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Mayor ross a. kearney, ii
hampton, virginia

brac commission comments

maintaining fort monroe As A military facility

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JULY 7, 2005

Comments to BRAC Commission

Hampton Mayor Ross A. Kearney, II

July 7, 2005

Hello, I'm Ross Kearney, mayor of Hampton, Virginia. With me today are:

- One of my fellow Council members, Charles Sapp
- City Manager Jesse Wallace
- Assistant to the City Manager Brian Deprofio

We are pleased to have this opportunity to address you today and we would like to thank the BRAC Commission for giving us this opportunity.

Regarding the Base Realignment and Closure process, we know that the Department of Defense is making decisions in the best interests of national defense. And we respect the fact that the BRAC Commission has said that its principal role is to assure that the recommendations made by DoD are, in fact, aligned with the Base Realignment and Closure criteria that were established at the beginning of this important process.

In that context, as a taxpayer I feel obligated to point out some areas where the DoD recommendations in regards to Fort Monroe do not align themselves with two important criteria: Military Readiness and Cost Considerations.

I won't even talk about the fact that Fort Monroe's history makes it one of the most significant and revered Army facilities in the Country – putting it on par with West Point in its significance.

Or the fact that the \$90 million invested in Fort Monroe two years ago resulted in a completely renovated and upgraded facility.

I also won't talk about the fact that the closure of Fort Monroe could have a negative 7 percent impact on the Hampton economy. However, if the military cleans Fort Monroe, it is viewed as one of the most attractive properties on the east coast and could be converted into an economic asset for the City.

As I said earlier, I am most interested in dealing with the issues that are most important to the national defense of our country and the cost impacts on the U.S. taxpayers.

MILITARY VALUE

Fort Monroe is one of the most secure military installations in the country and is strategically located in the Center of the Joint Environment of Hampton Roads. It is in the middle of a hub of joint force commands (Air Combat Command, Fleet Forces Command, Joint Forces Command, NATO Allied Command, Marine Command, Reserve Command). This makes it an ideal site for TRADOC, FORSCOM (the only service element of Joint Forces Command not located in Hampton Roads) and other Commands focussed on joint warfare.

Fort Monroe must be viewed in the context of its relationship to Langley Air Force Base, Norfolk Naval Station and the other military installation in Hampton Roads.

Fort Monroe is also connected to the Norfolk HUB joint forces communications infrastructure making Fort Monroe one of the most wired military installations in the Country. Fort Monroe also has over 90 acres of developable property that could accommodate over 1 million square feet of additional office space. The City of Hampton has offered to assist the military in building out this space to house additional operations at Fort Monroe for costs well below market rents around the country.

The Naval Surface Warfare Center presently operates a facility at Fort Monroe that the Navy identifies as a critical operation that supports the Atlantic Fleet by measuring signatures of minesweepers. Their location at Fort Monroe is ideal due to the Naval ships traveling the thimble shoals channel and due to the varying depth conditions along the banks of Fort Monroe. But now, with the proposed closure of the Fort, this ideal location would no longer be available to the Navy during the war on terrorism. The BRAC analysis did not provide a solution to the loss of this critical operation.

The Joint Task Force Civil Support has identified Fort Monroe as the ideal location for their operation due to its central location on the East Coast and close proximity to Langley Air Force Base and Norfolk Naval Station. The BRAC analysis also did not provide a solution for JTF-CS.

Further, I can only question the wisdom of disrupting the operations presently located on Fort Monroe that plan for the future of the Army and work to recruit new army soldiers during the war on terrorism.

COST CONSIDERATIONS

As Mayor and taxpayer I must concentrate the bulk of my remarks on the lessons learned from past BRACs. What past BRACs have taught us is that the issues present at Fort Monroe do not fit into the standard BRAC analyses. There are three key issues that complicate the situation at Fort Monroe:

1. Unexploded ordnance;
2. Historic protections; and
3. Deed reversion.

These three issues create a complex web of legal entanglements that have significant cost implications that could range upwards of a billion dollars to resolve.

There is a large amount of unexploded ordnance buried throughout Fort Monroe and much of it pre-dates the Civil War -- and it was put there by the Union Army. There are documented findings of ordnance buried as far down as ten feet on Fort Monroe and under structures that are on the National Register of Historic Places -- possibly including the Catholic Church on the Post. How do you clean buried ordnance under historically significant structures?

