



COUNCIL OFFICE:
757-727-6315

DONNIE R. TUCK, MAYOR
22 LINCOLN STREET
HAMPTON, VIRGINIA 23669

OFFICE FAX:
757-728-3037

May 31, 2017

Office of the Secretary of Veterans & Defense Affairs
Commonwealth of Virginia
P.O. Box 1475
Richmond, VA 23218

Attention: Mike Coleman, Military Relations Liaison

Dear Mr. Coleman:

The City of Hampton is pleased to submit the following application for \$250,000 of state funding, to be matched 100% by the City, in order to mitigate encroachment at Langley Air Force Base (LAFB).

Hampton is taking positive and proactive steps to avert the potential for a BRAC-mandated encroachment process and is executing on the multi-jurisdictional (Hampton, Newport News, Poquoson and York County) Joint Land Use Study (JLUS) conducted in 2010 to, among other things, create win-win partnerships that share the cost of acquisition of easements or other interests in land from willing sellers in order to preserve compatible land uses and natural habitats near LAFB to help sustain its critical, at-risk military mission capabilities.

As the Commonwealth's only active duty Air Force Base, LAFB's economic impact upon the City of Hampton and the Virginia Peninsula is approximately \$1.2 billion annually. Langley has approximately 12,000 military and civilian employees and employs a significant amount of contractor's from surrounding communities. The LAFB mission to our Nation is critical and we remain confident in its ability to attract further mission capabilities by strengthening its position, especially as regards encroachment issues in the surrounding communities.

Combined funding (local and state) will be used to enter into "Phase II" with LAFB and the Readiness and Environmental Protection Integration (REPI) Program. The Department of Defense (DoD)'s REPI Program is a key tool for combating encroachment that can limit or restrict military training, testing, and operations. The REPI Program protects these military missions by helping remove or avoid land-use conflicts near installations and addressing regulatory restrictions that

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DTUCK@HAMPTON.GOV

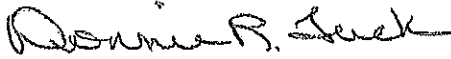
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inhibit military activities. The REPI Program is administered by the Office of the Secretary of Defense (OSD). One of the key components of the REPI Program is the use of buffer partnerships among the Military Services, private conservation groups, and state and local governments (authorized by Congress at 10 U.S.C. § 2684a).

Hampton and LAFB are enormously grateful to the Commonwealth of Virginia for the state contribution of FACT funds that were approved in 2014. To keep this important process moving forward, the U.S. Air Force approached the City and asked if we would join them in the application to the REPI Phase II program. In this next partnership phase the Commonwealth would pay 25% of the value of the property with a 25% match from the City and the Air Force contribution would be 50%. We believe continuing this process with the Commonwealth underscores our collective commitment to the significance of the mission LAFB provides our Nation.

With a new round of funding and a strong-as-ever partnership with the U.S. Department of Defense, the City of Hampton is confident that a state/local match will provide the necessary funds to further strengthen the LAFB mission.

Respectfully,



Donnie R. Tuck
Mayor

cc: Mary B. Bunting, City Manager
Vanessa Valldejuli, City Attorney

Item 1. General Information

Location:

The City of Hampton, Virginia is located on the Virginia Peninsula and is bounded by the York River, James River, Hampton Roads and the Chesapeake Bay. Joint Base Langley – Eustis, Langley Air Force Base (LAFB) is located in the City of Hampton.

The region surrounding LAFB, including the City of Hampton, is expected to experience economic and population growth in the future. As new and in-fill development moves closer to the Base, a coordinated effort is needed to ensure that the growth that occurs in the Joint Land Use Study (JLUS) area allows the installation to maintain its strategic role in the nation's defense while concurrently remaining a vital member of the local community and a major contributor to the regional economy.

LAFB is the oldest continuously active air base in the United States. Its strategic importance is linked to the installation's 100-year history as an airfield and proving ground for the Army, Navy, and the National Advisory Committee for Aeronautics (NACA) aircraft. After the creation of the US Air Force (USAF), Langley was home to the headquarters of important Air Force commands, which, until 1992, included the Tactical Air Command (TAC) which realigned to Air Combat Command (ACC) to oversee the USAF Combat Air Forces (CAF). The strategic mission of the Base under the ACC involves organizing, training, equipping, and maintaining combat-ready forces capable of rapid deployment to meet the challenges of peacetime air sovereignty. One of the primary missions of ACC is to provide air combat forces to the war-fighting commands. It is responsible for fighters, bombers, reconnaissance, and battle-management aircraft, intercontinental ballistic missiles, and command control, communications, and intelligence, surveillance, and reconnaissance systems. Additionally, LAFB is home to 1/3 of the Nation's air superiority fighters, the F-22 Raptor. The 1st Fighter Wing (1 FW) is a key tenant and operates the F-22 Raptor and the T-38 Adversary Training Jet.

Purpose:

The purpose of this request is to further the work of the Joint Land Use Study (JLUS) 2010 recommendations by purchasing property from willing sellers in the LAFB flight approach zones, specifically the accident potential zones. A state and local match will allow Hampton to enter into "Phase II" with LAFB and the Readiness and Environmental Protection Integration (REPI) Program.

