

MINUTES OF THE MEETING

I. Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - V
- Michael Collins, Assistant Counsel, Authorities Unit, Office of the Governor – V
- Dr. Robert Lucky, Public Member – V
- Gerald Turning, Mayor of Tinton Falls – V
- Michael Mahon, Mayor of Oceanport – V
- Dennis Connelly, Mayor of Eatontown – V
- Tim Lizura, President & COO, New Jersey Economic Development Authority (EDA) – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection (DEP)
- John Raue, Senior Policy Advisor to the Commissioner, NJ Department of Labor & Workforce Development (DOL)
- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs (DCA)

V - Denotes Voting Member

Members not present:

- Lillian Burry, Monmouth County Freeholder – V
- Helene Rubin, Section Chief, Division of Statewide Planning, NJ Department of Transportation (DOT)

Also present:

- Bruce Steadman, Executive Director, FMERA
- Gabriel Chacon, Deputy Attorney General (DAG)
- FMERA staff

II.

The meeting was called to order by Chairman James V. Gorman at 7:00p.m. who led the meeting in the Pledge of Allegiance.

In accordance with the Open Public Meetings Act, FMERA Secretary Bruce Steadman announced that notice of the meeting was sent to the Asbury Park Press and the Star Ledger at least 48 hours prior to the meeting, that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House, and the FMERA and the NJEDA websites.

The first item of business was the approval of the November 12th meeting minutes. A motion was made to approve the minutes by Tim Lizura and seconded by Robert Lucky.

Motion to Approve: TIM LIZURA Second: ROBERT LUCKY
AYes: 5

Mayor Mahon abstained from voting stating he was not at the November meeting.
Mayor Connelly abstained from voting stating he was not at the November meeting.

III. WELCOME

Chairman James V. Gorman welcomed attendees to the meeting. Mr. Gorman stated that copies of the Board package were available at the door, and the Board package was posted to the FMERA website in the afternoon to give the public the opportunity to review the information in advance of the meeting.

Mr. Gorman, on behalf of the Board, thanked Mayor Mahon for his knowledge, expertise, wisdom and spirit of cooperation that he has contributed to the Authority since its inception in 2010. Mr. Gorman also acknowledged Mayor Mahon's serving on the FMERPA Board. Mr. Gorman wished Mayor Mahon good fortune in his future endeavors.

Mr. Gorman stated that the meeting agenda called for the public to receive reports from the Staff Advisory Committees and the Statutory Committee meetings. Mr. Gorman stated that the reports are provided to allow for public input and transparency in the conduct of the Authority's effort to implement the Reuse Plan. Mr. Gorman stated that there are two board actions: 1) Consideration of Approval of FMERA's 2016 Budget and Authorization of FMERA's Executive Director to submit Grant requests to the Office of Economic Adjustment as necessary, and 2) Consideration of Approval of Memorandum of Understanding with Borough of Oceanport for Water Main Design, Survey and Application work.

The Chairman went on to state that there will be two public comment periods at the meeting based on the Authority's public meeting protocol. The Chairman reiterated his request for the public's cooperation in keeping comments as brief as possible. The Chairman continued by stating that in his role as Chairman he is required to conduct an orderly meeting and complete the meeting agenda in a reasonable time period. The Chairman concluded by stating that FMERA continues to welcome the public's constructive comments and ideas.

IV. SECRETARY'S REPORT

Mr. Steadman stated that there would be no Secretary's report..

V. TREASURER'S REPORT

Jennifer Lepore, Senior Finance Officer stated that the Authority presented the 2016 Consolidated Budget to the Audit Committee at their December meeting. Based on their review, the Audit Committee recommended that the 2016 Consolidated Budget be submitted to the Board at tonight's meeting. Ms. Lepore gave the following 2015 Projected Budget Results:

- 2015 Grant revenue lower than budgeted as operating expenses were lower than projected, and grant revenue is a product of the expenses incurred.
- EDC expenses are under budget for 2015 due to the delay in closing with the Army on the Phase 2 property. Because of this delay, the Authority did not incur the carrying costs associated with the property.
- The Authority is projecting a net loss in 2015 as a result of the delay in closing with the Army on the Phase 2 property. Due to this delay, FMERA was not able to close and receive the revenue on the Phase 2 parcels that were projected to be sold during the year. However, this loss was covered by the Authority's EDC cash reserves, and on a cumulative basis since inception, the Authority is cash flow positive.