The entire Fort Monroe garrison is a National Landmark and local historians believe that Indian and contraband slave cemeteries are present on Fort Monroe. These complicated issues only add to the uncertainty about the cost of cleaning Fort Monroe.

Any attempt to clean Fort Monroe will not only include experts in cleaning hazardous materials but also archeologists who will be present to ensure that any historic artifacts are protected. No complete study of the costs to clean up the buried ordnance has ever been conducted. Over the course of time, because of the complications involved, estimates have ranged from the hundreds of millions of dollars to a billion dollars.

Further complicating Fort Monroe is the fact that much of the property at the Fort was deeded to the Federal Government by the Commonwealth of Virginia and included reverter clauses where the property would revert to the Commonwealth if it ever ceased to be used for national defense. However, there is disagreement about whether all of the property reverts and who it reverts to, but that is a discussion that will be resolved after years of costly legal negotiations or litigation.

One of the real interesting issues about the reverter clause is that there are a series of long-term leases on other properties -- one to a company that plans to convert a historic Chamberlain hotel into a retirement home for retired military and another is with the Catholic Church. The Chamberlain hotel project is on property where there is a question whether it reverts and the 107-year-old Saint Mary's Star of the Sea Catholic Church (like many other buildings) straddles properties that clearly revert and properties where there is a question about whether it reverts. Someone will need to remain in contact the Catholic Church as the lawyers debate that issue.

Further, it is clear that the Department of Defense is responsible for the enormous costs associated with environmental clean up but what about the cost of maintaining the historic structures? These facilities can not be left to decay and must, by law -- and emphasized further by executive order of President Bush -- be maintained. This is another costly issue for the lawyers to work out. I think the general rule of thumb on such issues is that if the Federal Government put it there it is their responsibility.

CONCLUSION

As I said earlier, Fort Monroe does not easily fit into the standard BRAC models. Perhaps this is the reason the numbers associated with Monroe in BRAC 2005 are so different than those in BRAC 1993. In 1993, it was estimated (after Congressman Herb Bateman questioned the original figures released by BRAC) it would cost \$127 million to close Fort Monroe and relocate the operations to Fort Eustis, and the move would not pay for itself for 17 years. Of course, these figures, like the 2005 figures did not factor in clean-up costs. Today, that \$127 million would be \$160 million. That's more than twice the estimate given in 2005, which is only \$72 million.

Another curious cost item for Fort Monroe is the per-year savings. Fort Monroe estimates that it costs \$30 million to run the Fort. BRAC estimates that it will save \$54 million per year – where does the other \$24 million in this estimate come from?

Another issue that just defies logic is that the BRAC analysis proposes moving an operation from Fort Monroe that fits neatly on a 500 acre facility to a facility that is over 8,000 acres. No one has been able to determine how BRAC concluded that this would be a cost effective proposal.

Finally, back in 1993, after the Gulf War, TRADOC Commander General Frederick M. Franks told the BRAC Commission that moving TRADOC, the Army's "architect to the future" – a mission best done in close proximity to its Navy and Air Force counterparts – away from Fort Monroe at a time of "unprecedented change and unpredictability," would be like moving a command post in the middle of the night during an attack against the enemy.

Further, in making his point to the BRAC Commission, he said this: "A 17-year return on investment at a cost to the U.S. government of \$100 million, for a 20-mile move resulting in a complex tangle of costs and legal issues involving disposition of a unique National Historic Landmark – it would not seem worth the effort."

The BRAC Commission at that time agreed with General Franks and removed Fort Monroe from the closure list.

Today the situation is no different. The bottom line of Fort Monroe is that the closure is so complicated that the standard BRAC analyses are insufficient to capture all of the costs and complications involved. Also, Fort Monroe offers its tenants a strategic location in the middle of the Hampton Roads region and some unparalleled military advantages for the operations located on the Fort.

Again, I thank you for your time today.

Fort Monroe Expansion Opportunities:

Out of the past the future!