The City of Hampton and LAFB have identified 8 parcels of land (52.72 total acreage) with an assessed value of \$1,529,100 that is in the Langley Accident Potential Zone (APZ). The Department of Defense (DoD)'s REPI Program is a key tool for combating encroachment that can limit or restrict military training, testing, and operations. The REPI Program protects these military missions by helping remove or avoid land-use conflicts near installations and addressing regulatory restrictions that inhibit military activities. The REPI Program is administered by the Office of the Secretary of Defense (OSD).

Hampton entered into a JLUS in 2010 with LAFB adjacent localities including the Cities of Newport News and Poquoson, and York County. The Hampton-Langley JLUS was undertaken as a proactive and preventative effort to ensure mutually beneficial growth and development occurs at Langley AFB, the City of Hampton, and other local jurisdictions in proximity to the installation.

The purpose of this request for state funding is to further expand on and execute strategies and recommendations from the 2010 JLUS. These recommendations focus specifically on avoiding conflicts previously experienced between the United States (US) military and local communities in Hampton Roads by engaging the military and local decision-makers early rather than later when problems have already taken root and have become a reality.

The City of Hampton and Langley AFB have a long and effective history of collaboration to address land use issues that may impact the important missions being carried out at the Base. Over the past 45+ years, the sophistication of land use tools, as well as the criteria for evaluating compatibility, has evolved through plan and regulation updating and the change in mission, equipment, and activities at the installation.

The City of Hampton has continuously made good faith efforts to enact and amend land use policies and tools to respond to the needs of LAFB while still balancing the realities the city's development status. The long and productive working relationship between the City of Hampton and Langley AFB has enabled the City to develop land use policies and regulations that respond to the mutual interests of the both the Base and the surrounding community.

Accordingly, the REPI Program offers another highly effective tool. A key component of the REPI Program is the use of buffer partnerships among the Military Services, private conservation groups, and state and local governments, authorized by Congress at 10 U.S.C. §2684a. These win-win partnerships share the cost of acquisition of easements or other interests in land from willing sellers to preserve compatible land uses and natural habitats near installations and ranges that helps sustain critical, at-risk military mission capabilities. REPI also supports large landscape partnerships that advance cross-boundary solutions and link military readiness, conservation, and communities with federal and state partners through a common, collaborative framework. Such partnerships include the Southeastern Regional Partnership for Planning and Sustainability (SERPPAS) and the Western Regional Partnership (WRP), and REPI also participates in the Sentinel Landscapes Partnership among DoD and the Departments of Agriculture and the Interior.

Since its first partnerships in 2003, REPI has grown and fostered a sea-change in how DoD responds to conservation and military training issues and engages in outside-the-fence land use planning. The state grant, plus the local match will hopefully leverage REPI Phase II funding of Engaging with all stakeholders at the federal, state, and local level, REPI continues to explore policy and regulatory solutions to incompatible development, off-installation species habitat, and other mission sustainability issues.

Term of Grant:

The City anticipates a multiyear effort to work through the due diligence process of potential acquisitions of land from willing sellers. This tracks with our experience with the land acquisition in the LAFB flight approach zones (APZ) with willing sellers.

Item II. Required Analysis and Justification for Grant:

- A. *Describe in detail all prior and current efforts to find, apply for and request alternative funding solutions to address the negative impact in which you are applying for this grant. Specifically, list and explain all grants, loans, or other financial assistance applications awarded, pending or denied. If the Applicant Organization has applied for or submitted an application for alternative funding that is pending, please include the expected date of determination by the third party public or private source.*

The City of Hampton applied for and was granted Commonwealth of Virginia FACT Funds in 2014 (FACT Fund application dated July 28, 2014) in the amount of \$2,000,000. There was a \$2,000,000, 100% match by City of Hampton.

As soon as there is a commitment on the part of the Commonwealth of Virginia for \$250,000, the City of Hampton will proceed with its funding application with the REPI Phase II program.

There are no other applications for alternative funding.

Below, please find the explanation of the 2014 FACT Funds used to-date:

- The amount of city funding used: To date \$3,627,963.98 (\$845,638.50 remaining)
- The amount of state funding used: To date \$3,627,963.87 (\$595,638.59 remaining).
- Total State / City encumbered = \$1,294,795.00
- Remaining balance = \$146,482.00
- The total CZ acreage is: 227.58 acres, we have acquired 129.77 acres; we are under contract for 35.81 acres. After that contract closes we will have acquired approximately 60% of the properties impacting the CZ.
- We are also working to acquire one parcel in APZ 1 with LAFB (REPI Funding from LAFB) would be matched with State and City. This track is a 22.02 Ac Parcel, Lot 14A, 2941 Armistead Ave with a current appraisal of \$344,000.
- The total number of CZ parcels acquired 17 of 23; (3 under contract); (3 (4 parcels) owners not willing to sell)
- In summary, a total of **\$8,550,722.70 (spent and or encumbered)** to-date of state and city funding.