VI. PUBLIC COMMENT REGARDING BOARD ACTION ITEMS [3 minutes re: Agenda Items]

There was no public comment.

VII. EXECUTIVE DIRECTOR'S REPORT

Rick Harrison, Director of Facilities Planning

Update on RFPs and Contracts

Mr. Harrison gave the following update on RFPs and Contracts.

- Update on Meetings with Army Representatives

FMERA continues to hold weekly conference calls with all of the involved Army and DOD-related organizations to advance the transfer of the Phase 2 properties. FMERA still has a few issues to resolve on the Finding of Suitability to Transfer (FOST), an environmental review required before transfer. FMERA has provided comments back to the Army which the Army has responded to. Our goal is for the FOST to be issued for a 30 day public comment by the end of this month. In light of some of the FOST comments and responses, the terms and conditions of the draft Memorandum of Agreement (MOA) are under additional review. Our goal now is to seek approval from the Board to execute the Phase 2 MOA with the Army in January 2016

- Update on RFPs and Contracts

The following is a summary of the status of RFPs and Contracts that FMERA has issued:

Auctioneer

There has been no auction activity since November 10th. A summary of auction proceeds, including the two most recent auction events, is available with the Board materials today.

Utilities

FMERA continues to plan for upgrades to utility systems and working with the public utilities and our subcontractors to ensure required utilities are safe and operational. There have been meetings with Two Rivers Water Reclamation Authority (TRWRA), and the three borough's engineers and officials to plan a path forward for both sanitary sewer and water service. We are currently working with the Oceanport Engineer on a proposal to submit a water main application to NJAW to accommodate the historic housing development, the fitness center, FMERA offices and additional pending building sales in the area surrounding the historic district. There is an action item on the agenda tonight for Consideration of Approval of Memorandum of Understanding with Borough of Oceanport for Water Main Design, Survey and Application Work which will provide reimbursement to Oceanport for this work. Staff also hopes to bring a proposed agreement with TRWRA for the Board's consideration at the January Board meeting. FMERA is also discussing roadways, public rights of way and easements with the three Boroughs. A draft agreement with JCP&L to own, operate and maintain the CWA power system is undergoing a final review. This agreement will serve as a template for a Phase 2 agreement which is currently under discussion. FMERA hopes to bring it to the Board in January.

Suneagles

Our operator and property maintenance contractor are preparing the course and facilities for the winter season. The course will remain open throughout the winter for play, weather permitting. The membership drive for the 2015/2016 season remains open and has had a positive response.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services, has been busy keeping our property presentable and secure, for both marketing purposes and keeping our employees and tenants safe and comfortable. They are finalizing preparations for the winter season. We are preparing for the transition to maintaining the Phase 2 property when transferred.

Marina

The Marina has enclosed the deck area with drop down plastic awning. They also continue to fine tune their offerings to fit the season and the football crowd. The CAFRA application for the additional dining area was recently approved. Visit the Marina at Oceanport website for more information.

Appraiser Request for Qualifications

FMERA issued a Request for Qualifications for Real Estate Appraisal Services on November 13. Qualifications were due on December 14. Five proposals were received and are under evaluation. Through this RFQ, the Authority sought to establish a pre-qualified pool of five (5) to ten (10) qualified firms to provide these services on an as needed basis.

Dave Nuse, Director of Real Estate Development gave the following update on RFOTPs.

FMERA is wrapping up a busy and productive year, issuing 10 RFOTPs, bringing 10 projects to the Board for approval, and signing 7 Purchase and Sale and Redevelopment Agreements. Following is a town-by-town update:

In Oceanport, FMERA is currently in negotiations for the sale and redevelopment of the following 3 properties:

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- the 16,000 sf recreation building on Brewer Avenue known as the Dance Hall, which is projected for commercial reuse;
- Marina on Oceanport Creek.

FMERA has executed contracts on other 3 parcels:

- Officer Housing Parcel, consisting of 117 historic housing units, where RPM Development is the selected purchaser;
- Fitness Center, where FM Partners is proposing to renovate and expand that facility;
- Russel Hall, the 40,000 sf former Garrison Headquarters building, to a NYC-based tech company, TetherView.

FMERA also received Board approval to issue RFOTPs for 3 other properties in Oceanport: Barker Circle, Allison Hall, and the Lodging Area. Those 3 RFOTPs will be released over the next few months.

