the Tear sheet.
- Business Management Division has been working really hard on three RFPs on a total of six buildings: two for B&B, two for residential/office and two for not-for profits.
- The first RFP being drafted is for B&B, focusing on Buildings 6 and 27. (Additionally, NPS is working rehabilitation of building 7 so the total number of buildings included in the Pilot Phase is 7.)
- We have distributed the first of the RFPs for Regional office review, along with a draft lease. Once the documents go through Northeast Regional Office (NERO) review, it will go to Washington Area Support Office (WASO) for review and approval. Thereafter, solicitors take over. There are layer of approvals that must be undertaken.
- GATE has made a lot of progress since the last FACA meeting and the draft RFP will serve as a useful template for the rest of the RFPs.

- Once we get approvals, we will move forward with at least the minimum 60 day solicitation as required by law, if not longer. We are required to advertise the RFP in two publications and Fed Biz Ops (again, at minimum by law).
- Once we release an RFP, we will have opportunities for site visits and Q&A. Thereafter, the NPS evaluates proposals, which takes place at the regional level, not the park level. The final lease negotiated with the selected applicant/proposed lessee gets reviewed by Region, WASO and the Solicitor's Office.
- Guy Hembling asked how long does it take to get approvals? Can it linger for five years? McLay assured the committee that the NPS is looking for this project to move forward and the FACA committee gives it heavier weight for consideration by NPS. Additionally, the Solicitor will issue a sufficiency determination. The review points rest with NERO and WASO. Hembling thought we could be optimistic for Thanksgiving approvals. Welch thought we could have a lease out for signature by spring.
- RFP evaluation requirements are: compatible use; financial capabilities to meet lease obligations; experience necessary to carry out requirements; proposed use must be environmentally appropriate; must be compatible with historic fabric; rent must be at least equal to fair market value (FMVR).
- NPS will determine the best proposal. The Regional Leasing Coordinator takes the lead in selecting the evaluation panel. Proposals must be deemed responsive (timely and meets criteria of proposal).
- The evaluation panel produces a summary document of all proposals that come in and makes a recommendation to the Director of the NPS, who is the decider.
- Panel is selected by Regional Leasing Officer. All panel members must be federal employees. Park employees are not allowed to be panel members. Park employees can be non-voting technical advisors; the panels determine who they need as technical advisors in order to produce credible technical support for the panel to make a decision.
- The role of the panel is to make sure that proposals are responsive, to review the responsive proposals, to issue a summary and to make a recommendation.
- A technical advisor is not a voting member and may or may not see an entire proposal. Technical advisors do not observe the whole process.
- Lillian Burry asked where the FACA Committee fits in on the selection of the RFP. McLay replied that the park does not have a say on the selection. It only has a say on the criteria by which the selection is made. The park can pass on the committee's viewpoint on how the independent panel should evaluate the applications.
- Nersesian reminded the committee that the RFP process is legally prescribed. There is little room to deviate from the requirements. The Committee is most useful in addressing the value of the criteria to ensure the panel is giving due weight to what is critical.
- McLay continued: this is a confidential process. All participants must sign confidentiality agreements.
- Steps for evaluation process: Chair is appointed and the panel will have a minimum of two members and potentially some technical advisors. The number of panel members is determined based on the number of the proposals received. Technical advisors are called in as necessary and are not always part of the process from the beginning.
- The scoring is done as a group. It is done as an evaluation panel process and the final recommendations are made by way of a summary document. Those documents are retained but are **not** available to the park or to the public.
- Because this is going to result in a long term lease, the selection official is the NPS Director.

- Leases are negotiated through the Solicitor’s office.
- After negotiations and review by the Solicitor, the lease is “awarded” when the Lease is executed between NPS and successful applicant

The committee had several questions regarding McLay’s presentation.