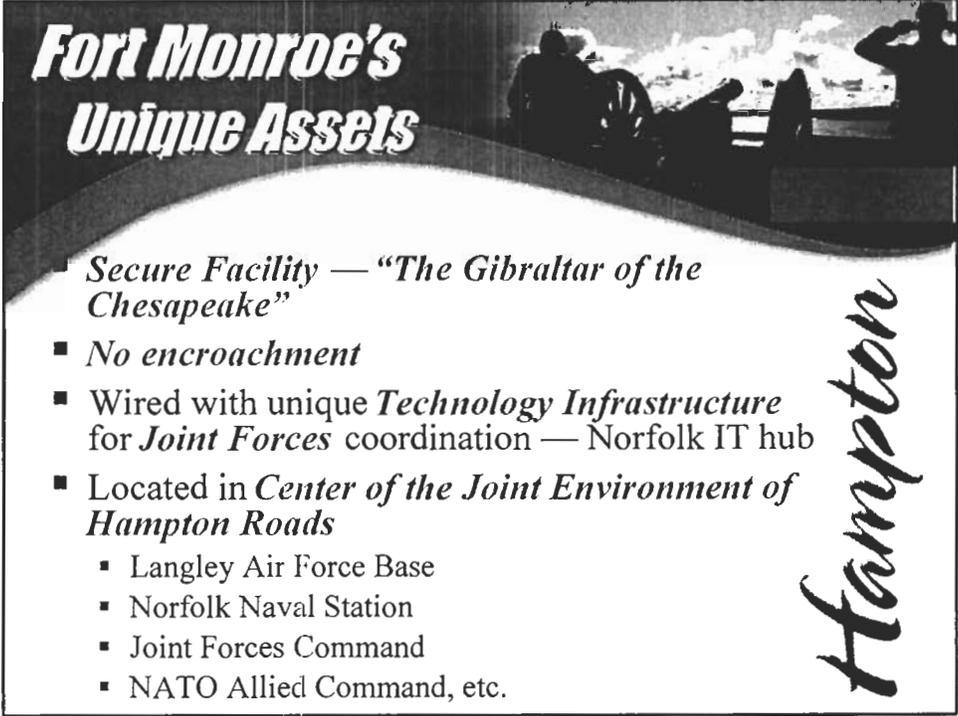
City of Hampton, Virginia
July 7, 2005



Purpose

- Explore alternatives for *providing additional facilities for the Department of Defense on Fort Monroe*

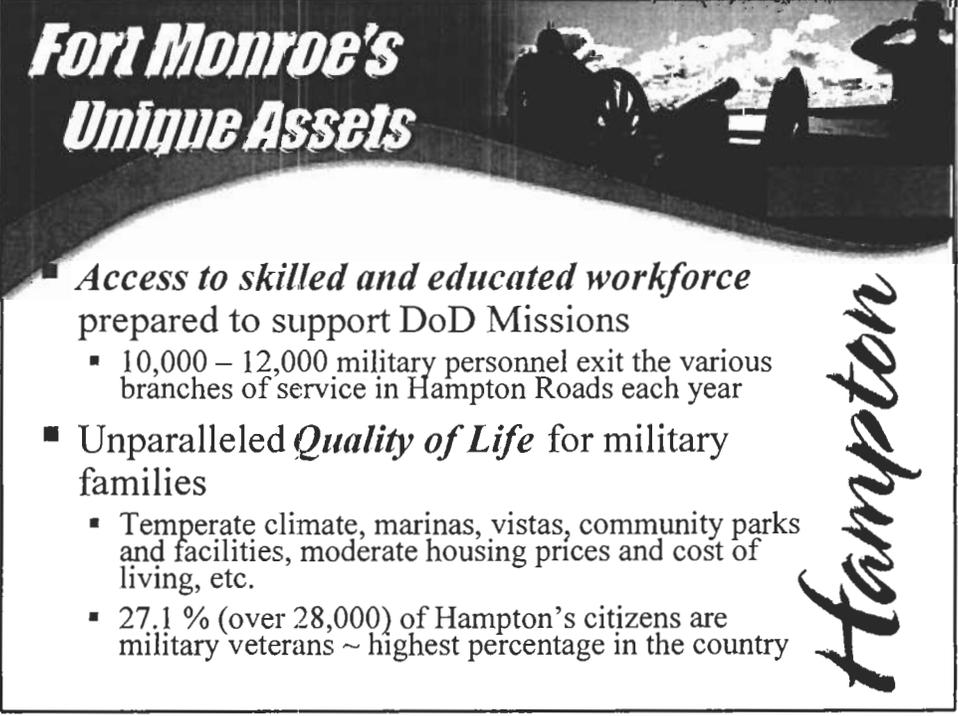
Hampton

The graphic features a dark background with silhouettes of people looking out at a large, bright display of a cityscape or harbor. The text 'Fort Monroe's Unique Assets' is written in a bold, italicized font in the upper left corner. A large, vertical, cursive 'Hampton' is written on the right side of the graphic.