Wayside Technology, which had been approved as purchaser of the former Commissary, has notified the Authority that its July lease expiration date will not allow it sufficient time to acquire and renovate the Commissary, so the company will not be entering into a purchase agreement. Wayside advises that it hopes to lease alternate space in the area.

Earlier this month, FMERA issued its first 2 Requests for Proposals to lease, covering Buildings 601 and 603, two buildings adjacent to the McAfee Center in Oceanport. The buildings are being offered for scientific, engineering or information technology related Research & Development use. Responses are due by January 8, 2016.

In Eatontown, FMERA has proposals on 2 properties:

- The Howard Commons site on Pinebrook Road, zoned for 275 homes and up to 15,000 sf of retail space;
- And the expanded Parcel B site, the mixed-use town center property fronting Route 35, calling for approximately 250,000 sf of retail space and 302 housing units on up to 89 acres.

FMERA and Army representatives have evaluated the Howard Commons and Parcel B proposals, and FMERA has held initial meetings with the highest ranked parties.

FMERA issued an RFOTP for Suneagles Golf Course on October 8th. A 10-acre section of the golf course is zoned for the construction of a new hotel & conference center. Tours are currently being given to interested parties, and proposals are due by February 5, 2016.

FMERA will also be issuing an RFOTP for the 6 barracks buildings on Semaphore Avenue in Eatontown shortly. Those buildings are targeted for arts-related reuse, possibly entailing artist live/work space.

In Tinton Falls, FMERA is in discussions on 2 properties: Parcel F-2, the proposed Veterans Housing site; and Parcel F-3, the 3.5 acre gas station and convenience store site on Hope Road.

In addition, FMERA executed Purchase and Sale & Redevelopment Agreements with:

- Lennar Corporation for Parcels C & C1, approved for 288 units of housing and 58,000 sf of retail development;
- Pinebrook Commerce Center, LLC for the Fabrication Shops, 45,000 sf of light industrial and flex space buildings on Pinebrook Road;
- RADAR Properties for Building 2525, the 86,000 sf office building on Heliport Drive to be occupied by Aaski Technology;
- Trinity Hall for the former Child Development Center on Hope Road to serve as that school's new home.

FMERA also received Board approval to execute a contract with Kiely Realty Group for the sale of the Pistol Range and the adjacent Satellite Drive Parcel.

Please visit our website, www.fortmonmouthnj.com, for more information and to obtain copies of our RFOTPs.

Marketing Update

Candice Valente, Senior Project Officer stated that Cushman & Wakefield and FMERA staff attended the New Jersey Technology Council's Data Summit on December 9th at Rutgers in New Brunswick, promoting Fort Monmouth as an attractive location for data and tech companies. This event brought together data center and IT professionals, as well as business and technology leaders for a conference on business intelligence and analytics systems and solutions on Tech Day at Rutgers. NJTC's Tech Day includes a Global Commercialization Conference and an Incubator Showcase. Over 200 companies attended this year's event.

Ms. Valente stated that Fort Monmouth served as the main topic for an Asbury Park Press Business Roundtable held yesterday at CommVault headquarters in Tinton Falls. Participants included Cushman & Wakefield, CommVault, TetherView, Wayside Technology, the Monmouth Ocean Development Council, and venture capitalists from the area. The roundtable focused on suggesting strategies to position the Fort as an economic force for the Shore region. The Asbury Park Press issued a video and story to share the ideas discussed.

Prefer refer to our website for more information and to sign up for our monthly digital newsletters.

Other Items

Bruce Steadman stated that FMERA has issued the Request for Leases for Buildings 601 and 603 in the hopes that it will attract a technology core for the buildings, and that having tenants in the buildings will help FMERA to attract buyers. Several groups including medical technology, cloud computing, and driverless vehicle companies have toured the site and it is FMERA's hope that these types of companies will start a technology cluster at the Fort.

Mr. Steadman on behalf of the FMERA staff thanked Mayor Mahon for his service on the Board, echoing the Chairman's comments, and noting that there a number of very good projects underway in the Oceanport section of the Fort in large part to the Mayor's diligence and cooperation with the staff.

Mr. Steadman thanked the Board and the staff for the busy and successful year that FMERA has had with regards to the issuance of RFOTPs, the signing of Purchase and Sale Agreements, and the many projects now underway.