- Holenstein asked several questions concerning the calculation of Fair Market Value. Q: What is Fair Market Rent? A: Offeror is going to determine what they are willing to offer in terms of Fair Market Value Rent (FMVR) and NPS must determine whether it meets requirement of the law. Q: FMVR is a number and the idea of the expectations and how that number is determined is going to be function of what the applicant proposes to do with the property? A: That’s right. Q: So there is an assumption in the market that the return on the investment will require the applicant to come up with the numbers on what it takes to undertake this project? A: Only the applicant can tell us what the FMVR they are willing to offer is. It is unique to each offeror and the selection is made based on whether the applicant’s proposal meets the requirements. The law does prescribe the minimum criteria but as far as the weighted average, we can have a discussion here about what we think is acceptable. We have not assigned any percentages and would like the committee to weigh in on the percentages and scoring.
- Walsh: If the panel is in discussion and it is not clear that proposer has financial capability, can the panel come back to them with questions? A: Yes, the panel is free to reach out for additional information but the panel is NOT REQUIRED to do so.
- John Ekdahl: So after the initial buildings are awarded, what is the role of committee in determining what happens to the remaining buildings? Nersesian: We still need this committee. We have a lot of work to do. Using what we are seeing from the Lessee’s selected as part of Phase 1, we will need the committee to help us, to be engaged in the subsequent actions resulting as award of the leases, determining what we need thereafter, and to inform the process thereafter.
- Howard Parish: Once the lease is signed, will there be provisions for default? A: Yes.
- Wilby: Is the term of the lease negotiable? A: Yes – but not beyond the legal max of 60 years though we recognize the need to make the opportunity attractive and feasible.
- Wilby: What about financial capability? A: We are going to look for cash in hand, credit history, and letters of intent. We will look for their ability to get financing immediately upon selection. We can talk about this later but the minimum financial requirements describe broadly the financial capability to carry out the objectives of the proposal. We can talk about the percentage of equity the proposed/selected Lessee can offer. Wilby says it critical to include a percentage of equity requirements but recognizes that GATE does not have a very strong bargaining position. It is critical that successful applicants have the ability to get debt financing.
- Lynda Rose: Is this going out to foreign parties? A: Federal solicitations do not limit response from public (i.e. a foreign party is free to respond). *Action item: Check on ability to limit solicitations to within US.*
- Holenstein: If the mortgagor is subordinate to the Government, there is no issue in whether there is equity. It may not be obvious to the public that this type of project results is 100% equity to NPS, because NPS will not allow subordination of the lease (but nothing prohibits collateralization of the lease). Does collateralization of the lease make a difference to NPS in their decision? A: No, we don’t believe so.
- Welch: Is this a procurement action? A: This is not a FAR procurement action – it is a process undertaken pursuant to 36 CFR 18. The requirement of the RFP is for the applicant to

demonstrate they can meet the requirements of the proposal including financial capability. The ability to collateralize the lease is the applicant's determination.

- Welch and Hembling: Does NPS have a role in the maintenance? If so, we can require a maintenance bond. A: The Lessees will have an obligation to maintain and repair. Costs will be allocated to facility occupants but those are different from CAM/district fee charges.
- Taxes: GATE is working with WASO facility folks in trying to establish figures for the RFP. Relative to real estate taxes, it is up to the Lessee to determine whether there are taxes applicable from the local municipality. We have not had this conversation with Middletown but they are willing to participate. Welch: But when you say common area costs, you mean things that are usually paid to a township like road maintenance, trash, etc... but when you talk about maintenance, you are talking about things that are specific to the structures/utilities. Holenstein: The tax aspect is a fractional amount of the tax rate applied to the district (includes fire/ems/police). The cost of municipal services is reasonable basis for discussion.
- Glaser: This is a highly prescribed process and at some point even GATE will have limited input into the process and so we are here to determine what the important things to look at are. Once the criteria are assigned, the evaluation panel is off and running. Our ability to ask the park to assign a specific weight may be going too far but it would be useful to determine what we think is important to the committee based on committee members' involvement in FACA and expertise in their field.
- Holenstein: Re Wilby's comment on issue of collateralizing private funding – Holenstein understands that the lending entity would expect that they would be collateralizing the funding over the period of the lease, but if a Lessee defaults, the lender must understand that in the event of default, the lender cannot take the property and will have to find a Lessee that can stand in for the defaulter based on the terms set forth by the NPS. A: Correct, but nothing prevents us from working with another entity as a stand in. If there is someone willing to take it on it can be assigned subject to NPS approval. The short answer is: the lease can be collateralized.
- Q&As for the public: One we put out the RFP, there is an opportunity for site visits and a Question and Answer period. We will take all questions (Qs) and put them out to the public with answers. We try to be informative in the RFP but we cannot anticipate every Q. We take follow up Qs and release to them the public.
- Dan Saunders: what happens when the lessee goes into default? Is there is a public process that allows the public to know what is going on? A: No. Default is a legal process and notice is required pursuant to the terms of the lease. Once a property reverts back to the park, it can again be subject to the public process.
- Nersesian: How do we capture the level of investment a potential lessee is willing to put into a project? Are we identifying the specific level of rehabilitation we are requiring? There are levels of historic rehabilitation that are required. Have we identified them? A: Yes. We have requested (or will request) submission of plans, specs, cost and timing of the proposed rehab. This requires estimates and a description of how proposed lessee plans to rehabilitate and a demonstration that they have the funds in hand. Experience can be measured in more than one manner, for example: Experience in accomplishing rehabilitation efforts and/or experience running a B&B. It is worth having a conversation about opportunities for conveying a lease hold interest from a federal entity.
- Holenstein: Regarding experience vs. ability, if someone does not have personal experience rehabilitating historic buildings it is still possible that an applicant has the required ability to undertake a project if that person has a team or their proposal the demonstrates the