Fort Monroe's Unique Assets

- ***Secure Facility*** — “*The Gibraltar of the Chesapeake*”
- ***No encroachment***
- ***Wired with unique Technology Infrastructure*** for ***Joint Forces*** coordination — Norfolk IT hub
- ***Located in Center of the Joint Environment of Hampton Roads***
 - Langley Air Force Base
 - Norfolk Naval Station
 - Joint Forces Command
 - NATO Allied Command, etc.

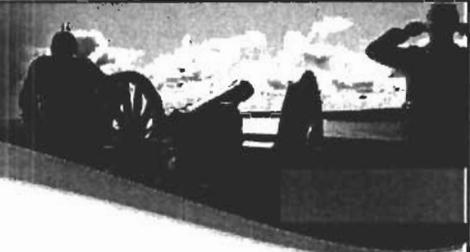
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Fort Monroe's Unique Assets

- ***Access to skilled and educated workforce*** prepared to support DoD Missions
 - 10,000 – 12,000 military personnel exit the various branches of service in Hampton Roads each year
- ***Unparalleled Quality of Life*** for military families
 - Temperate climate, marinas, vistas, community parks and facilities, moderate housing prices and cost of living, etc.
 - 27.1 % (over 28,000) of Hampton's citizens are military veterans ~ highest percentage in the country

Hampton



***Fort Monroe's
Unique Assets***

- Civilian commercial base to support *mobilization and surge capacity*
 - Three international marine ports
 - Two international airports
 - Largest private shipyard in U.S.
 - Thousands of hotel rooms
- Already *“Joint” DoD Facility*
- Close to *Pentagon & Washington D.C. area*
- Located at the *Mouth of the Hampton Roads Harbor & Chesapeake Bay*

Hampton



***Fort Monroe's
Unique Assets***

*Hampton is willing to partner
with the Department of Defense*

Hampton

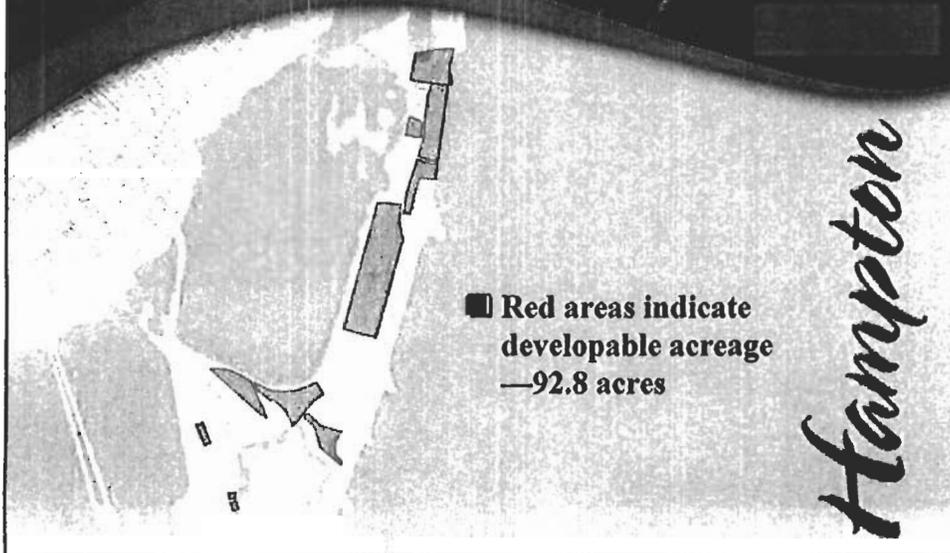
Fort Monroe
Ideally Located for Commanders

