

DOD JUSTIFICATION SLIDE - ON

THANK YOU MR. DINSICK

MR CHAIRMAN AND COMMISSIONERS THIS SLIDE SHOWS DOD'S
JUSTIFICATION FOR THE CLOSURE OF FORT MONROE, VA

DOD HAS DETERMINED THAT THE INSTALLATION IS ONLY SUITABLE FOR
ADMINISTRATIVE MISSIONS. THE ARMY RANKS FORT MONROE 68TH
AMONG THEIR 97 INSTALLATIONS.

THE PROPOSAL RELOCATE FORT MONROE'S MAJOR TENANTS TO
MULTIFUNCTIONAL, MULTI-COMPONENT AND MULTI-SERVICE
INSTALLATIONS WITH HIGHER MILITARY VALUE THAT PROVIDE A BETTER
LEVEL OF SERVICE AT A REDUCED COST.

THE INSTALLATION MANAGEMENT AGENCY AND ITS COMPONENTS ARE
MOVED TO FT. EUSTIS WHERE TWO REGIONAL COMMANDS WILL BE
CONSOLIDATED TO PROVIDE MANAGEMENT AND CONTRACTING FOR OF
ALL ARMY INSTALLATIONS IN THE EASTERN PORTION OF THE UNITED
STATES.

THE TRAINING AND DOCTRINE COMMAND RELOCATES TO FORT EUSTIS WHERE IT REMAINS WITHIN COMMUTING DISTANCE OF THE JOINT FORCES COMMAND.

THE ASSESSIONS AND CADET COMMANDS ARE RELOCATED TO FORT KNOX TO BECOME PART OF A PROPOSAL TO CREATE A HUMAN RESOURCES CENTER OF EXCELLENCE FOR MILITARY PERSONNEL AND RECRUITING FUNCTIONS.

ON THE SLIDE YOU CAN SEE A SUMMARY OF DOD'S COBRA ANALYSIS. IT SHOWS A SUBSTANTIAL SAVINGS AND A ONE YEAR PAYBACK PERIOD.

ALSO SHOWN ARE NUMBER OF PERSONNEL IMPACTED BY THIS CLOSURE AND REALIGNMENT.

DOD'S FISCAL YEAR 2003 COST TO COMPLETE ESTIMATE OF ENVIRONMENTAL CLEANUP WAS \$0.

**JUSTIFICATION SLIDE – OFF
ISSUE SLIDE – ON**

THIS SLIDE HIGHLIGHTS THE ISSUES RAISED. C5 – COST -- THE COMMUNITY INDICATED THAT THE BRAC PROCESS PRECLUDES THE ARMY AND THE COMMUNITY FROM DISCUSSING VIABLE ALTERNATIVES TO CLOSING OF FORT MONROE BEFORE FINAL RECOMMENDATIONS ARE

FORMULATED. THE COMMUNITY WOULD HAVE OFFERED A PARTNERSHIP WITH THE ARMY THROUGH WHICH THE HAMPTON INDUSTRIAL DEVELOPMENT AGENCY WOULD CONSTRUCT NEEDED OFFICE COMPLEX AT FORT MONROE WITH A LEASEBACK AT BELOW MARKET RATES.

C8 – ENVIRONMENT -- THE COMMUNITY BELIEVES THAT THE HISTORY AND UNIQUE SECURE NATURE OF FORT MONROE WHICH WAS BUILT BETWEEN 1819 AND 1834 NECESSITATES ITS CONTINUED USE AS A MILITARY INSTALLATION. THIS ARGUMENT WAS SUPPORTED BY WHAT THEY BELIEVE WILL BE AN ORDNANCE CLEANUP COST GREATLY EXCEEDING ANY OF THE ARMY'S ESTIMATES. THE COMMUNITY ALSO NOTED THAT THE MAIN PORTION OF FORT MONROE'S PROPERTY CONTAINS A REVERSION PROVISION. APPROXIMATELY 300 OF THE INSTALLATION'S 570 ACRES MUST BE RETURNED TO THE STATE OF VIRGINIA. STATE REPRESENTATIVES HAVE TOLD THE COMMISSION THAT THEY WILL REQUIRE THAT THE PROPERTY BE RETURNED WITHOUT THE ORDNANCE. THEY ALSO CONTEND THAT PROPERTY BOUNDARIES ARE NOW ENCUMBERED WITH FACILITIES IN THE HISTORIC DISTRICT COMPLICATING THE REVERSION AND MOST LIKELY LEADING TO LITIGATION.