satisfaction of this requirement. They are not mutually exclusive. It does not have to be the applicant's direct experience. The applicant just has to demonstrate the ability to do so by whatever they are amassing in response.

- Welch: How do you scale the applicant's ability? How do you reduce the criteria to quantifiable numbers? A: The criteria are the manner by which we select an applicant, it is not strictly numbers that determine whether an applicant is viable. We have not structured the value of the criteria yet.
- Glazer: In the third bullet, the criterion is one about managerial experience which is a critical component. How would we parse out the elements of the experience criteria, such as the ability to address historic components, etc.? A: Experience running a B&B and that who is putting in a proposal at least understands risks of running a B&B and also the experience undertaking historic rehabilitation . This experience can be demonstrated by an individual, the number of years' experience, his own abilities and experience, or his ability to pull together a team skilled enough to address the historic rehabilitation components.
- Glaser: When the RFP hits the street, there will be a lot of Qs about experience. A: Yes, but think about our legal requirements as a framework. This is written in a broad sense, and each proposal is unique to the proposed use. The regulations tell you what you have to measure; they don't tell you how to measure them.
- Glaser: What about sensitivity to environmental and cultural components of what is going on in the entire peninsula of Sandy Hook? Those were heavily considered by the committee. We should go around the table and find out what everyone on the committee thinks about how each component ranks against others. A: That is what we were hoping to discuss, to decide which components are more important. We are looking for good proposals, good operators, for people to come in and rehab the buildings – that is the primary objective. That is why to the Business Management Division, for example, the rent is one of the minimal components. The rehabilitation and reuse of the buildings is the most important element.
- Holenstein: What can people expect in the event they are unsuccessful bidders? Will all applicants receive a response? Will people be able to say they were treated fairly? If we get sued, can we identify why we chose one applicant over another? A: The summary document prepared identifies why one applicant was selected over another. There is typically an end letter to each applicant letting them know where in the range they fell. It is really important to have good evaluation criteria and questions. The subsequent letters advising applicants whether they are successful is a function of the Regional office. It is our job to ensure that there are qualifications to be met.

Criteria for Evaluation of RFPs

McLay pointed out six required criteria for evaluation of RFP proposals. The park may add criteria, but not delete the six required areas. The park can also suggest that some elements be weighted as more important than others. McLay used the example of rent and said that she, personally, put rent as the least important of the six categories. She and Nersesian asked committee members to discuss their ideas about how to evaluate such proposals, which they would pass on to the panel once it was formed. The committee members answered by going around the tables.

- Burry: All the considerations are equally important and that we must all feel comfortable with the criteria decided upon. Is there a rating system? A: Yes, that is what we are here to decide.

