

**FORT HANCOCK 21st CENTURY ADVISORY COMMITTEE
MEETING #34
October 18, 2019**

Action Item: Come back to the signage plan at the next meeting, after Committee Members have had a chance to review the current signage plan and related historic structures report.

Recommendations:

- Resend draft conflict of interest policy and then wait to hear back from Ethics Officer on questions to her from the Committee. At the next meeting, determine whether we want to adopt the current draft as a policy.
- Assist Barney Sheridan with the Permitting Process and National Flood Insurance Program/Monmouth County County (Tony and Jen)
- Send around the cultural landscape report and 2002 signage plan for review prior to next meeting and put this on the agenda for the next meeting – make a recommendation about this topic at next meeting.

Attendees:

NPS: Jennifer T. Nersesian, GATE Superintendent and Designated Federal Officer (DFO); Karen Edelman, GATE Business Services; Daphne Yun, GATE Public Affairs; Pete McCarthy, Sandy Hook Unit Manager.

Toby Berkman, Facilitator

FACA Committee Members: Shawn Welch, Committee co-chair, Michael Walsh, Jim Krauss, Patrick Collum, Linda Cohen, Mary Eileen Fouratt, Guy Hembling, Dr. Howard Parish, Lynda Rose, Gerry Scharfenberger, Karolyn Wray

Other guests/attendees: Brian Goeken, Chief of Technical Preservation Services, National Park Service

- Pledge of Allegiance
- Agenda Review –
Morning items-
Introduce Toby Berkman – taking Bennett’s place for this meeting

Superintendent's Updates and Announcements:

- Appointment Letters have gone out for the round of appointments that were submitted approx. a year ago. All committee members have been reappointed and should be receiving letters shortly. New appointees include representatives from:
 - Highlands – Kimberly Gonzales
 - Middletown – Kevin Settembrino
 - Monmouth Beach- Susan Howard
 - Sea Bright- Christina (Chris) Doxey
 - Rumson- Gary Cassazza

Sandy Hook has had a busy October.

Last weekend was Fort Hancock Days. Thank you to Army Ground Forces Association (AGFA) for providing programming and tours.

This coming week is NJ Lighthouse challenge. The Sandy Hook Lighthouse is one of 14 sites on the list

Two weeks ago was the Jersey Shore Half Marathon

Visitation was up for FY 2019. Ferry and camping ticket/permit sales were up this summer.

Projects:

- New floor in the chapel.
- Beach Center D has been demolished and the ground has been restored and planted with native vegetation. We look to future opportunities that will allow for some food service. A second floor platform may be considered. It will be different from what was there before. The layout and buildout will be different and must be resilient. We are not sure whether the park will undertake this or whether we will put it out as a competitive opportunity but we may also consider bundling it as part of other opportunities for the north end of the peninsula.
- Paving over the coming year of Atlantic, Hudson, Kearny, Mast Way.
- Work is continuing with the county on Buildings 23 and 56. Agreements are signed, thanks to Lillian Burry in her leadership and support.
- The new maintenance facility is on line and NPS is in the process of moving in. This consolidated our north and south area maintenance facilities into one location and resulted in rehabilitation of two historic buildings.
- We are moving forward with rehab of two historic Nike Barracks to use in connection with group camping This is being done with the Sandy Hook Foundation, and funding is from a Helium Grant
- Bathroom at Guardian Park will be restored in the coming year (the morgue)
- Installed new massive light for flagpole on the parade grounds
- Building 66, 64, and the porch on 13 are being rehabilitated by our preservation and rehabilitation group (from maintenance staff).

- **Review of March Meeting Agenda and Items – Shawn**

Follow Up on:

Status on FACA Executive Order

Bond Requirements Update

Historic Structure Rehabilitation understanding required

Assist Samuelson with Historic Tax Credits issues

NPS to provide materials for rehab such as roof and bricks

Decisions and Actions:

Adopted Committee operating procedures

We now have a tracking list we share with Washington

Insurance and Bond Discussion Recommendations and Decisions

Leasing Update – Pam McLay

(Presentation to be posted on the FACA website.)