**Current Fort Monroe
Commands**

- Training And Doctrine Command (TRADOC) Headquarters
- TRADOC Futures Center
- Joint Task Force – Civil Support
- Naval Surface Warfare Center
- United States Army Accessions Command
- United States Army Cadet Command & School of Cadet Command
- Installation Management Agency Northeast Region Office
- Others

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**Fort Monroe Has Nearly 93 Acres of
Developable Property**



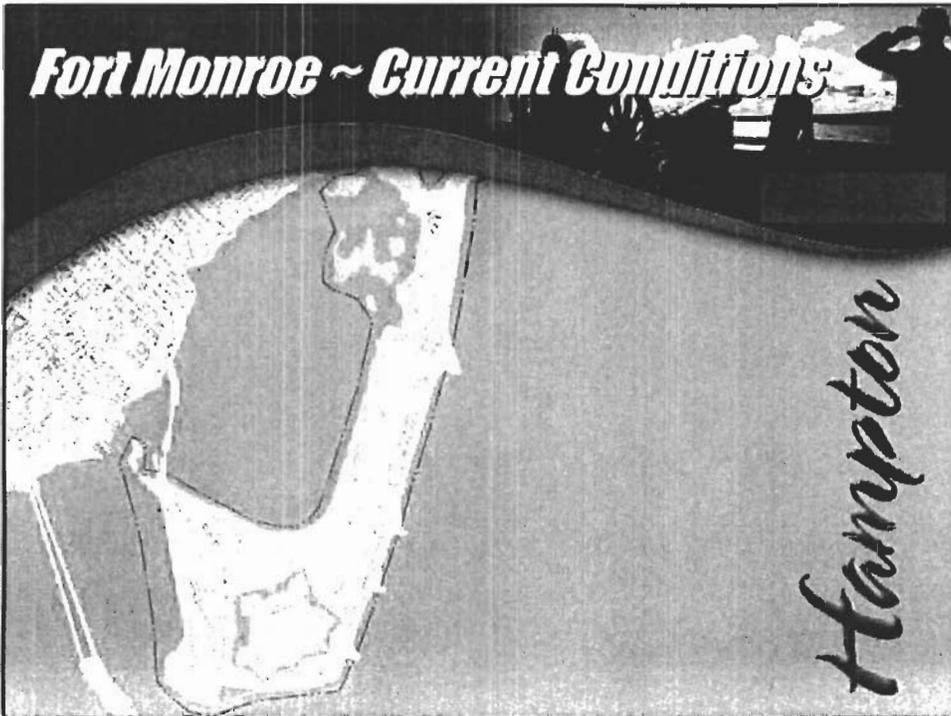
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Potential Opportunities At Fort Monroe

- Hampton estimates Fort Monroe can accommodate *over 1 Million Square Feet* of additional office space
- Existing utilities can support buildable acreage
- Facilities to *accommodate Additional Department of Defense Missions*

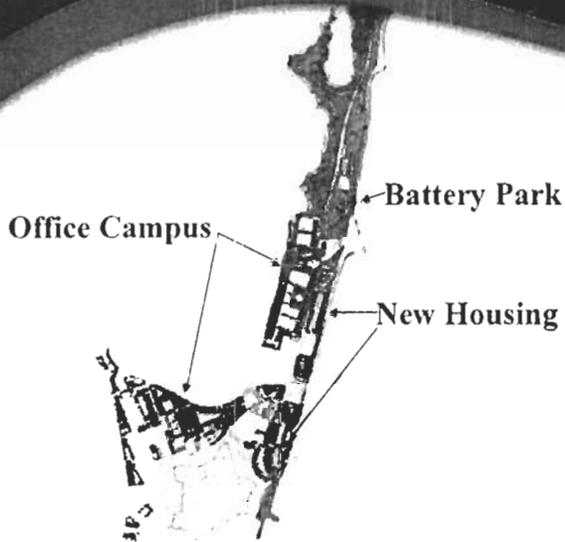
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Fort Monroe ~ Current Conditions



Hampton

Fort Monroe Can Accommodate Over 1 Million Square Feet of Office Space



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Potential Opportunities At Fort Monroe

- Opportunities to *Explore Locating Additional Missions at Fort Monroe* that can benefit from its unique assets
 - Other *DOD Commands* (Missions currently in leased space & other Commands that can operate most effectively in the Hampton Roads area)
 - Fort Monroe is also strategically located & suited to house *Homeland Security & other Security Sensitive Missions of the Federal Government*