- Parish: More concerned about a long, drawn out government process than how to weight the criteria. He is worried that the time between release of the RFP and shovels in the ground.
- Wilby: Environmental enhancing of historic qualities should be the priority. He is glad to hear the rehabilitation as taking priority over rent is considered more important as an example. This is very heartening as he thinks there will have to be a “rent free” period until processes get started. Also, there is a monetary value to time and to “optionality” and we should be conscious of that as the NPS goes through evaluation of RFPs. There is something about the map and RFP that bothers him, because every time you reduce optionality of a developer, you reduce interest. Optionality is of monetary value and he appreciates Richard King’s letter asking that we open more buildings to consideration.
- Ehkdal thinks the B&B opportunity is more important than private residences. Thinks the vision of how we see this moving forward is important and he thinks financial components belong at the bottom.
- Fouratt puts all categories except rent (5%) at 19%.
- Hill: Looks at others as informal disqualifiers. All are important as disqualifiers except financial.
- Holenstein is satisfied that criteria are good to follow. He does not ascribe weight to one over another. He thinks it is most important to keep the procedure simple as possible and come to a simple objective rationale for conclusion. It is important to clarify to the public whether the determination is objective, subjective, or combination of both. It is important to identify any area that is going to be selected based on a subjective evaluation.
- Nersesian clarified at this point that the panel makes a recommendation to the Director. The panel is not the final “selector.”
- Holenstein is having a problem with the FMVR discussion and does not understand how NPS can rate rent low on the scale but require FMRV. So ultimately, the decision is based on the rate of return. No one disagrees. In the RFP it will be very clear which elements of a proposal are most important to the NPS. He is worried that we are using FMVR, which is a very specific term, but not identifying that figure. It is “wishy washy.”
- Wilby responded: There are not comparables to the buildings at Fort Hancock, which makes it a tricky situation. Holenstein and Wilby discussed rent based on restrictions on use, less cost of investment. Holenstein noted that B&Bs at a shorefront location do exist elsewhere, so it is not difficult to come up with comps. Wilby disagrees: There are tremendous risks for a bidder in this project. Holenstein concluded by saying the park should keep it simple and weight each category equally.
- Glaser: Some of the criteria are more objective while others are subjective. Therefore, some of the criteria are “eliminating” criteria. GATE clarified that all the basic elements must be addressed in the proposal. If an applicant cannot demonstrate they can meet the basic requirements of each criterion, the proposal will be deemed non responsive. Glaser said that it is very difficult to rank one of the criteria more important the other. He believes that revenue to the park is the least important criterion. No one disagrees. Environmental sensitivity and historic preservation issues and however those are articulated are very important. Not sure how to assign value to that.
- Saunders: Historic component is most important. If these buildings were not historic there would not be a FACA committee here talking about this. The application of the [Secretary’s] standards is important. Consideration for use and how it impacts the buildings is important and may be more of an issue in some areas (education) than others B&B. Some of the criteria that are important are those that identify how the community will benefit as a whole. Also, it is very important that bidders understand the historic value of the park. Nersesian asks: how would you

define “community” as objective as possible so that selection panel can evaluate it? A: Diversity of activities but also some commonality – need to identify some things that benefit all users.

- Rose: Diversity is important but that is something NPS should identify not the applicant. The biggest thing we need to consider is sustainability of a business plan to ensure there is funding to sustain the project over the long term, not just through the initial stages. Financial, sustainability, and diversity of the community are the order of importance to Rose.
- Cohen: We have to be sensitive to the fact that we have unique properties and that there is great risk in coming in here.
- Welch: Does procedure impede progress, as Parish feared? No, ambiguity and lack of data are what impede process. We need to determine the criteria (or rather scoring components) that are objective and easily measured. We need to talk about the NPS objective. Restore, maintain, resources to maintain, compatible use: those are some of the key criteria that matter. From there you can develop the scoring components. If those are not easy to understand for both the responder and the NPS evaluation team, procedure will impede progress. Also, NPS is asking for advice on a procedure that is inherently governmental. Welch would have liked to have seen the tear sheet in days prior. He needs thinking time to address the valuation. He does not see where the NPS objectives are clearly written down with relation to the solicitation. Does anyone else have trouble seeing the objective? Welch wants to talk about strategic objectives and they should shape the solicitation evaluation criteria.
- Nersesian: If you need time to digest this, please review and get back to us within the next week. We cannot put this on hold until the next FACA meeting. We need to put together the RFP so that it is in the review cue for NERO.
- Welch is thinking about building a spreadsheet of the components—to have seen an example ahead of or during the meeting would have been useful.
- McLay: We can share the legal requirements and that what is up on the slide screen is what we need input on from the Committee. Nersesian concurred: What is most important, less important, not important, what is missing, what recommendations the committee has in terms of weighting same. We are asking for input on the criteria on the board.
- Walsh: Financial capability and willingness to carry out elements of the proposal are objective criteria. Environmental appropriateness and compatible use can be very subjective (maybe less so for the panel). Rent does matter. The park needs to look like they are business agents and require financial accountability. Rent matters. We do not want to see NPS coming out of this in the red. Revenue stream is very important and not less so in this matter.
- Wray: Historical and financial are the most important considerations. The ability of an applicant to accomplish this is most important. Environmentally enhancing is next on the list and can be used to attract additional development or use later. Rent and experience should have a bit less of value.
- Hembling: Park needs to establish a dollar value to restore (rehab) buildings and put it into the RFP and let insurance companies provide bid bonds for applicants. Let the bonding companies vet the applicants and that will ensure applicants are viable. Also, it should be clear in the RFP that prevailing wage is not required for anyone who is not using public funds. (Park Management disagrees quietly among themselves). Also village concept should be focused on. Whoever has the wherewithal to contribute to the community should be given a chance, if that means getting a 7-11, that means getting a 7-11. Most importantly, we’ve been tasked with preserving the buildings. We should figure out how to get Middletown to manage the construction inspections so the regular building codes are in play. Use the standards that already exist. Let the towns each take a piece of the cost for managing those inspections.