Mr. Steadman noted that the delay in submitting a final draft MOA to the Board for review is due primarily to ongoing environmental issues that Army has not resolved as of yet. With the help of the NJDEP, we expect Army to resolve these issues to our satisfaction by January 2016.

Mr. Steadman listed the following action items:

- FMERA will be conducting bus tours for each of the three host municipalities. The Tinton Falls and Eatontown bus tours have not yet been scheduled. The Oceanport bus tour was held on October 24th,
- Continued work with the N.J. Department of Environmental Protection to identify and resolve important environmental issues of concerns as they related to water and sewer.
- Continued meetings and tours with interested prospective employers and investors
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities and their continued help on several projects.
- Continued meetings with Tinton Falls, Oceanport, Eatontown, and the County during the month regarding streets, utilities, redevelopment projects, and other important issues.

VIII. COMMITTEE REPORTS

a) AUDIT COMMITTEE (ROBERT LUCKY - CHAIRMAN)

Robert Lucky stated that the Committee met on December 3rd and discussed the following:

- Presentation by the Authority's auditor Clifton, Larson, Allen (CLA) detailing their deliverables for the year ending December 2015 and the Authority's 2015 Audit to begin in February, 2016.
- A closed session between the Committee and CLA without FMERA staff present.
- Discussion regarding the status of the Memorandum of Agreement (MOA) with the Army.
- Discussion regarding the Phase 2 closing with the Army and the funding that FMERA is seeking to arrange through the Monmouth County Improvement Authority (MCIA).
- Review and discussion regarding FMERA's 2016 consolidated budget which consists of the draft 2016 non-economic development conveyance budget and the draft 2016 Economic development conveyance (EDC) budget. The Committee reached a consensus and agreed to recommend to the Board the draft 2016 consolidated budget and the Executive Director's authorization to submit grant requests and any other necessary documentation to the Office of Economic Adjustment.
- Discussion regarding the Government Accounting Standards Board's fair value standard for land assets based on appraisals.

b) REAL ESTATE COMMITTEE (JAMES V. GORMAN, CHAIRMAN):

Chairman Gorman stated that the Committee met December 8th and discussed the following:

- Summary of the proposed plan amendment #5, which includes an alternative development scenario for the Commissary parcel in Oceanport. Mayor Connelly abstained from discussing the request. The Committee discussed the Borough's support of the project. The Real Estate Committee reached a consensus and agreed to recommend approval of transmittal of the proposed plan amendment #5 to the three host municipalities.
- Summary of the request for recommendation to approve a Memorandum of Understanding (MOU) with the Borough of Oceanport to contract for the design, survey and application work for water main installation for portions of Oceanport and Eatontown. The Committee discussed the timeline for this work and redevelopment of parcels in Phase 2, as well as funding for this contract. The Real Estate Committee reached a consensus and agreed to recommend approval of the MOU.
- Summary of the current status of the Phase 2 Economic Development Conveyance (EDC) Agreement negotiations. There are two general issues still under discussion in relation to the Finding of Suitability

to Transfer (FOST), which FMERA is coordinating with the Army. These issues must also still be finalized in the Memorandum of Agreement (MOA) to provide the legal framework of the Phase 2 conveyance. The Committee discussed FMERA's Base Realignment and Closure (BRAC) counsel as well as the issues delaying finalization of the MOA.

- Discussion regarding the property disposition update hand-out, which summarized the parcels sold, under contract, approved and pending execution, in negotiation, out for proposals and approved for issuance of Requests for Offers to Purchase (RFOTPs). The Committee discussed the recently issued Request for Proposals (RFP) for Sublease(s) for Buildings 601 and 603 in the Oceanport Reuse Area.
- Discussion and update on other issues:
 - Parcel F1-Meyer Center
 - FMERA Budget 2016
 - Fitness Center

c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (KENNETH J. KLOO, CHAIRMAN):

Kenneth J. Kloo stated that the Committee met on December 7th and discussed the following:

- Overview of the Mandatory Conceptual Review application for Building 2525, including the proposed extension to the parking area and the mitigation for stormwater runoff. The Committee discussed the history of remediation at the site and the ongoing environmental due diligence. It was noted that no environmental features or open space identified in FMERA's Natural Resource Inventory are impacted, therefore, no further action by the Committee is warranted.
- Summary of the proposed redevelopment of Russel Hall in the Oceanport Reuse Area and an overview of the Finding of Suitability to Lease (FOSL) prepared by the Army to allow for occupancy of the building prior to closing with FMERA . All environmental issues related to the site were addressed in the FOSL.
- Summary of three issues related to the purchase of the Fitness Center in Oceanport, including a Tidelands claim held by the Department of Environmental Protection that runs through the site, the potential existence of fresh water wetlands on a portion of the site, and the need to submit a CAFRA permit related to the relocation of a drainage pipe on the site. The Committee discussed the process for addressing these issues, as well as infrastructure issues throughout the site.
- Update on discussions with the Army related to friable asbestos throughout the Phase 2 properties. The Committee discussed the timeline for addressing asbestos in high-value reuse buildings, as well as the State's oversight of asbestos remediation and/or encapsulation.
- Discussion on the current status of the final negotiations on the Phase 2 Finding of Suitability to Transfer (FOST). FMERA is working to address three remaining issues with the Army, including federal versus state remediation standards, asbestos identification and responsibility, and Phase 2 carve-out timelines, including landfills.
- Update on current and future Requests for Offers to Purchase (RFOTPs), including the Golf Course, Buildings 601 & 603, Barkers Circle, Alison Hall, the Lodging Area, Eatontown Barracks, and the Charles Wood Fire House.

d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (BRUCE STEADMAN, INTERIM CHAIRMAN):

Bruce Steadman stated that the Committee did not meet this month. The Committee will meet next to discuss the Mandatory Conceptual Review (MCR) for Russel Hall upon its receipt and review by FMERA staff.

e) HOUSING STAFF ADVISORY COMMITTEE (GINA FISCHETTI - CHAIRWOMAN):

Gina Fischetti stated that the Committee did not meet this month.

- f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY, CHAIRWOMAN):

Bruce Steadman, on behalf of Lillian Burry, stated that the Committee did not meet this month.

IX. BOARD ACTIONS

- A) The first item before the Board was the consideration of approval of FMERA's 2016 Budget and Authorization of FMERA's Executive Director to submit Grant Requests to the Office of Economic Adjustment as Necessary.

A motion was made to approve by Robert Lucky and was seconded by Tim Lizura.

The resolution and accompanying Board memorandum are attached hereto and marked Exhibit 1.

Candice Valente read a summary of the Board memo.

Motion to Approve: ROBERT LUCKY Second: TIM LIZURA
AYes: 7

- B) The second item before the Board was the consideration of approval of a Memorandum of Understanding with the Borough of Oceanport for Water main design, survey and application work.

A motion was made to approve by Tim Lizura and was seconded by Robert Lucky.

The resolution and accompanying Board memorandum are attached hereto and marked Exhibit 2.

Candice Valente read a summary of the Board memo.

Mayor Mahon abstained from voting stating that the matter is on the Oceanport Council meeting agenda for discussion at the December 17th meeting.

Motion to Approve: TIM LIZURA Second: ROBERT LUCKY
AYes: 6

X. OTHER ITEMS

Mayor Mahon thanked the FMERA staff and the Board for their kind words, and for their help and support over the years. Mayor Mahon thanked the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) members and staff, including Dr. Robert Lucky, Lillian Burry, Rick Harrison, Frank Cosentino, Tim Lizura, Caren Franzini, and John Raue and the Army Site Manager, John Occhipinti. Mayor Mahon thanked Senator Beck, Assemblyman O'Scanlon and Assemblywoman Cassagrande for their work on creating the FMERA statue. Mayor Mahon gave a very special thank you to Lillian Burry for her all of her support for Oceanport during the creation of the statue.

XI. PUBLIC COMMENT REGARDING ANY FMERA BUSINESS [5 minutes re: any FMERA business]

Tom Mahedy of Wall Township asserted that large corporations are getting extortion money to stay in New Jersey and not-for-profit organizations are being pushed down and out. Mr. Mahedy asserted that the police are not being told about contaminated water. Mr. Mahedy asserted that the water at the Child Development Center is contaminated and that Trinity Hall needs to be notified of the contamination. Mr. Mahedy asserted that there is contamination at the Myer Center and the contamination will be exposed to the public during the demolition. Mr. Mahedy asked for the names of who bought what at the auctions and for the checks and balances as there

was corruption during the auctions. Mr. Mahedy asserted that FMERA had him arrested at a previous meeting between Army and FMERA for some unstated reason.

