

Board of Directors Quarterly Meeting Minutes
Virginia National Defense Industrial Authority

Abrams Learning & Information Systems
2800 Sherlington Road, Ste. 1100
Arlington, Virginia
April 23, 2008

The Hon. Joe R. Reeder, Chairman, called the meeting to order at 10:10 a.m. and welcomed the authority board members, staff, and guests in attendance.

Authority board members present:

Gen. John N. Abrams, USA (Ret.)	Maj. Gen. Robert B. Newman, Jr.
Mr. G. William Beale	The Hon. Joe R. Reeder
Gen. Richard E. Hawley, USAF (Ret.)	Dr. Roseann O'Reilly Runte
Rear Adm. John G. Hekman, USN (Ret.)	Mr. Cord A. Sterling
The Hon. John W. Knapp, Sr.	Mr. Kurt H. Tripp
Vice Adm. James D. McArthur, Jr. USN (Ret.)	Mr. William L. Welch

Authority board members absent:

Mr. John B. Adams
Mr. Mark D. Betts
Rear Adm. Robert R. Fountain, Jr. USN (Ret.)
Adm. Donald L. Pilling, USN (Ret.)

Chairman Reeder recognized Gen. Abrams and thanked him for hosting the meeting at his Abrams Learning & Information Systems offices. Gen. Abrams welcomed those in attendance.

Chairman Reeder presented the January 16, 2008 VNDIA meeting minutes for approval. Mr. Tripp moved that the minutes be approved as presented, Mr. Welch seconded the motion, and the minutes were approved by unanimous vote of authority members present.

Vice Adm. McArthur was introduced to the board by Chairman Reeder. Vice Adm. McArthur is vice president of Lockheed Martin's Center for Innovation in Suffolk, Va. Recently retired from the Navy, Vice Adm. McArthur was appointed to the VNDIA board by the Senate Committee on Rules, and this was his first board meeting. Chairman Reeder also recognized Mr. David Smith, Deputy Secretary of Commerce and Trade, and Mr. Tom Fahrney, Commonwealth BRAC Coordinator for the Virginia Department of Transportation, representing Secretaries Gottschalk and Homer, respectively, who were unable to attend because of the reconvened General Assembly session in Richmond.

Chairman Reeder recognized and thanked Dr. Runte on behalf of the board for her service to VNDIA. Dr. Runte will be leaving her position as president of Old Dominion University to assume the presidency of Carlton University in Ottawa, Canada. Chairman Reeder also congratulated VNDIA vice-chair the Hon. John Knapp for his announced promotion to lieutenant general in the Virginia militia.

The board was reminded of the two remaining 2008 quarterly board meeting dates. July 16's meeting will be held at the George C. Marshall Museum in Lexington, and October 15's will be at Lockheed Martin's Center for Innovation.

Mr. David Dickson, VNDIA Executive Director, presented information on the 2008 General Assembly session. The state budget has not been passed, but a special session to work on the bill was being held concurrent with the board meeting. It is expected that VNDIA will remain fully funded (less 1.5% each year of the biennium, Governor Kaine's statewide agency reduction). In addition, grant funding will be approved at \$27 million for the biennium for earmarked projects, and employee benefits are retained. Mr. Dickson also announced that House Bill 520 was passed, which provides a Freedom of Information Act exemption for VNDIA and other military organizations (effective July 1, 2008); and House Bill 522 was passed, which broadens Virginia Beach's ability to address encroachment near NAS Oceana (effective March 27, 2008). Finally, staff is continuing to monitor House Bill 5001, which will be addressed in a special session. The bill allows for financing of capital projects at state higher education locations, and contains \$18 million for the construction of a Dahlgren campus for the University of Mary Washington.

Vice-chair Knapp added that as 2008 was a challenging budget year, VNDIA had to fight to retain full operational funding in the face of a proposed nearly-30% cut, and reminded the board that we need to remain positive advocates for the board and its work.

The first guest speaker was Mr. William Armbruster, Executive Director of the Fort Monroe Federal Area Development Authority (FADA). Mr. Armbruster reviewed his authority's mission and the reuse planning to date for Fort Monroe. In the discussion that followed, Mr. Armbruster said that the economic goals and expectations of the redeveloped fort are a key element of the reuse plan and will be studied more closely. He said that the FADA is working with the City of Hampton on a possible second entry to the fort from the north end, and that the number of proposed residential units will likely be reduced as tourism and other mixed uses are explored.

The next presentation was given by the Hon. Keith E. Eastin, Assistant Secretary of the Army, Installations and Environment. Sec. Eastin was accompanied by Brig. Gen. Harvey T. Landwermeyer, Jr., Director of Operations, Installation Management, Office of the Assistant Chief of Staff of the Army.