- Glaser “channeled” the absent John Reynolds. The issue of building a sense of community and a new sense of life out there is important and he does not know how that is reflected in the criteria. GATE: It can be addressed under use or compatibility.
- Glaser asked: Will the criteria be the same in each of the RFPs? GATE: Not necessarily. They will all have the same framework but the objectives of each one will be different based on the proposed use. Glaser: Is there a way a bidder can get extra credit/bonus points for proposing something outside the criteria? GATE: What we have are the minimum criteria and the FACA can add more. Nersesian clarified: If they come up with something that we did not account for, it can’t be separately weighted and tip scales in favor of the bidder. Glaser replied that he understands there is a social return to the park in being able to restore the buildings and that is important, even if it is not easily measured. Park staff noted that it is also important to include the CAM (common area maintenance) charges separately and to let Lessees know that the efforts they are making to rehabilitate the buildings are offsetting rent. We would rather allocate our rent towards the cost of rehabilitation. We are not saying we are foregoing rent. We will be asking what the offeror proposes as rent taking into consideration the value of the improvements. Proposals must demonstrate how an applicant came up with the FMVR. We are required by law to obtain FMVR.
- Wilby: Criteria which draw on NPS resources should be included (inspections, park management, all that time should be recouped as a cost).
- Holenstein: Intangibles are not part of FMVR so “feel goods” do not count towards the value.
- Cohen: "Seastreak ferry services are a huge addendum to our offering. Many of us had not been aware of the extensive ferry service throughout the summer as well as shuttle bus service which shows that Fort Hancock is not an isolated location." Nersesian agreed, noting that the ferry shows that SAHO is unique, amazing and viable.

The committee broke for lunch at 12 noon and resumed at 1 pm.

Public Comment Period

Speaker 1: Denise Hannigan

She asked two questions:

1. Regarding rehabilitation costs: Will we put out true cost of rehabilitation so that proposed Lessee can know the real costs of rehabilitation and maintenance? Each building is unique and requires a different level of rehabilitation. It is not fair to the Lesseesto leave out an estimated true cost per building. How can they proceed without knowing actual costs?

2. Flexibility of the lease: Can leaseholders sub-lease, can they change the use of the facility? What if there is an unanticipated need that later develops? Is there flexibility built in? How do we have flexibility to adjust the lease for considerations in the summer and winter—there are different situations and may change the way the lease is executed throughout the year.

Glaser responded that the committee will address questions in a general way at the conclusion of the public comment period.

Speaker 2: Carole Balmer

She expressed concern over the appointment process, especially about the possibility of having representatives from Middletown. GATE responded: Yes, we have two open slots but we have the ability to fill more.

Q: If those two spots can be combined with one as an alternate?

1. Seconds nomination of William Kastning.

2. How does FEMA fall into this whole process? What happens if we get flooded out again?
3. Scorecard. The top concern should be environmental, rising sea levels and climate change. Especially concerning Sandy and all the damage sustained at the park. There should be a cumulative impact study and an EIS on each use.
4. Why is there no non-profit listed? (There is – on the map. This was addressed in the discussion.)
5. Security. What sort of scrutiny are we applying in terms of security and background? Will we have background checks?
6. What about wastewater treatment plant? What impact will the new users have on Wastewater treatment?

Speaker 3: James Krauss

Some comments on Criteria. Thanks everyone for how well this committee has progressed even though he wishes we were further ahead. It is impressive that we reached this point. Rent should be at the bottom of the list and the two most important are financial capacity and historic considerations. He is the Atlantic Highlands environmental commissioner. There are three environmental projects that have dragged out for years in AH. That cannot happen in FOHA. Financial commitment should be bullet proof. Applicants should be putting up a performance bond or letter of credit. Equity is required. He has 41 years experience as an accountant and points out the world of difference between someone who comes to the table with \$1M dollars vs. \$100K with loans. Also, there should be deadlines imposed in the leases. He has lived in three 100 year old houses and understands that fixing one thing often results in discovery of other projects. Any news on Verizon tower? It would provide service to other residents in Atlantic Highlands.