Building 23 and 56 Open House at SAHO on 10-17-2019. Project expected to be underway by spring 2020.

Building 52 is under construction

Building 53 is next

Insurance and Bonding Requirements – Pam McLay

(Presentation to be posted on FACA website)

Workgroup assembled to dig into leasing insurance requirements

Discussed Lease Insurance and Bond Requirements with Town Risk Management Consultant

Lease Requires:

Insurance during construction

Bonds, as applicable

Property Insurance

General Liability

Flood

Liquor Liability

Other as required

Insurance company will determine what the Replacement Cost New will be for any property, it is not really NPS place to dictate the RCN – the insurer’s typical practice is to identify the value and determine what level of insurance is required. The insurance company does not allow for consideration of what it costs the government to replace the structure. They will consider our standards in making their RCN determination but they will figure the cost at typical and customary. Same with property insurance, insurance company will come up with a value for that.

Jim Krauss addresses the Bond Component/Discussion relative to this presentation:

Performance Bond is insurance the owner of property will require to ensure the project is actually completed. It covers the financial capacity of the party undertaking the project, as well as their technical ability to do so.

An individual or small contractor rehabbing a Fort Hancock building will have a very difficult time obtaining a performance bond, if at all possible.

Individuals seeking performance bonds would have to provide audited financial statements to insurance companies providing bonds. Very often, the larger accounting firms will not undertake audited financial reports for individuals or small companies. Also, surety companies want to know that the individuals have past experience rehabbing historic properties. The difficulties in obtaining surety/bond coverage may result in coverage, if any, by a less than A rated bonding company.

Tony Mercantante: If for any reason a lessee is unable to complete a project and was unable to complete it for various reasons, the Lessor is left with a structure in better condition that it was prior to the start of the project. The provision the park should consider though, is requiring a Lessee to post cash in a specified amount sufficient to secure/make safe/protect the structure in the event work has started but cannot be completed, for example, the roof has been removed in anticipation of rehabilitation, and the project is unable to move ahead. There is some discussion about an amount sufficient to put the building back to the condition it was in (or at least make it so that it is not worse off than it was prior to the start of the efforts).

Additionally, the risk consultant provided NPS with a checklist to use when reviewing the certificates of insurance.

Historic Tax Presentation

Brian Goeken, AICP – Chief, Technical Preservation Services, NPS

Brian is from Washington, and works on all historic projects, not just those limited to NPS. He brought Annual Report on Economic Impact of the Federal Historic Tax Credit for FY18 and Brochure for Tax Credit Program.

The recent tax reform laws have impacted the preservation incentives and that is addressed on the website/materials provided.

Questions for Brian:

Q: Do you have to be an owner?

A: Under IRS Code, a long term Lessee is considered an owner for purposes of the tax credit program. The term is generally between 40-60 years to qualify. The recapture period only goes for five years under the program, but for IRS purposes, the Lease must be longer than the depreciation schedules of 35 for commercial and 27 for residential but with all considerations those typically add up to 40 years.

Q: You mentioned flexibility. How much flexibility is there with respect to the standards? For example, having to restore windows vs replacing with something similar that is not historic.

A: Under tax credit program, you are asking for a benefit, so you must comply with the requirements of the program by which the benefit is provided. If something can be repaired, it should be repaired. If it is too far gone, substitute materials may be allowed but those have to be matched in materials and kind. Specifically for windows, the technical preservation office receives approx. 1500 applications annually and those applicants comply with the secretary of interior window standards. That said, there is some flexibility based on visibility of the historic element that is being considered.

Q: How do you obtain that flexibility/review? We cannot obtain a building permit from Middletown without correspondence from Gateway's historic architect. What is the process to talk to someone about this?