Mr. Steadman answered Mr. Mahedy by stating that monthly and quarterly water tests have showed that the drinking water on the Main Post is not contaminated, and that the water is tested by the Army in accordance with State and Federal requirements. With regard to the drinking water at the Child Development Center and other parcels in the Charles Wood area, Mr. Harrison stated that there are all new water mains in the Charles Wood Area, and that they are served and maintained by New Jersey American Water.

With respect to the Myer Center, Mr. Steadman stated that there is one contaminated lime pit at the Myer Center which the Army has tested and carved out of the deed, and that FMERA awaits the test results. Further, he noted that demolition of the Myer Center will be governed by state and local regulations.

Mr. Steadman stated that the auctions have been discussed on several occasions and there is nothing further to address. Mr. Steadman stated that there is no corruption taking place and that FMERA is audited by both the Authority's independent auditors and the Army.

Mr. Steadman clarified that at a past working business meeting between Army and FMERA representatives, Mr. Mahedy attempted to barge in, interrupted the proceedings, and would not vacate the room. After repeated attempts to ask him to leave the premises, FMERA had no choice but to contact the police and ask them to escort Mr. Mahedy from the building. FMERA did not have him arrested nor did FMERA press charges; but it is our understanding that outside the building, based on something Mr. Mahedy said or did to the police officers, the police arrested him.

There being no further business, on a motion by Michael Mahon seconded by Tim Lizura and unanimously approved by all voting members present, the meeting was adjourned at 7:59 p.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its Board Meeting.



Bruce Steadman - Secretary

ADOPTED
December 16, 2015

Resolution Regarding
2016 Consolidated Budget and the Office of Economic Adjustment Grant Requests

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (Act), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (FMERA or Authority); and

WHEREAS, the 2016 Consolidated Budget includes an Economic Development Conveyance (EDC) Budget, representing the projected 2016 sales and financial activity under the approved Phase 1 EDC Agreement and the Phase 2 EDC Agreement which is projected to be executed by the 1st quarter of 2016, encompassing the sale of thirteen parcels; and

WHEREAS, the 2016 Consolidated Budget also includes a Non-EDC Budget, representing the funding of qualified expenses received the U.S. Department of Defense's Office of Economic Adjustment (OEA) and the requisite local match from the State of New Jersey; and

WHEREAS, the Audit Committee reviewed the 2016 Consolidated Budget and recommends it to the Authority for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the 2016 Consolidated Budget, as described in the attached memorandum.
2. The Authority authorizes the Executive Director to take all necessary actions to submit grant requests to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,577,840 to support the Authority's operations for the 2016 calendar year as necessary.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

Dated: December 16, 2015

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman, Executive Director

DATE: December 16, 2015

RE: 2016 Consolidated Budget

The draft 2016 Consolidated Budget, consisting of the draft 2016 Non-Economic Development Conveyance Budget and the draft 2016 Economic Development Conveyance (EDC) Budget is enclosed for your review and consideration. FMERA staff has collaborated in the development of a Consolidated Budget which supports and enhances FMERA's Mission to *create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property*. The Consolidated Budget is also intended to expand the Authority's sources of funding while continuing to control costs and direct spending to advance the Authority on the path toward financial self-sufficiency.

The 2016 Consolidated Budget illustrates the Authority's progress in implementing the approved Phase 1 EDC Agreement and embarking on the economic redevelopment of the former Fort property. This year's budget includes: the EDC Budget, representing the projected 2016 financial activity under the approved Phase 1 EDC Agreement and the Phase 2 EDC Agreement which is projected to be executed by the 1st quarter of the year; and the Non-EDC Budget representing the funding of qualified expenses received through the Office of Economic Adjustment (OEA) and the local match.

The 2016 FMERA draft Non-EDC Budget's total expenses and costs of \$1,753,155 will be funded by federal grants of \$1,577,840 through OEA and the local match requirement of \$175,315 and are lower than 2015's level of \$2,102,854. This is mainly due to the step down of funding by OEA. As a result, certain budget categories were transferred to the EDC Budget which include operational items and certain salaries.

The draft 2016 EDC Budget illustrates the Budget based on the 2016 projected parcel sales. Thirteen parcels are projected to be sold during 2016 for \$21,939,999. The projected Net Earnings from the parcel sales are \$5,345,452. The Land Costs for the parcel sales total \$16,594,547 and consists of \$13,530,036 in payments to the Army, \$1,790,111 to the Homeless Accommodation under the terms of the EDC Agreement and Sales Commissions of \$1,274,400.