Speaker 4: Betsy Barrett

Preservation seems to be the overarching theme of the day. She has provided three letters to the committee regarding the coast guard issue. Everything NPS is doing is being undermined by what the USCG is doing at SAHO. Don't allow expediency to rule over preservation. We should not allow USCG to dictate what happens at SAHO. We should not allow others to follow in the steps of USCG. She understands that USCG has now submitted an alternate proposal.

Speaker 5: Richard C. King

This process is disturbing in that Committee never appears to have seen a letter from the USCG addressing what has been going on. They made it available on line so are technically in compliance with the rules. The USCG wants to tear down a number of historic buildings and put up a new building that bears no resemblance to anything in the historic district in clear violation of Standard 9 of the DOI standards for restoration and preservation. The USCG had put up a new building in 1992 that does look similar to the buildings in the proving ground, meeting the intent of Standard 9. It is concerning to him that the committee was never aware of this during the whole FACA process.

Other topic: Dr. Scharfenberger is the best possible candidate for the Committee (from Middletown). He may be the next Mayor. He's been mayor a few times before. He is a historic archeologist, the President of the County Landmarks Committee, and would be the best choice. USCG claims they are not in the historic district but the entire hook is a historic district. Park should correct sign and move it to the beginning of the district which is at the Bridge. USCG should follow the rules.

Committee gives Richard King an additional five minutes to speak

He addresses the other buildings that are being ignored at FOHA. Why aren't the officers club and the mule barn made part of the RFP? Those are going to be premium dining/event spaces. It would make

more sense to throw the mule barn out there and let an organization use the Officer's Club as an event venue and let all the B&Bs support that use. Additionally, if do you a one by one rehab, it will take forever and might not get done. Instead, if you do a Real Estate Investment Trust (REIT), you can have a developer do it to highest standards and the project will be eligible for tax credits. You should have a developer do it all at once. One more thing, the Landmark is the entire peninsula, including the USCG and NPS holdings. The park should move the sign to recognize that and should correct the bottom line on the RFP Tear Sheet which identifies the Landmark District incorrectly. The entire Hook is the Fort Hancock landmark district.

Glaser said that, before concluding the public comment period, let us circle back and see what the committee can answer. We were asked to comment on the cost estimates, lease flexibility, and FEMA input related to flood insurance.

McLay answered: Applicants must include their own condition assessment and their own proposal as to what it will take for the Lessee to do the work. The park is not taking the responsibility of identifying the costs. Welch asked if potential Lessees can inspect the buildings to mAKE cost assessments; McLay said yes. According to Welch, this provides the required opportunity to assess the buildings and develop a cost estimate to build a viable proposal. Relative to flood insurance, there will be a requirement in the lease. The applicant will have to address it in the proposal and let us know whether they cannot get flood insurance and what sort of conditions might instead make it feasible.

Glaser asked about the adequacy of infrastructure. He is confident the park is aware of infrastructure issues and will do what it takes to accommodate the anticipated growth in terms of infrastructure demands.

Warren pointed out that map can be found on the FACA site and goes through the areas designated for use by color.

Hill asked if the charter allows the committee to have alternate members. Nersesian replied no, but we will have more slots to fill than just those two slots.

Public comment period closed at 1:45 pm.

Communication Strategy

Daphne Yun of GATE and Karolyn Wray presented communication strategy as discussed by the communications working group. They also facilitated a discussion on certain points.

What is the committee members' role in outreach?

- Social Media: The committee's Facebook page only has 192 likes. Get the word out. Also, each of the FACA members needs to submit a photo and bio. Go on to the FACA Facebook page and repost to your page. Encourage others to "like" us. Get as many users as possible; just look for the Fort Hancock 21st Century Federal Advisory Committee's page.
- Editorials: Park employees must have editorials cleared through the Washington office. Committee members, on the other hand, can write editorials and the park is very willing to help.
- Town meetings: Another way to help is by going to town meetings and talking about the RFP and Fort Hancock in general. Nersesian is asked if she wants members going to town meetings.

Nersesian and SAHO Unit Coordinator Pete McCarthy have already gone to a number of town meetings and given presentations. Glaser offered his participation and noted that other members of the committee might be happy to appear with the NPS. It was decided that committee members should attend along with NPS employees. A schedule will be worked out later.

- TV: Burry noted that Monmouth County has segments on Brookdale TV and she thinks she can get FOHA on TV. Nersesian asks if that is live interview or if it is a video? Both. Ekdahl does a monthly broadcast and he is willing to use the next one to focus on SAHO/FOHA and FACA. Ekdahl says the interviews are unscripted.

