

Fort Monmouth Economic Revitalization Authority (FMERA)
Board Meeting
January 21, 2015
FMERA Office, Oceanport, New Jersey

EXECUTIVE SESSION MINUTES

Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) -V
- Tim Lizura, President and COO, New Jersey Economic Development Authority (NJEDA) – V
- Michael Collins, Assistant Counsel, Office of the Governor, Authorities Unit – V
- Robert Ades, Vice Chairman, Public Member - V
- Dennis J. Connelly, Mayor of Eatontown – V
- Gary Baldwin, Council President, Tinton Falls – V
- Richard Gallo, Council Member, Oceanport - V
- Dr. Robert Lucky, Public Member – V
- Lillian Burry, Monmouth County Freeholder - V
- John C. Raue, Senior Policy Advisor, Office of the Commissioner, NJ Department of Labor and Workforce Development
- Kenneth J. Kloo, Director of Division of Remediation Management, NJ Department of Environmental Protection

Members of the Authority not present:

- Jonathan Lowy, Regional Manager, Government and Community Relations, NJTransit
- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs

V- Denotes Voting Member

Also present:

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

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

James V. Gorman, Chairman of the Board, began the Executive Session at 8:25 pm. Bruce Steadman, Executive Director of FMERA, provided an update of the status of negotiations with the Army for the Phase 2 property. He stated that FMERA staff hopes to bring the final draft of the Memorandum of Agreement (MOA) for Phase 2 to the February Real Estate Committee meeting and then before the full Board for approval. He noted that the one main issue to be

worked out in the MOA involves the unregulated heating oil tanks (UHOTs), which will be the main topic of discussion on a conference call tomorrow involving Deputy Attorney General (DAG) Ed Pillsbury, FMERA's BRAC Counsel David Knisely and the DAG representing the DEP. Kenneth J. Kloo, Division Director of Remediation Management, explained that DEP does not have regulatory authority over these UHOTs, although CERCLA does cover Army responsibility should a discharge occur. The issue to be discussed involves the situation where tanks exist but no discharge has occurred. Mr. Steadman noted that FMERA is seeking to include language in the MOA that protects FMERA. Mr. Kloo added that it is preferable to deal with the issue upfront rather than when a developer begins their due diligence of the property. Dave Nuse, Director of Real Estate Development, said that FMERA's goal is to include language that provides both FMERA and the potential lender, the Monmouth County Improvement Authority (MCIA), adequate assurances to enable the financing to close. Tim Lizura, COO of NJEDA, asked if there is a mechanism to negotiate the use of Phase 1 revenues to address the remaining tanks. Mr. Steadman stated that it would be difficult and time-consuming to attempt to amend the Phase 1 agreement, and FMERA could instead pursue an Environmental Services Cooperative Agreement (ESCA) with the Army. He added that the Army is very interested in realizing the revenue from the sale of this property and is eager to negotiate a mutually acceptable agreement.

Mr. Nuse then provided a summary of the process to-date and the next steps in negotiation:

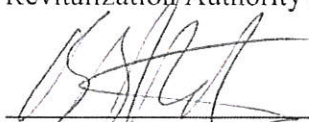
1. FMERA staff and counsel to resolve the open issues on the MOA with the Army;
2. Receipt and review of the draft Finding of Suitability to Transfer (FOST);
3. Staff presentation of the MOA to the Board for approval – targeting the February Board meeting;
4. Arrange financing through the MCIA – targeting the March Board meeting;
5. Close with the Army in June 2015.

Mr. Kloo noted that landfills typically cannot achieve the unrestricted use No Further Action (NFA) designation, but instead must be capped and maintained in perpetuity. He added that FMERA and the Army must determine the long-term responsibility and funding mechanism for this process. Mr. Steadman referred to the ESCA as a possible strategy. Mr. Gorman noted the Real Estate Committee would explore this scenario at their February meeting. He added that the current financing plan is flexible in regards to repayment options.

Mike Collins, Governor's Authorities Unit, stated that the Governor's Office met with Mr. Gorman, Mr. Steadman, and Mr. Nuse and continues to support the negotiations and financing strategy. Lillian Burry, Monmouth County Freeholder, asked Mr. Nuse if FMERA has been in touch with the MCIA and he responded that discussion have not advanced while FMERA awaits the final MOA and the draft FOST. Mr. Lizura asked if FMERA can move forward on the MOA without the FOST, but Mr. Steadman said there are several issues to be reviewed in the FOST.

On a motion by Ms. Burry, seconded by Dr. Robert Lucky, 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