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**Fort Monroe —
New Corporate Military Campus**



**Public-Public
Partnership Opportunities**

- Hampton will play a key role in assisting in providing *new & additional facilities on Fort Monroe for existing missions*
 - *Minimize budgetary impacts*
- *Opportunities exist for expanding the missions* located at Fort Monroe

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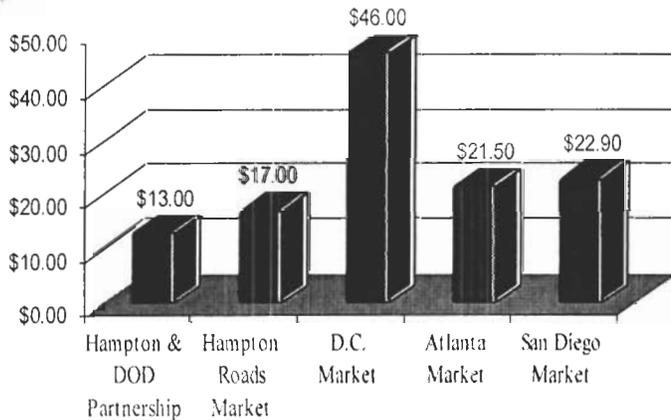
Conceptual Legal Structure Public-Public Partnership on Fort Monroe Enhanced Use Leasing

- Developable Fort Monroe Acreage is Leased to Hampton Industrial Development Authority (IDA)
- Hampton IDA Finances & Constructs new facilities
- Hampton IDA Leases Property Back to the Federal Agency at rate of \$13.00 per square foot ~ covers debt service & operating costs for new facilities (series of one-year leases timeframe determined by DOD)
- Full Title Reverts Back to the Federal Government once debt service is paid in full

Hampton

Comparative Class A Rents

Rent Per Square Foot



Hampton

Hampton Can Support Additional Missions On Fort Monroe

- Refocusing on *existing neighborhood areas*
 - Phoebus
 - Buckroe
 - Downtown
 - Coliseum Central
 - Kecoughtan
 - North King Street
- *Thousands of new housing units* are currently being planned in Hampton Neighborhoods Adjacent to Fort Monroe
- Additional Commercial Space also planned

Hampton

Hampton is Refocusing on Existing Neighborhoods



Hampton

Hampton Can Support Additional Department of Defense Missions

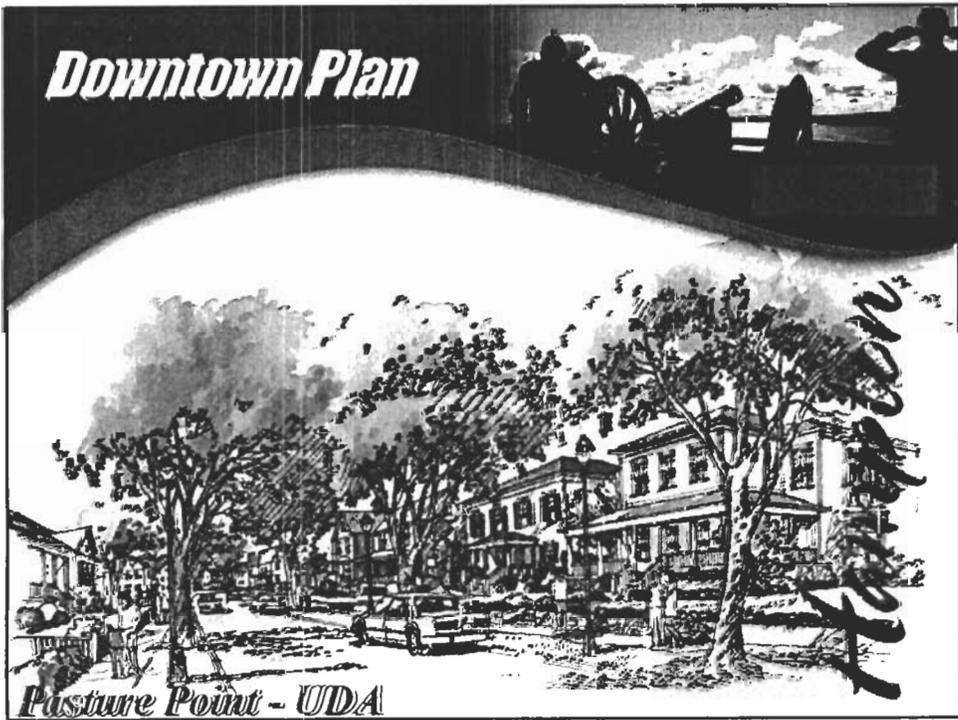
- Hampton offers a diverse housing stock and can support thousands of additional housing units
- Hampton has strong schools
 - Among the highest graduation rates in the region
 - Hampton schools have more National Board Certified teachers than any other school division in the region
 - The City is also planning a major school building and renovation plan beginning in 2007
- Hampton's road network has capacity to absorb additional residents and workers