FMERA's 2016 proposed EDC Budget's Direct Office and General and Administrative expenses of \$272,710 and \$213,500 respectively, represent amounts which do not qualify for funding under the terms of the federal grant such as advertising, communication, equipment, utilities, supplies, meetings/seminars and travel. EDC operating income of \$62,500 represents the amount to be received under the Golf Course Operating Agreement and Miscellaneous Revenue of \$200,000 represents projected proceeds from the

uctions of personal property transferred from the Army to the Authority. Interest expense on Bonds Payable of \$87,975 represents the 2nd, 3rd and 4th quarter interest payments on the bonds expected to purchase the Phase 2 property from the Army.

The 2016 EDC Program Costs of \$3,639,800 are higher than the 2015 Budget. The 2015 Budget projected the purchase of the Phase 2 parcels in the 2nd quarter of 2015 which would have consisted of 6 months in carrying costs. The 2016 Budget is projecting 9 months of carrying costs which caused an increase in Program Costs from 2015 to 2016. Carrying costs mainly consist of property maintenance, utilities and insurance.

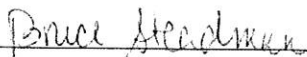
The Authority's 2016 proposed Capital Budget calls for outlays totaling \$1,650,000, comprised of: \$1,150,000 in Short Term Capital Projects that include Infrastructure and Other improvement costs on properties transferred to the Authority; and \$500,000 in Long Term Capital Projects that include Infrastructure and Demolition & Renovations. Projects to be funded from the Capital Budget include a new water main extension and sanitary sewer system on the Main Post. The Long Term Capital Projects will be financed out of the Authority's cash reserves per the EDC Agreement, however, no more than 25% of the total cash reserve will be used in 2016 for these projects.


The draft 2016 Consolidated Budget is projecting net earnings for the year in excess of \$1.2 million compared to the net loss in 2015 as a result of the delay in closing with the Army on the Phase 2 property. This loss was covered by the Authority's EDC cash reserves, and on a cumulative basis since inception, the Authority is cash flow positive.

Recommendation

Based on the above, the Members of the Board are asked to approve the attached draft 2016 Consolidated Budget.

The Members are also requested to approve authorizing the Executive Director to submit grant requests and any other necessary documentation to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,577,840.



Bruce Steadman 

ATTACHMENT

Prepared by: Jennifer Lepore

Fort Monmouth Economic Revitalization Authority
2016 Consolidated Budget

Operational Budget

	2016		
	Non-EDC Budget	EDC Budget	Consolidated Budget
Operating Revenue			
Federal Grants	\$ 1,577,840	\$ -	\$ 1,577,840
Property Sales	-	21,939,999	21,939,999
Operating Income	-	62,500	62,500
Total Operating Revenue	1,577,840	22,002,499	23,580,339
Non Operating Revenue			
Local Match Requirement	175,315	-	175,315
Interest from Cash	-	2,000	2,000
Miscellaneous Revenue	-	200,000	200,000
Total Non Operating Revenue	175,315	202,000	377,315
Total Revenue	<u>1,753,155</u>	<u>22,204,499</u>	<u>23,957,654</u>
Administrative Expenses			
Direct Office Support	1,147,155	272,710	1,419,865
General and Administrative	26,500	213,500	240,000
Total Administrative Expenses	1,173,655	486,210	1,659,865
Costs			
Land Costs (payments to Army, Homeless Fund & Broker Commissions)	-	16,594,547	16,594,547
Program Costs	579,500	3,639,800	4,219,300
Interest on Bonds Payable	-	87,975	87,975
Total Costs	579,500	20,322,322	20,901,822
Total Expenses & Costs	<u>1,753,155</u>	<u>20,808,532</u>	<u>22,561,687</u>
Net Earnings Before Contribution to Cash Reserves	-	1,395,967	1,395,967
Contribution to Cash Reserves	-	100,000	100,000
Total Net Earnings	<u>\$ -</u>	<u>\$ 1,295,967</u>	<u>\$ 1,295,967</u>

Short Term Capital Budget*

	2016		
	Non-EDC Budget	EDC Budget	Consolidated Budget
Short-Term Capital Projects			
Infrastructure	-	1,050,000	\$ 1,050,000
Other	-	100,000	100,000
Total Short Term Capital Budget		<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>

* Long term Capital Projects financed out of cash reserves of \$2 million.
No more than 25% of the total cash reserves will be used for Long Term Capital Projects per year.