Sec. Eastin said that while each installation and state has specific challenges with BRAC changes, in Virginia issues are centered on transportation. Twenty-four specific recommendations were made for the Commonwealth, including the movement of more than 19,000 people to Fort Belvoir. A majority of these will not go to the main post area, but will instead be split between the Engineer Proving Grounds (8,400 National Geospatial-Intelligence Agency jobs) and a third, yet to be confirmed site (6,200 Washington Headquarters Services (WHS) jobs). Preparations for the growth at the Proving Grounds is underway with the recent approval of the Fairfax County Parkway.

Location for the third site has been narrowed down to three choices: The General Services Administration (GSA) warehouse site in Springfield, the Victory Center in Alexandria, and the Mark Center, also in Alexandria. There are significant considerations with each, including traffic accessibility, security requirements, and the ability to be ready by the September 2011 BRAC deadline.

Sec. Eastin said that Congress has asked that the decision be made competitively, a process that is now underway. A decision is possible but not required by June or July. The timeline is becoming more of a factor, as the Alexandria sites would be difficult to have prepared by the deadline, and the GSA site may prove impossible. Sec. Eastin also said that the cost is a factor, as the BRAC program is underfunded as the estimated cost nationwide has risen from \$11 billion to \$17 billion.

Sec. Eastin discussed the requirements for the Defense Access Roads (DAR) program, and explained that it is the only physical mechanism for the Office of the Secretary of Defense to fund road projects, yet it has limited applications for northern Virginia. This program has limited funds available, as well, so even those projects that qualify may not receive funding.

Following Sec. Eastin's presentation, the potential for introducing changes to the DAR program was discussed. The program was written in the early 1990s, and it was suggested by the board that it be updated to reflect modern transportation issues and planning models. Also discussed were the pros and cons of the three WHS sites, including proximity to mass transit and available parking.

Sec. Eastin was asked what the Commonwealth can do to help address transportation problems exacerbated by the BRAC growth. Sec. Eastin said that it may be premature, as the scope of the problems will be further defined once the third Fort Belvoir location is finalized.

Mr. Welch reported that the Grant Review & Oversight Committee met on April 22 to discuss the state biennium budget that is expected to be approved in special session and other committee issues. The meeting was held at Arlington County's BRAC Transition Workforce Center, which received partial funding through a VNDIA-administered grant.

In the biennium budget, a total of \$27 million will be made available for earmarked projects:

<i>1st Year</i>	<i>2nd Year</i>
\$7.5 million to Virginia Beach (Oceana)	\$7.5 million to Virginia Beach (Oceana)
	\$10 million to Arlington County (DARPA)
	\$2 million to the Fort Lee area

In addition, the committee resolved to recommend to Governor Kaine that two grants totaling \$80,000 be transferred from the City of Hampton to the Fort Monroe FADA for reuse planning purposes. Finally, regular grant oversight is progressing as planned, with 24.2% of total funding having been awarded to date.

Gen. Abrams reported for the Strategic Planning Committee. Committee members have reviewed a draft strategic document prepared for VNDIA by the Public Private Solutions Group, and have provided comment and technical corrections to the group's principals. A final product is expected to be accepted in May, and Public Private Solutions Group will present findings to the full board at the July meeting. Using the current draft, the committee and staff will prepare a draft strategic plan for the authority's consideration, also to be presented at the July meeting.

Mr. Patrick Tremblay, VNDIA Communications Manager, reported on behalf of Rear Adm. Fountain and the Local Coordination, Communication & Support Committee. A 2008 work plan was presented with visits and briefings to be conducted based on committee member availability.

The committee has completed two items so far this year. The first was hosting a roundtable on April 9 for our military community partners, with a focus on recent General Assembly legislation and issues of concern for the remainder of the year. 17 people participated. The second was a lunch and briefing by U.S. Fleet Forces Command, where Virginia-specific issues were discussed, including fleet concentration and dispersal, the outlying landing field, encroachment, the Joint Strike Fighter, and the use of Virginia installations such as Fort A.P. Hill and Fort Pickett for Navy training.

Chairman Reeder opened the floor and recognized Ms. Cyrena Eitler of the Office of Economic Adjustment (OEA). Ms. Eitler said that OEA is working on several initiatives that may be useful when approaching defense-related transportation problems in northern Virginia, such as a cooperative program the office has with the National Governor's Association. In addition, the OEA recognizes 26 "growth communities" that are experiencing significant growth through BRAC and other military programs (including Virginia's Fort Lee, Fort Belvoir and MCB Quantico). Each of the 26 is preparing a "needs list" that will include anticipated funding needed for transportation improvements. Through grants, OEA has funded several BRAC-specific positions, including transportation planning, in Virginia localities.

Seeing no additional items of business, Gen. Hawley moved to adjourn, Mr. Sterling seconded, and, with unanimous vote, Chairman Reeder adjourned the meeting at 12:32 p.m.