Hampton

Hampton Can Support Additional Department of Defense Missions

- Hampton also offers a multitude of recreational and cultural offerings
 - Parks, Buckroe Beach, Community Centers, Museums, Theaters, The Hampton Coliseum, Hampton Roads Convention Center, etc.
- Hampton also has a strong commercial sector with over 2,400 hotel rooms and millions of square feet of retail offerings including a regional mall

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***Coliseum Central
Plan***

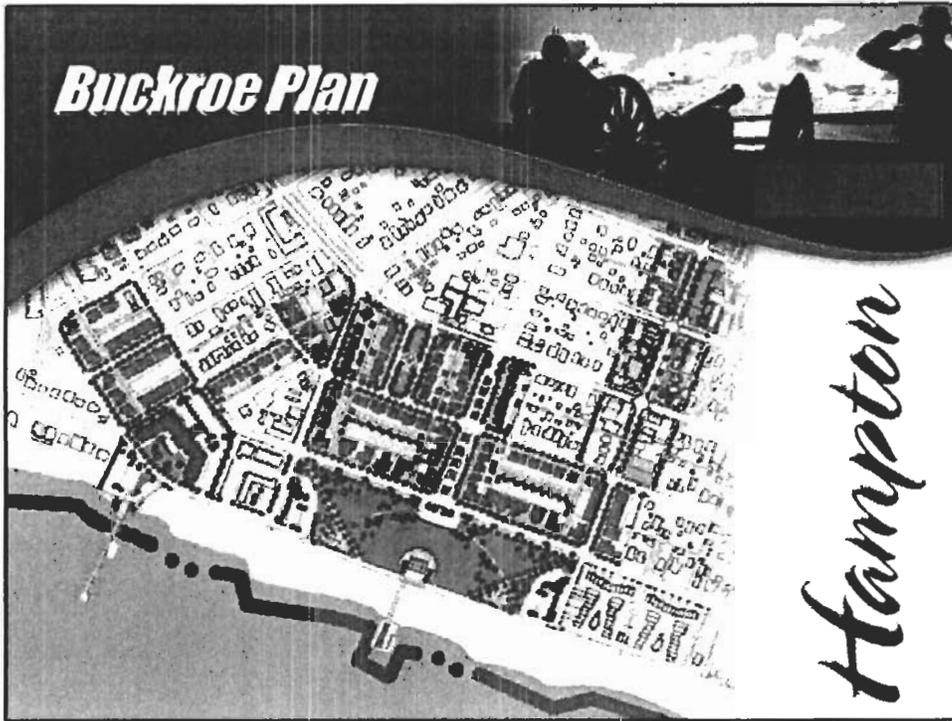


Coliseum/Convention Center - UDA

***Coliseum Central
Plan***



Coliseum Drive/Sentara Careplex - UDA





A Loyal and Enduring Partnership

- Hampton, The Commonwealth of Virginia, Fort Monroe & the Federal Government have enjoyed a *long and mutually beneficial partnership*
- Hampton is always open to exploring ways to *expand this partnership*
- Partnering with Fort Monroe, the Commonwealth of Virginia & Federal Agencies to develop needed new/additional facilities is a *win-win next step* that Hampton is willing to take

Hampton

Hampton & Fort Monroe Out of the Past & Into the Future





Ross A. Kearney, II

Mayor

Hampton, Virginia

"Oldest Continuous English-Speaking Settlement in America - 1610"

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