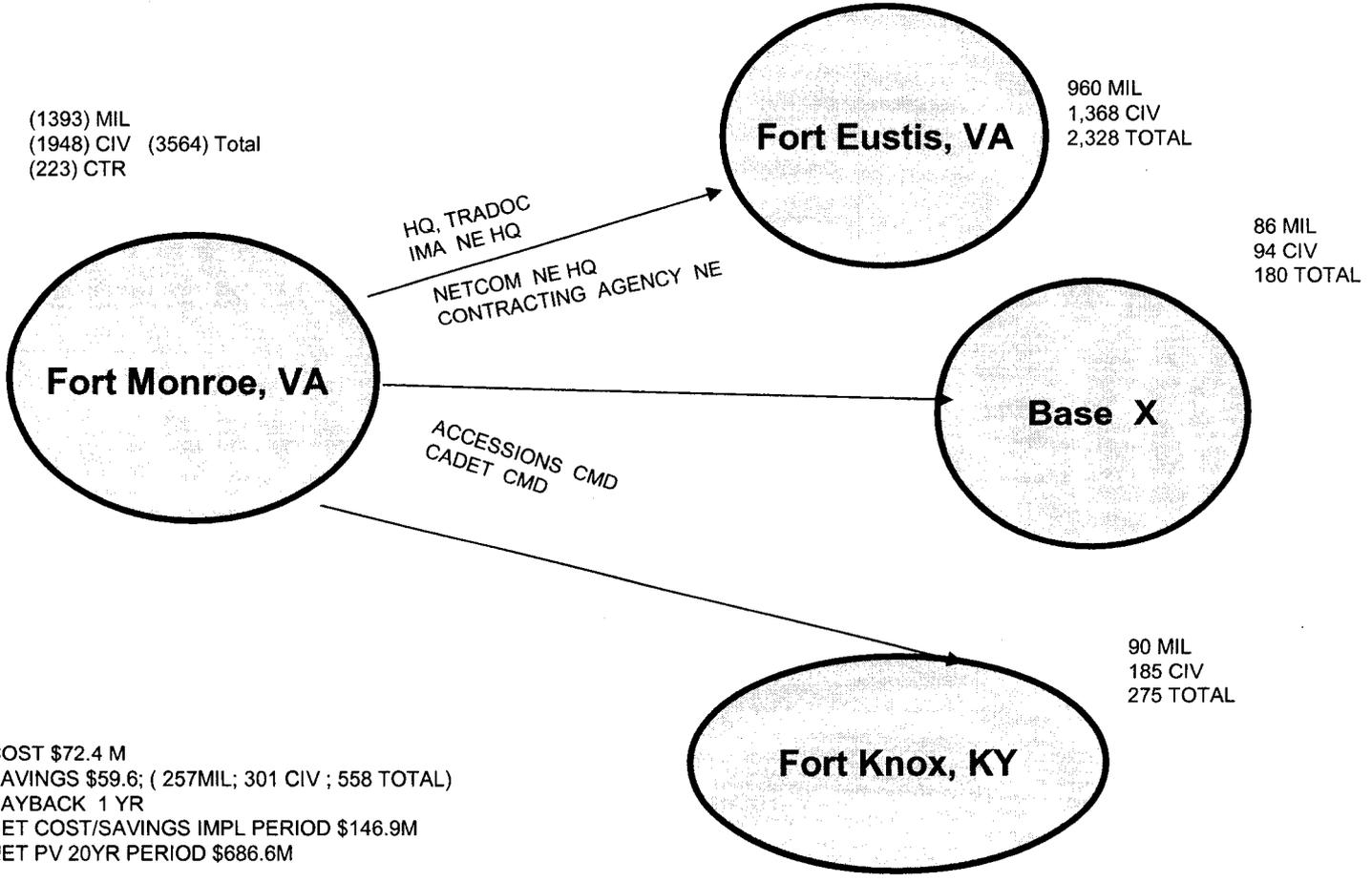
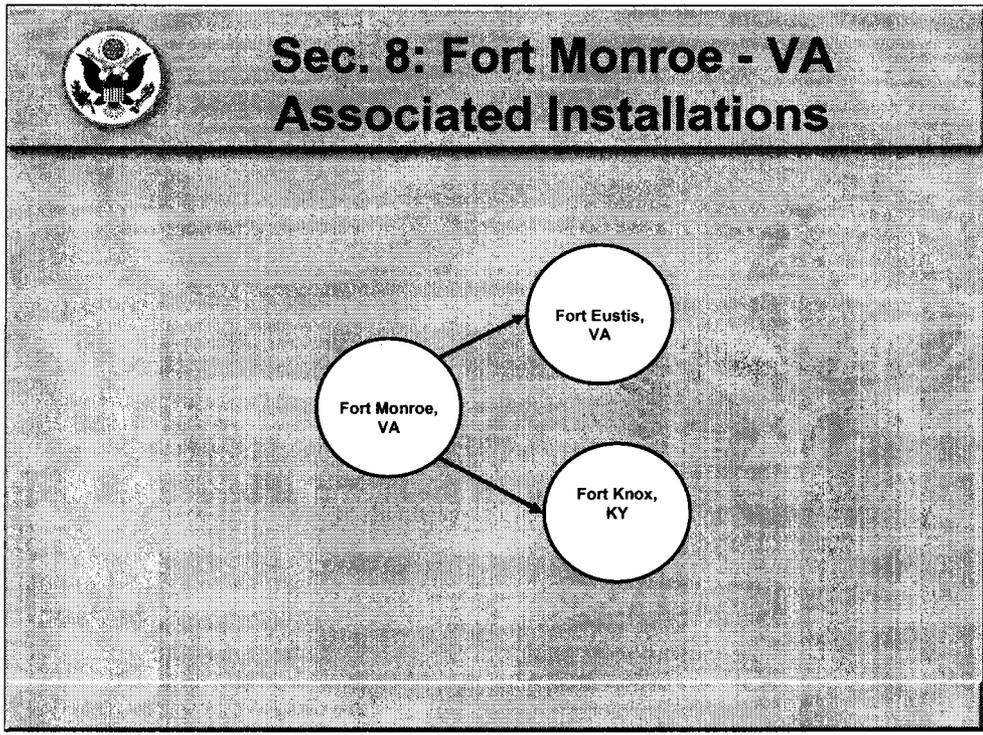
THE SECRETARY OF DEFENSE REPORTED TO THE COMMISSION THAT A
MILITARY MUNITIONS RESPONSE PROGRAM WOULD LIKELY BE REQUIRED
AT FORT MONROE BUT REPORTED NO ESTIMATE OF THE COST.