ADOPTED
December 16, 2015

Resolution Regarding
**Approval of the Interagency Agreement between FMERA and Oceanport to Contract for
Water Design, Survey and Application Work for Portions of the Oceanport and Eatontown
Sections of Fort Monmouth**

WHEREAS, the water mains which service the Main Post of Fort Monmouth require upgrades for water usage requirements of future property owners; and

WHEREAS, FMERA staff will make approximately \$60,000 in funding available to the Borough of Oceanport through a Memorandum of Understanding to pay for all costs associated with the design, survey and application work for the installation of a water main for a portion of the Oceanport and Eatontown sections of Fort Monmouth; and

WHEREAS, FMERA shall notify the Borough of Oceanport of any services completed outside of this agreement if FMERA contracts separately with New Jersey American Water for the design, survey and/or application work for the water main installation; and

WHEREAS, the Real Estate Committee recommends that the Board authorize the interagency agreement between FMERA and the Borough of Oceanport;

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes the interagency agreement between FMERA and the Borough of Oceanport to coordinate the design, survey and application work of water main for portions of the Oceanport and Eatontown sections of Fort Monmouth, with final terms of the agreement subject to approval by the Executive Director and the Attorney General's Office. The Executive Director or other staff authorized to execute documents pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: December 16, 2015

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Approval of the Interagency Agreement between FMERA and Oceanport to contract for water design, survey and application work FMERA for portions of the Oceanport and Eatontown sections of Fort Monmouth.

DATE: December 11, 2015

Request

I am requesting that the Board approve the interagency agreement between FMERA and the Borough of Oceanport to coordinate the design, survey and application work for the installation of a water main for portions of the Oceanport and Eatontown sections of Fort Monmouth. This agreement will enable FMERA to move forward with planned upgrades and improvements to the infrastructure in both towns.

Background

The water mains which service the Main Post of Fort Monmouth are outdated and not suitable for future water usage requirements. Therefore, they must be replaced to provide potable water service for all future property owners. This interagency agreement will enable FMERA to move forward with the design, planning, survey and application work for the installation of the Saltzman Avenue water main in anticipation of the transfer of the property from the Army to FMERA and then from FMERA to a number of prospective purchasers of Main Post property.

FMERA will make \$60,000.00 in funding available to the Borough of Oceanport through a Memorandum of Understanding (MOU) to pay for all costs associated with the pre-installation work for the water main and the Engineering Services associated with this Project (“Project Funding”). This includes the design, survey and application work for the installation of a water main for the Oceanport section and a portion of the Eatontown section of Fort Monmouth. Subject to sufficient Project Funding being available to the Borough of Oceanport, the Borough will retain an engineering firm to prepare plans, specifications, and a scope of work (the “Plans”) for the Project. This may also include surveying services, examination of title, and environmental services including, but not limited to, an NJDEP-compliant preliminary site assessment. The Plans will be used by FMERA to contract for the installation of a water main for portions of the Oceanport and Eatontown sections of Fort Monmouth. The consideration for this interagency agreement is the Borough of Oceanport expediting the water main work for the eventual installation and operation of a water main in Oceanport and Eatontown to provide updated water service to all future property owners.

If FMERA contracts separately with New Jersey American Water for the design, survey and/or application work for the installation of a water main for portions of the Oceanport and Eatontown sections of Fort Monmouth, FMERA shall notify the Borough of Oceanport of all services completed outside of this agreement.

The Authority will enter into this interagency agreement utilizing the attached draft MOU between FMERA and the Borough of Oceanport for this utility work. The attached MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director and the Attorney General's Office, as well as the Borough of Oceanport.

Recommendation

In summary, I am requesting that the Board approve the interagency agreement between FMERA and the Borough of Oceanport to coordinate the design, survey and application work for the installation of a water main for portions of the Oceanport and Eatontown sections of Fort Monmouth. This will expedite the provisions of water service for the Oceanport and Eatontown sections of Fort Monmouth. Utilizing the Borough of Oceanport's engineers also ensure that the project will comply with all permitting requirements and that the improvements will meet the Borough's standards.

Bruce Steadman

Bruce Steadman

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Attachment: Memorandum of Understanding & Parcel Map
Prepared by: Kara Kopach