

Fort Monmouth Economic Revitalization Authority
Board Meeting
October 19, 2011
Tinton Falls Municipal Building, Tinton Falls, New Jersey

EXECUTIVE SESSION MINUTES

Members of the Authority present:

- James Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) -V
- Michael Pane, Esq., Vice-Chairman, FMERA -V
- Caren Franzini, CEO, New Jersey Economic Development Authority (NJEDA) – V
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit - V
- Dr. Robert Lucky, Public Member - V
- Lillian Burry, Monmouth County Freeholder - V
- Gerald Tarantolo, Mayor of Eatontown - V
- Michael Mahon, Mayor of Oceanport - V
- Gerald Turning, Business Administrator, Tinton Falls - V
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor & Workforce Development
- Michele Siekerka, Assistant Commissioner, NJ Department of Environmental Protection

V- Denotes Voting Member

Also present:

- Bruce Steadman, Executive Director, FMERA
- Gabriel Chacon, Deputy Attorney General
- NJEDA Staff: Eatontown & Trenton Offices

Executive Session – OPMA EXEMPTION N.J.S.A 10:4-12b(5) and (7): Pending Real Estate & Contract Negotiations with the Army

Bruce Steadman, Executive Director of FMERA, began the Executive Session at 8:50 pm. Mr. Steadman began by saying that the past few weeks of negotiating with the Army have been excruciating.

Mr. Steadman went on to state that he would like to discuss the key points of the deal with the Army with the hope of gaining the Board's approval. With the Board's approval on the deal points, Mr. Steadman explained that he can go back to the Army and continue negotiations. Mr. Steadman continued by saying that the FMERA Staff hopes to bring the Memorandum of Agreement (MOA) with the Army to the Board for its consideration in November.

Mr. Steadman began discussing the proposed revenue split for parcel E (80%, 20% to FMERA) and parcel C (80%, 20% to Army).

Bruce Steadman also noted that the Army will not pay for the demolition of Howard Commons, a deal point that had previously been considered. However, Mr. Steadman said that the Army did agree to clearing some brush and trees on Howard Commons and to doing a health and safety study on the parcel. Mayor Tarantolo asked if he could have Eatontown inspectors look at the property and make note of items that are not up to code. Bruce Steadman stated that if it is not too costly, that it is a fine idea and could serve as good documentation on the condition of the property to present to the Army.

Bruce Steadman went on to state that parcel B (Rt. 35 mixed use parcel) is a bone of contention with the Army. There is not yet an agreement on the split of sales proceeds for parcel B. Odis Jones, FMERA Director of Real Estate, stated that parcel B is thought to be one of the most valuable pieces of real estate on the Fort Monmouth property. The proposed split is 60% Army, 40% FMERA.

Mr. Steadman stated that the Army would agree to guarantee that the Golf Course remains a golf course for seven (7) years instead of ten (10). Michele Siekerka asked if the seven (7) year time frame would change the value of the Golf Course when it is put out to a Request for Offer to Purchase (RFOP). Caren Franzini stated that the Golf Course will be zoned. Mayor Mahon stated that if the Plan intended to keep the Golf Course a Golf Course. Mayor Tarantolo asked if there are any hotel developers interested in the Golf Course. Mr. Steadman responded by stating that the golf course is not a likely hotel location due to the type of golf course and the local market, and therefore would not be good for a conference center. In addition, Mr. Steadman noted that the location of Fort Monmouth is not very appealing to hotel developers, as it is not viewed as a high traffic area. Also, the current economy does not lend itself to successful hotel development. Mayor Tarantolo mentioned the prospect of building a homeland security training facility on the Fort property and utilizing the hotel for the trainees. Mr. Steadman stated that FMERA staff has spoken with Homeland Security officials and the department is not interested in the hotel but did express interest in the Mallette Hall building.

Mr. Steadman continued by noting the possibility of doing scheduled closings on all Charles Wood Area parcels. Chairman Gorman responded by stating that the Army is not good at keeping a schedule. Michele Siekerka mentioned that a delay may be caused in agreeing on a Finding of Suitability to Lease (FOSL) and Finding of Suitability to Transfer (FOST). A FOSL or FOST is required before land is leased or sold. It was noted that it is possible to put safeguards in the MOA to motivate the Army to stay on schedule. Tim Lizura spoke about a developer's agreement, noting that if a developer's agreement is signed it would delay the process if there are specific developer requirements that must be adhered to.

Mr. Steadman noted the Army is hesitant to pull the Clinic into phase 1 for purchase. FMERA has asked for a short term lease with an obligation to purchase. The Army would require a 63/37 split on the sale revenue. FMERA must have the clinic as a part of Phase 1.

The Army will provide short term leases for public interest properties. Gerald Turning asked about the lease of the school in Tinton Falls. Mr. Steadman told Mr. Turning the lease would be for \$1.00 if the Army were to transfer the school to FMERA at no cost.

The Army will provide an Environmental Services Cooperative Agreement (ESCA) and would be open to other ESCAs. The Army will maintain the 63/37 split of proceeds for the balance of the Charles Wood Area parcels.

FMERA will do a Request for Proposals (RFP) for a master broker/developer for the Fort Monmouth property. FMERA will draft the RFP for the Army's review and comment. Tim Lizura asked if the master broker/developer would help draft RFPs for pieces of property. Bruce Steadman said yes, they may be asked to help. Mr. Steadman stated the developer would play a consulting role, estimating a time line for potential purchasers, construction costs, feasibilities, and other services.

Mr. Steadman let the Board know that Matrix is revising the 20 year pro forma, business plan and Economic Development Conveyance (EDC) application based on the revised deal points. The pro forma will use conservative absorption assumptions. Mr. Steadman noted that the FMERA staff will review the pro forma, provide a copy of the document and a recommendation to the Board. Chairman Gorman stated the Board does not need to see the proforma again so long as staff verify that it produces an acceptable bottom line.

Chairman Gorman asked for a motion to approve all of the deal points discussed in the Executive Session. DAG Gabriel Chacon noted that Board Members are approving the deal points only, not the MOA.

By motion of Mayor Tarantolo, seconded by Dr. Lucky, the Board unanimously voted to approve the current proposed deal points.

On a motion by Caren Franzini, seconded by Mayor Michael Mahon, and unanimously approved by all voting members present, the Board adjourned the Executive Session and opened the Public Session.

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



Bruce Steadman, Secretary