A: We address the tax credit component. Windows are one of the most important character defining features. As the park service/property owner, windows are one of the most important features. There is some flexibility, for example for windows on the sides/rear of buildings. Repair under the HTC Program is the best way to go.

Q: Clarification on slide – you must apply for the historic tax credit before any construction is undertaken? By regulation?

A: No. You can apply after the fact however if work has been completed outside of the standards, it may be very hard to obtain the HTC. It is recommended you seek input before you start.

Q: Are multiple buildings leased by one party considered one project?

A: In the case of functionally related buildings, sub-groupings can be reviewed together. Ownership is looked at after the fact. So for example, one Lessee interested in two buildings on OR, can be treated as one project. However, for purposes of certification, different sub-groupings can be treated as separate projects.

Q: So is there a determination as to what is functionally related right now? How would a Lessee know?

A: To date we have not because the two projects that came in were individual projects.

Jen Nersesian: The letters of intents address multiple buildings. Everything at Fort Hancock could be functionally related. Does the historic tax credit program want to look at buildings in groupings?

A: Proposed lessees can notify the historic tax credit office that they plan to lease more than one building. Lessees should articulate that in their initial application.

So far, to date, there is no review of functionally related buildings at Fort Hancock.

Pam McLay: As we negotiate different leases, lessees are establishing different legal entities to be the lessees? Does that preclude review on a functionally related scale?

A: No.

Toby: Potential discussion and recommendation of what buildings are functionally related could be an action item for the Committee.

Jen: We find that we are dealing with multiple buildings among Lessees. Not sure they would want to hold off the tax credit process while they negotiate lease terms and procure drawings for one building – resulting in a longer gap for rehabilitation of others

A: You claim the credit in the year that you place the building in service. You can take any other QREs in to account

There is a position within NPS that is going to be dedicated to streamlining review, and making decisions that will allow NPS to move ahead with rehabilitation,

Public Comments – 11:30

George St. Onge lives in Rumson for 36 years. Spends a lot of time in FOHA. When he drives up Officer's Row it could be so much more. This has gone on forever. He worked on Wall Street for 26 years trading stocks and commodities. For the last 15 years, he has been working on solar energy. This beautiful place should be for the public good, not necessarily for profit and tax credits. How can we get these officer row buildings made into B&Bs at reasonable rates so families can come here and enjoy. Why not wrap them in pastel colors like the Italian Mediterranean seaside villas? Or wrap them like Christo, the Artist, and do a go fund me. You know how much it costs to fix buildings here, you know the contractors here who can do the work without screwing it up. Let's make it happen. The overlooks should have artists' easels. The beautiful brick buildings should be used as a café. It is a sin the buildings are falling apart. There is nowhere to get coffee, a sandwich. How about some amenities? In Sandy Hook, this is where the British were for the most time during the Revolutionary War. What can we do to take it back to that period 250 years ago? There were patriots and loyalists to the Crown.

Jen Nersesian: Response: What you are saying about big attention getting efforts, such as Christo, maybe we need something like that. Maybe there is a mechanism by which we can use artists to draw attention to our efforts/cause. Mary Eilleen is here, maybe we can work with her. Also, there is big focus on the 250th anniversary of our independence in the NPS, and there is a lot of planning underway for events related to reenacting history. With respect to the Brick Buildings – those are the former maintenance facilities. Because they are so low lying and took on so much water in Sandy, NPS may not be able to invest in those structures. They are beautiful buildings but we have to undertake planning as to how we may use those buildings.

George St. Onge: Having been here for 36 years, it is tiring that this process never comes to an end. How about raising the money through fundraising and repairing the buildings already.

Jen Nersesian: The NPS is prohibited from soliciting funds but we can work with organizations that allow us to.