- B. *Provide a quantitative analysis justifying the application dollar amount to include the methodology used to calculate the costs of the requested encroachment grant. The analysis should identify the negative impacts on the Applicant Organization if the funds are not received.*

- Total assessed value: \$1,529,100
- 50% federal: \$764,550

- 50% non-federal: \$764,550
- 50% City of Hampton / 50% State: \$382,275
- Currently have \$146,482
- Leaving an additional \$235,793 to fund
- Variables (i.e. appraisals, possibly not getting the full 50% from the federal) lead the City to recommend and to match a \$250,000 state/local contribution.
- The previous funding from the State and City to appropriate land in the LAFB Clear Zone was allocated accordingly: 94% (which only includes proceeds for sale); and all other expenses total 6%, (which included items such as taxes, title policy, appraisal, environmental site assessments, demolitions, etc.)

Should state funds not be received, the Hampton/LAFB will not meet the onus of the U.S. Department of Defense Readiness and Environmental Protection Integration (REPI) Program which is dependent upon partner cost-sharing and delivering better value to the taxpayer. The Office of the Secretary of Defense (OSD) evaluation process for funding REPI buffer projects starts with, in this case, the U.S. Air Force, submitting proposals for the annual buffer project funding process. The City of Hampton has been working very closely with Langley Air Force Base personnel to identify those parcels to be included in the application.

The OSD uses tailored qualitative and quantitative criteria to evaluate the proposals and works with the Services to take into consideration the value and priority of the missions being protected. OSD also encourages proposals that provide multiple benefits to the community and environment and strengthen partner cost-sharing.

It is believed that the state funding piece is the critical last piece needed to strengthen the REPI application and ultimate award of funds.

C. *Provide a specific plan as to how the funds will be spent.*

**LAFB & City of Hampton
Potential Properties for REPI Funding Consideration
APZ- 1**

(Properties #s 1-8 on Map, Exhibit B-2, JBLE – Langley FY16 REPI Proposal)

1. LRSN# 6000813, Property Owner, Hampton University, 4.71 Acres, Assessed value, \$231,500.00
2. LRSN# 6000812, Property Owner, Hampton University, 5.47 Acres, Assessed value, \$231,500.00
3. LRSN # 6000821, Murray Howell, ETAL., Commander Shepherd Blvd., 19.86 Acres, Assessed value, \$544,000.00

4. LRSN# 6000770, Alma Hetlie Lauter Estate, 8.29 Acres, Assessed value, \$142,400.00
5. LRSN# 6000771, 55 Tidewater Dr., Lewis & Teresa Winfred, 3.79 Acres, Assessed value, \$179,800.00
6. LRSN# 6000772, Tidewater Dr. Charles Allen & Sonja S., 3.74 Acres, Assessed value, \$34,100.00
7. LRSN# 6000773, Tidewater Dr. Gwen Allen, 3.68 Acres, Assessed value, \$33,700.00
8. LRSN# 6000774, 45 Tidewater Dr., Martin & Mary Makwoski, 3.18 Acres, Assessed value, \$132,100.00

TOTAL Assessed Property Value: \$1,529,100.00

TOTAL Acres: 52.72

Recommended priority of property acquisitions would be in order: 8,7,6,5,4,2,1

Item III. Matching Funds

- A. *All encroachment grants require the Applicant Organization to provide a 100% match for the state funds received. For example, if the applicant applies for \$100,000, the applicant must provide verification for a minimum of \$100,000 in matching funds. The required match must be certified by the Secretary of Finance prior to the grant funds being released*
- B. *The match may be cash, securities, or in-kind services. If in-kind services are used, those services must be identified and explained as part of the application. Only in-kind services that are directly related to addressing encroachment by the Applicant Organizations will be approved.*
- C. *The match must be from local or private sources. "Local" means funds from local governments, other local entities and federal funds. The match excludes any direct or indirect state funds, including those from an agency, authority, political subdivision or other state-related entity. For example, an Applicant Organization could not claim funds from the Virginia Tobacco Indemnification and Community Revitalization (TICR) Commission as matching funds for purpose of this grant.*
- D. *The match must be available from the date the grant application is approved until the end of the grant period. The match must be verified by the Applicant Organization's fiduciary agent. If the match is not available by the end of the quarter following the date the grant is approved, the Commonwealth reserves the right to cancel the grant.*

The City of Hampton will be prepared, at the start of FY18, or July 1, 2017, to provide the \$250,000 match. Hampton City Council authorized the use of \$250,000 in capital funds for strategic land acquisition for this project request.

Mr. Karl Daughtrey, Director of Finance for the City of Hampton will serve as "Matching Source Representative" and Hampton City Manager, Mary B. Bunting, will serve as "Fiduciary Representative" and will be prepared to certify the required match at the designated time.

Item IV. Pass-Through

The grant application should be for the Applicant Organization submitting the application. Pass-through from an Applicant Organization to another entity will not be allowed.

This grant application is for the City of Hampton. There will be no pass-through to another entity.