Holenstein made a point of order that the charter limits co-chairs only to be active spokespeople for the committee. He asked if the committee needed to change the charter to allow other people to speak on the committee's behalf. Does a chair really need to be there if a member of NPS is present? Talking points and frequently asked questions are in draft for the committee by Daphne and Karolyn.

Glaser asked, can individuals go out and represent the consensus reached by the Committee? There must be a way we can accommodate this issue so that those who are closely associated with any particular community can speak about it as a representative. Holenstein observed that there is a structured reason for limiting spokespersons and that is so that the committee is not misrepresented. Though talking points are a good idea, if members are out in the community, they need to be able to bring people to meetings who can answer the questions. The FACA committee makes recommendations to the NPS. It is the NPS which takes action. Let's be realistic about what we can do, that is talk about it, but not represent the committee. We don't need to speak on behalf of the committee.

Walsh pointed out that, if you went somewhere with Nersesian, you would be introduced as a member of the committee. Fouratt countered that, in that case, you are with a professional who is authorized to speak. Walsh mentioned that we have no control over what the press will portray.

Yun said that if people are not comfortable appearing at meetings and answering questions, committee members should say that the next meeting is at such and such a time. Please bring your questions. McLay recommended using the newly printed tear sheets as a tool for answers to questions. If the tear sheet does not answer the questions, the committee member refrains from answering questions. There is a web site that can provide more information. The park will prepare a list of ongoing questions. We believe the committee is prepared to go out and answer Qs about the RFP.

Hill asked if there should we have an open house to talk about the RFPs. Rose asked, which forums are appropriate for them to speak to? Nersesian said she understood what they are asking and we at the NPS are happy to be the primary spokesperson at any venue but cannot stress enough how important it is to have a committee member along. It shows solidarity and support and shows that the government is not doing this in a vacuum.

Yun resumed her presentation. In addition to meetings, editorials, social media, the outreach committee is developing posters (displayed at the meeting). The basic idea is to talk about honoring the past and investing in the future. Which one did members like best? Also, we can recommend changes to the posters. McLay asks the posters include the website as well as a QR code that can be scanned.

Yun noted that nothing prevents use of all of the posters. Committee shouts out comments on posters. They decide to give the graphic artists feedback. Overall, everyone loves the images.

Welch noted that terminology is important. The whole peninsula is Fort Hancock. We need to let people know that when we talk about rehabilitation of buildings, we are talking about a subset of Fort Hancock, not the whole Peninsula.

The posters are not tied to the Centennial. The old Bison, who is now the new Bison, is depicted on the poster. Yun agreed to email different iterations of the posters to members.

Review, conclusion and final thoughts

Glaser recapped what was addressed. At each meeting, we have accomplished so much. He is very impressed and pleased. He thought the comments were well thought out. Congratulations to park staff on getting the tear sheets out. There are plenty to take so please distribute.

Closing comments were taken by going around the table.

- Burry: There were so many very profound topics. She agreed that the financial capability coupled with the historic component is most important. It is a monumental project. If you have to ask the price, you cannot afford it. The master developer concept raised at the comment period was interesting though she does not disagree with the concept, would it not exclude individual applicants? (This topic was discussed and resolved at previous FACA meetings).
- Parish: Our job right now is dissemination of the RFP as far and wide as we can in this country.
- Wilby asked, can't the park make the cost worksheet available to bidders? A: Yes – it is available on the website. (Actually it was taken down last month.) But bidders should be strongly cautioned not to rely on that data. They should come up with their own and will have the opportunity to cost it themselves.
- Wilby also announced his resignation. He thanked the committee and said it was a pleasure to serve. He also thanked the NPS for the opportunity to serve on this committee. (He is a Florida resident). But one of the things we have not discussed is how to make this attractive to bidders from a financial perspective. We have done some great analysis but this is a sales job to investors. The same as when a company wants to sell its stocks or bonds to the public. We are engaged in an investment project. That is why time and “optionality” are important and every time we delay or take too long to make a decision, we take money out of a pool that would otherwise accrue to the NPS. He does not want to make any optionality with respect to historic preservation or environmental considerations but other things such as the number of buildings offered should have optionality. Larger bites, a bigger development opportunity will be more successful than piecemeal efforts.
- Ekdahl: For the next meeting, he asked NPS to come back with a couple of proposed scenarios as to how they are going to score and maybe they can make a decision at the next meeting to discuss what the criteria are going to be. Nersesian responds: Actual scoring and actual criteria are confidential and cannot be released to or undertaken with the committee. Criteria will not be made available until they come out as part of the RFP. Ekdahl said, he would like to see a compilation of the final list of weighting criteria. Perhaps the committee can adjust them.
- Glaser: Can members have the criteria to which weighting needs to be ascribed fairly soon? Could the park highlight the segment about evaluation criteria? That way the committee could focus on what was said and get a return back quickly.
- Hill is going to send us his evaluation breakdown (based on 100 point scale and addressed as a percentage).