End Public Comment

Leaseholder LOI Comment Period

Barney Sheridan – Lessee. So excited to be the third lessee. Takes a while to get there but it is exciting. Thanks everyone at NPS for all the help they have provided, even if they are sometimes stymied themselves. He is very close to starting the rehab on Building 53. They have undertaken some preliminary clean up and have a little mishap with MT. He thinks it is just a matter of paperwork that needs to be straightened out. He doesn't anticipate any issues from Middletown. Shawn asks what the issue is with Middletown – they have an issue with the flood zone. They object to his accommodation in the basement. They have not issued a permit because their position is they can't make improvements to the basement that allows for residential areas because it is a flood zone. The building however contains a restroom and kitchen in the basement already, so there should not be an issue with rehabbing that. Barney is working with Middletown to resolve this issue. NPS will reach out to Middletown.

Jen asks Tony Mercantante if he is aware of the issue.

Tony explains that post Sandy, when renovating a building, improvements had to consider base flooding elevations, and the improvements had to be made at a higher elevation in order to qualify for NFIP coverage and comply with the NFIP requirements. If the improvements in the flood elevations exceed 50% of the value of the house, the house must be raised.

Jen: There are FEMA Exceptions for historic buildings

Tony: There are also exemptions for commercial buildings that require flood-proofing such as gates. So Middletown has been trying to work with NFIP and developers to come up with solutions that allow for development in such areas. Tony will discuss this with the construction official.

The FEMA rules and the NPS historic structures exemptions seem to conflict. NPS agrees that this is a priority and will work with Middletown to help resolve it. Proposed opening in March.

Recommendation to NPS: Assist with the process to assist Barney in getting permits and a certificate of occupancy for basement occupancy.

Mike Walsh: Does this set a precedent whereby other Lessees will not be able to rehab basements on Officer's Row, for example?

Jen Nersesian: The request for proposals states that it has to meet NPS resiliency requirements. We do not put anything in the basements ourselves, but there are ways to meet the standards by implementing mechanisms such as flow through and resilient designs. We don't necessarily want to encourage full basement build outs.

Pam: To clarify, that was a pre-existing use of the basement. None of the other basements around here had built out basements. Though we will not allow utility or mechanical systems in the basements, if someone wants to put their personal property in a basement, we have no objection.

Additional Comments from Barney: Signage is an important issue. I need to find a way to attract the beachgoers. For any business at Sandy Hook to survive, signage is essential.

Leaseholder Comment period is over 12:19

Additional Superintendent Updates

David Vela will remain acting Director of the NPS for the duration of this term

Shawn Bengel will be the Deputy.

Joshua is leaving.

Lunch

Signage Presentation – Pete McCarthy

(Fort Hancock Signage Presentation will be uploaded to the FACA Website)

In 2002, the park adopted a sign plan (shared in the presentation). Signage plan was developed with help of staff from Golden Gate National Recreation Area. The point was to avoid sign pollution, which was a problem at Sandy Hook. Post Hurricane Sandy, we lost every directional sign in the

park. There are now new signs up around Sandy Hook. However, sign pollution is a problem with our CUAs and Cooperators.

The point of the sign plan was to ensure the historic integrity of Sandy Hook was not compromised. The plan held the number of signs and size of signs to a minimum.

Sign illumination is permitted, specifically for occupants who operate after dark, but subject to limitations in the sign plan. Lighting must be ground based spot lighting. Design is required to be unobtrusive. Illuminated signs would be approved on an individual basis but no blinking or flashing lights are permitted.

Internal sign illumination is prohibited.

In 2016, signs at Sandy Hook were replaced to comply with the NPS NPNH sign requirements

The park has had requests for lighted signs and anticipates that more will be requested. Should the park consider revisions to the 2002 plan based on same?

Action Item: Come back to the signage plan at the next meeting, after Committee Members have had a chance to review the current signage plan and related historic structures report.

Supt: The purpose is to be clear about the sign standards but ensure there are opportunities for our Lessees.

One of the committee members points out that the signs on Building #21 are not compliant with the signage plan.

Ethics Presentation – Margaret Bradley

Materials will be posted to Fort Hancock 21st Century Federal Advisory Committee website (forthancock21.org).