IN SUMMARY, THE STAFF DETERMINED THE SECRETARY OF DEFENSE
DEVIATED FROM SELECTION CRITERIA CRITERION C8.

MR. CHAIRMAN THAT CONCLUDES MY STATEMENT. I AM PREPARED TO
REPEND TO ANY QUESTIONS THAT YOU MAY HAVE.



Sec. 8: Fort Monroe - VA Associated Installations





Sec. 8: Fort Monroe - VA C5 Partnership

DoD Position:

- Moves administrative headquarters to a multi-purpose installations with excess capacity and higher military value.
- Remains in the same "joint" commuting area – 20 miles from Monroe

Community Position:

- Community leaseback proposal for a public-private partnership to build facilities at Monroe for \$13/sf.
- Monroe ideally located-- secure, joint, good communications

Commission Staff Assessment:

- Eustis has more operational and training capabilities
- Eustis is also in the "joint" area
- Eustis has a higher military value with and excess facilities



EXIT



Sec. 8: Fort Monroe - VA C5 Cost & Savings

COBRA DATA		
	DoD COBRA Run	Commission COBRA Run Less Military Savings
One Time Cost	\$74.4 M	\$72.6 M
Net Implementation Cost/(Savings)	(\$146.9 M)	(\$47.4 M)
Annual Recurring Cost/(Savings)	(\$59.6 M)	(\$30.1 M)
Payback Period	1 year	2 years
Net Present Value at 2025 Cost/(Savings)	(\$686.6 M)	(\$334.8 M)





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Sec. 8: Fort Monroe - VA C8 Environmental Cleanup

DoD Position:

- No known environmental impediments to implementation of moves
- A probable Military Munitions Response Program required at Monroe

Community Position:

- Munitions cleanup costs are estimated to range from \$200M – \$1B
- Litigation likely to resolve reversion, historic & deed issues

Commission Staff Assessment:

- A Military Munitions Response Program will be required.
- Munitions cleanup costs depend on reuse and regulator approved cleanup protocol
- Munitions cleanup is a DoD costs regardless of the BRAC decision
- Reversion, historic properties & deed issues are common BRAC issues



EXIT



Sec. 8: Fort Monroe - VA Secure & Joint Location



EXIT



Sec. 8: Fort Monroe - VA All Issues

ISSUE	DoD POSITION	COMMUNITY POSITION	R&A STAFF FINDINGS
MISSION	EUSTIS MULTI-PURPOSE HIGH MV JOINT ENVIR	FT MONROE IN JOINT ENVIRONMENT	FTS EUSTIS & KNOX - MORE POTENTIAL
CAPACITY	KNOX/EUSTIS EXCESS CAPACITY & TRAINING	BUILDABLE ACRES	FTS EUSTIS & KNOX - EXCESS CAPACITY
FUTURE OPERATIONS	IMPROVE OPERATIONAL & TRAINING CAPABILITIES	EASILY SECURED	MONROE LIMITED TO ADMINISTRATIVE
OPERATIONS & MANPOWER	REDUCES MANPOWER & IMPROVES MIL VALUE	HISTORY IS IMPORTANT	REDUCES MANPOWER OPERATIONAL COSTS
COST OF FACILITIES	EXCESS FACILITIES AT MULTI-PURPOSE INSTALLATIONS OF HIGHER VALUE	UNSOLICITED OFFER TO BUILD AND LEASEBACK NEW FACILITIES AT \$13/SF	MOVES TO KNOX & EUSTIS MORE COST EFFECTIVE
ECONOMIC IMPACT	MINOR IMPACT	LEGAL ISSUES	HIGH REUSE POTENTIAL
INFRASTRUCTURE	NO ISSUES	NO ISSUE	NO ISSUE
MUNITIONS CLEANUP	MILITARY MUNITIONS RESPONSE PROGRAM REQUIRED - EST 20M.	MUNITIONS CLEANUP COSTS EST RANGE IS \$200M - \$1B	DOD COST REGARDLESS OF THE DECISION



EXIT



Sec. 8: Fort Monroe - VA DoD Recommendation

A. Close Fort Monroe, VA

Gain: Relocates units to: Ft. Eustis, Ft. Knox



Sec. 8: Fort Monroe - VA DoD Justification

- Closes an administrative installation with low military value
- Relocates & consolidates commands increasing military value
- Training & Doctrine Command remains in commuting distance of Joint Forces Command
- Creation of Center of Excellence at Ft. Knox for military personnel and recruiting functions