- Holenstein acknowledged and thanked the NPS for the work they do: excellent progress and professional work.
- Nersesian thanked Bill Wilby for all his service and work on the committee. His discussion and thinking have been invaluable. We would love to still be able to tap into that knowledge and expertise to some capacity.
- Glaser: Committee has authority to appoint non-committee members to work groups. Perhaps we can get Bill Wilby to work for the Committee in this capacity. He also noted that Wilby began this work long before the FACA group was put together. A small group of people began thinking of Sandy Hook and future development. A lot of things we are seeing develop were germinating back then.
- Saunders is delighted to see this process moving along. The NPS is picking up and running along with it. He spoke about optionality to figure out how to work on some of the time questions.
- Rose cautioned the group to keep it simple for the public. They cannot weed through the level of detail we have been discussing. We have to make it easy and remove as many obstacles as possible. Why do we have to let foreign investors in? Can we ask them to keep profits in this country? People are not buying into this because they care about history, they are interested because there is an opportunity for profit or they want a house by the beach.
- Welch is constantly amazed by output in light of the small size of GATE staff. We want to bring closure to the criteria, which should be forwarded to the committee so they can respond.
- Hill responded that he is willing to share his recommendation format with the committee so that they can all address it in a consistent format. NPS wants to know what the committee thinks of the weighting of the criteria. Welch thanked Wilby and stated he will be missed.
- Welch said, let's get a schedule of what is anticipated for team meetings. Perhaps someone should put out a schedule of proposed meetings so that FACA members can sign up for meetings. Nersesian replied that the park has a list of local town meetings for the next few months. Once we figure out which park staff can attend, we can get the FACA folks on board.
- Wray: We have come a long way. It is really outreach time. She likes the idea of a committee calendar. We've got to keep getting the word out.
- McLay: One of the most important things for momentum is exposure. Not only do we need to make this an easy process, we need to get the word out. Any exposure is great. Please take tear sheets and start with that as talking points. Also, Judy Bassett and Mike Wisniewski are introduced as new GATE Business Management Division staff members. GATE is getting staffed up and ready to take up leasing efforts. Finally, she is confident that the RFP will get approved.
- Cohen is extremely impressed by today's developments and thanks the NPS and all involved. Regarding additional committee members: It takes a long time for each member to get a chance to talk and she is concerned about the group getting too much larger and unwieldy. Wilby replied that advertising, public relations and sales are the niches where we need help.
- Suzanne McCarthy thanked the group for their time and commitment to this process. We are so excited to jump to the next step.

Nersesian adjourned the meeting at 2:52 pm.

Attachments

- A. List of Attendees
- B. Request For Proposals information sheet
- C. RFP (Request For Proposals) Process PowerPoint

Meeting Summary approved by Committee Co-Chair

Signature: _____

Date: _____

Attachment A: List of Attendees
Meeting #13, Brookdale Community College, Lincroft NJ
September 12, 2014

Committee members:

Gerry Glaser, co-chair
Lillian Burry
Linda Cohen
John Ekdahl
Mary Eileen Fouratt
Guy Hembling
Timothy Hill
Michael Holenstein
Dr. Howard Parish
Lynda Rose
Dan Saunders
Shawn Welch
William (Bill) Wilby
Karolyn Wray

Gateway National Recreation Area:

Jennifer T. Nersesian, superintendent and Designated Federal Officer
Suzanne McCarthy, deputy superintendent
Pete McCarthy, Sandy Hook Unit coordinator
Pam McLay, director, office of business management
Karen Edelman, office of business management
John Warren, external affairs officer
Daphne Yun, public affairs specialist

Public:

Betsy Barrett
Carole Balmer
Robin Beckett
Gregory Elmiger
Deborah Ely
Chris & Diana Grover
Denise Hannigan
Bill Kastning
Tony Mercantante
Stephanie Murray
Richard C. King
James Krauss
Cathy Thompson
Adam Uzialko