Received the Committee's conflict of interest policy and was impressed with it and would like to talk about it after the presentation. Margaret is an associate ethics counselor for the DOI. The committee is required to maintain highest level of ethical conduct. She is happy to reinforce the initial training received by committee members approx. 6 years ago. All Fort Hancock 21st Century Federal Advisory (FACA) committee members are appointed to represent points of view of non-governmental sectors. Committee members are not subject to the standards of ethical conduct applicable to employees of the executive branch of government but there are ethical obligations based on the FACA charter. However conflict of interest clause contained in the FACA's charter is similar to the one applicable to federal employees. However, there is no criminal penalty against FACA vs actual employees and in any case, the likelihood of a committee member engaging in a specific party matter is minimal. If a committee member has a financial interest in an activity related to the committee activity, the committee member is required to disclose that. There are 14 General Principles to follow when considering ethical principles.

Q: Is it OK for members of this committee to approach Lessees and provide services for a fee?

A: Yes, but you must disclose the relationship you have as retired federal employee or as a committee member to the Lessee.

Q: Could any member of this Committee also be a Lessee?

A: I will have to think about that and get back to the Committee

Jen Nersesian: For the record, the leasing opportunity is a competitive process and the selection panel is located in the Regional Office, having no relationship to that actual events at the park in terms of proposed Lessees.

Q: Someone has a business and is doing business with NPS at this location. Can that person be on the Committee?

A: Seems like a conflict of interest at first blush but additional research is necessary to provide an accurate answer.

Ethics Officer will get back to DFO with answers to the questions above.

Recommendation from the Committee that at the next meeting, the Conflict of Interest statement drafted by the Committee be adopted, upon review and recommendation from the Ethics Officer.

Parametric Training- Jen Nersesian

The new way of undertaking condition assessments (tracking data no longer requires the same level of detail and inventory). Field staff personnel go out to structures and rate 10 different systems per building. Then they put the numbers into program to see how much it will cost to address the deferred maintenance and to track the change in individual structures. We are one of only four parks in NPS to participate in this pilot. In September, we hosted a contingent in training how to undertake parametric evaluation. We were able to evaluate most of the buildings in the park. We learned that this tool allows us to track the actual condition of the buildings as is and have reliable data. Though the parametric data is not enough for us to develop DD's, it is a good start to keeping this information up to date. Additionally, we have been utilizing Lidar and will contract in the next couple of months to get roofs repaired. We will use the Officer's Row projects to realize cost requirements applicable to other projects. This will go hand in hand with our banding process (prioritizing buildings).

Repair of water system and of separate sewer system were scoped out as priorities based on the results of the training.

Additionally, WASO is looking to set up a demolition program and to use GATE as a pilot program. Rapid Improvement Events – Efforts to undertake rapid improvements events NPS wide, but we are a pilot.

Pilot Program at Sandy Hook- NPS leasing workshop is scheduled in DC next month. NPS has already met with GSA to begin discussion on collaboration. We will be hosting a visit from GSA.

Update on Insurance & Bonding

Update on FACA committee in general

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Guidance on prioritizing roof repairs

Also, there will be a team our at SAHO to plan the next few years of road repairs

Action Items and Recommendations:

Email presentations ahead of meetings where possible.

Lillian provides an update on MAST project. Cost estimates have gone up a little, but she thinks she can handle it. They want to break ground March 3, 2020 before the ospreys come back.

Recommendation: Assist Barney Sheridan with the Permitting Process and NFIP/County (Toney and Jen)

Signage: Send around the cultural landscape report and 2002 signage plan for review prior to next meeting and put this on the agenda for the next meeting – hopefully make a recommendation about this topic at next meeting.

Conflict of Interest: Resend draft policy, wait to hear back from Ethics Officer on questions to her from the Committee. At the next meeting, determine whether we want to adopt the current draft as a policy.

Adjourned 3:02

- Review Notes, Confirm Action Items and Recommendations
Put signs back up – available for Lease.
- Adjourned