COBRA

- \$72.4 M one time costs
- (\$686.6)M – 20 Year Net Present Value
- Payback – 1 Year
- Relocates 1,393 Military and 1,948 Civilians

MR CHAIRMAN AND COMMISSIONERS THIS SLIDE SHOWS DOD'S JUSTIFICATION AND ESTIMATED COST AND SAVINGS FOR THE CLOSURE OF FORT MONROE, VA. DOD HAS DETERMINED THAT THE INSTALLATION IS ONLY SUITABLE FOR ADMINISTRATIVE MISSIONS. THE ARMY RANKS FORT MONROE 68TH AMONG THEIR 97 INSTALLATIONS.

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Sec. 8: Fort Monroe - VA Issue Summary

C5

- Community offer to build and lease-back facilities to retain Ft Monroe

C8

- Munitions cleanup, historic facility protections and deed reversion

THIS SLIDE HIGHLIGHTS THE ISSUES RAISED. C5 – COST -- THE COMMUNITY INDICATED THAT THE BRAC PROCESS PRECLUDES THE ARMY AND THE COMMUNITY FROM DISCUSSING VIABLE ALTERNATIVES TO CLOSING OF FORT MONROE BEFORE FINAL RECOMMENDATIONS ARE FORMULATED. THE COMMUNITY WOULD HAVE OFFERED A PARTNERSHIP WITH THE ARMY THROUGH WHICH THE HAMPTON INDUSTRIAL DEVELOPMENT AGENCY WOULD CONSTRUCT NEEDED OFFICE COMPLEX AT FORT MONROE WITH A LEASEBACK AT BELOW MARKET RATES.

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THE SECRETARY OF DEFENSE REPORTED TO THE COMMISSION THAT A MILITARY MUNITIONS RESPONSE PROGRAM WOULD LIKELY BE REQUIRED AT FORT MONROE BUT REPORTED NO ESTIMATE OF THE COST. HOWEVER, DOD'S DEFENSE ENVIRONMENTAL PROGRAMS ANNUAL REPORT TO CONGRESS FOR FISCAL YEAR 2004 SHOWS AN ESTIMATED COST OF \$201M FOR CLEANUP AT FORT MONROE.



Staff Assessment

Deviation from Final Selection Criteria

Criterion	Military Value				Other			
	C1	C2	C3	C4	C5 (1, 2)	C6	C7	<u>C8</u>
Deviation								X

X=Deviation

- Staff determined the Secretary of Defense deviated from selection criterion C8

Map

MC

IN SUMMARY, THE STAFF DETERMINED THE SECRETARY OF DEFENSE DEVIATED FROM SELECTION CRITERIA CRITERION C8.

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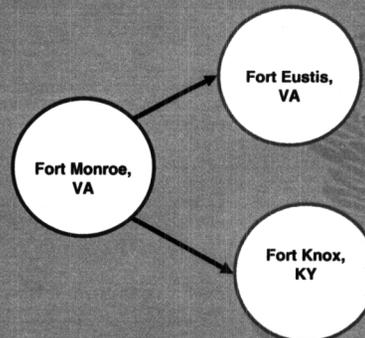
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- Payback – 1 Year
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Environmental: DoD estimated remediation cost is \$0



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Supporting Slides

For Commission Discussion & Questions
During Final Deliberation



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Fort Monroe, VA Close

Recommendation: Close Fort Monroe, VA. Relocate the US Army Training & Doctrine Command (TRADOC) Headquarters, the Installation Management Agency (IMA) Northeast Region Headquarters, the US Army Network Enterprise Technology Command (NETCOM) Northeast Region Headquarters and the Army Contracting Agency Northern Region Office to Fort Eustis, VA. Relocate the US Army Accessions Command and US Army Cadet Command to Fort Knox, KY.

