

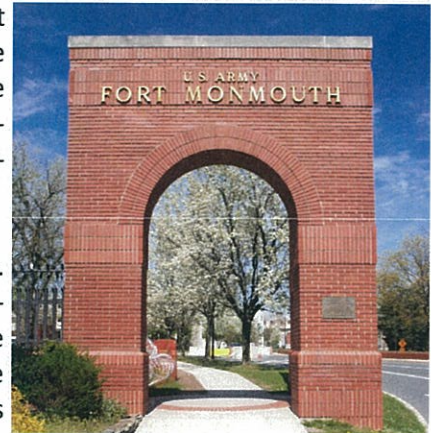
2010 Annual Report

Fort Monmouth Economic Revitalization Authority (FMERA)



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In August 2010, Governor Chris Christie signed into law the "Fort Monmouth Economic Revitalization Authority Act," creating the Fort Monmouth Economic Revitalization Authority (FMERA). The law charged FMERA with overseeing and managing the redevelopment of Fort Monmouth following the federal government's decision to close the base.



The closure of a military facility is a complex and painful process. Complex because it includes myriad stakeholders, competing initiatives, limited resources, difficult-to-achieve timelines, and the uniqueness of each affected community. Painful because jobs are lost, futures are clouded, and the social fabric of the community is changed forever as the active service men and women relocate to another facility. Despite the challenging environment into which it was born, FMERA, which is staffed by the EDA, has taken up its mission with enthusiasm and determination, joined by an engaged and committed Board of Directors and group of stakeholders.

When Fort Monmouth was selected for closure by the federal Base Closure and Realignment Commission in 2005, the decision was met with grave concern and considerable apprehension. After all, Fort Monmouth has been a major presence in Monmouth County and New Jersey for over 94 years, serving as a source of local pride and community investment. Fort Monmouth was the lead command for the Army in the area of C4ISR development, acquisition and sustainment, and boasted 5,500 highly skilled employees, one third of which were engineers and scientists. Further, reports show that an estimated 22,000 jobs were supported by the Fort statewide, a concern that was particularly pronounced in the affected communities of Eatontown, Oceanport and Tinton Falls. While the FMERA team faces many challenges ahead, 2010 was undeniably marked by the creation of a new mind-set that focused on the unprecedented opportunity that lies before us.

The report which follows describes the actions and accomplishments of FMERA from its inception in September through the end of 2010. In this short period of time, FMERA's staff and Board were busy with a variety of activities – from holding its organizational meeting in late September to instituting policies and processes tied to the Board's responsibilities. As we move ahead in 2011, the FMERA team remains committed to the highest level of integrity and transparency. We look forward to continuing to work closely with our partners to build on the success of our predecessor, the Fort Monmouth Economic Revitalization Planning Authority, as well as FMERA's accomplishments of last year.

Caren Franzini
Chief Executive Officer, EDA

Bruce Steadman
Executive Director, FMERA



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Background

On August 17, 2010, Governor Chris Christie signed Senate Bill 917, the "Fort Monmouth Economic Revitalization Authority Act," which was sponsored by Senators Jennifer Beck and Raymond Lesniak and Assembly members Declan O'Scanlon, Joseph Cryan, Albert Coutinho, Angel Fuentes, and Annette Quijano. The law created the Fort Monmouth Economic Revitalization Authority (FMERA) to provide investment, continuity and economic growth to the communities impacted by the federal government's decision to close Fort Monmouth. FMERA replaced the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) and is charged with advancing that entity's plan for reuse and redevelopment of the 1,126 acres of real estate that span parts of Eatontown, Oceanport and Tinton Falls.

Fort Monmouth has been a key economic driver in Monmouth County and New Jersey since it was established in 1917 as Camp Little Silver. According to a 2008 report completed by the New Jersey Department of Labor and Workforce Development, the closing of Fort Monmouth represents the loss of 5,638 direct jobs and approximately 16,000 indirect jobs in the region. The report also found that more than one-third of the Fort's employees were engineers and scientists.

As such, the Fort Monmouth Reuse and Redevelopment Plan, created by FMERPA, places a high priority on creating a mixed-use development with a particular focus on jobs in research and development, high-tech industries and incubator businesses. The array of proposed uses was determined through an extensive interactive process with municipal leaders and residents, and is a highly collaborative blueprint for action to:

- Promote, develop, encourage and maintain employment, commerce, economic development, and the public welfare;
- Conserve natural resources; and,
- Advance the general prosperity and economic welfare of the people in the affected communities of Eatontown, Oceanport and Tinton Falls, and throughout New Jersey.

Pursuant to its enabling statute, FMERA is empowered to enter into a designated developer agreement with the EDA, and additional redevelopment agreements with other public or private redevelopers; adopt land use, development and design guidelines in coordination with the impacted communities; provide and maintain utilities, streets, roads and other infrastructure; undertake redevelopment activities; and, implement revenue raising measures for the benefit of redevelopment.

The EDA staffs FMERA, which currently has seven employees working out of an office in Eatontown. In November, Bruce Steadman was selected to serve as FMERA's Executive Director. Steadman previously served as the President and CEO of the Plattsburgh Air Base Redevelopment Corporation, where he led and managed the redevelopment of the former Plattsburgh Air Force Base in New York.



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Background



FMERA's 13-member board, nine of which are voting members, consists of four members appointed by the Governor, three of whom are public voting members and one voting, ex officio member of the Executive Branch; the mayors of Eatontown, Tinton Falls, and Oceanport; one member of the Monmouth County Board of Chosen Freeholders; and, the Chair of the EDA. Ex officio non-voting members include the commissioners of the New Jersey Departments of Labor and Workforce Development, Environmental Protection, Community Affairs, and Transportation.

Local input on the Board makeup resulted in a broad representation of town, county and State interests, and the law requires that five of the nine voting members be residents of Monmouth County. The general public and relevant New Jersey departments and agencies round out the collaborative effort, ensuring a process that balances the needs and interests of all affected stakeholders.



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The Plan

The 20-year plan for Fort Monmouth emphasizes the expeditious creation of jobs and encourages economic growth in the region. The plan strives to balance development with the protection and enrichment of natural resources and seeks to establish Fort Monmouth as a model for sustainable redevelopment, while also honoring the rich history of the post.



The mix of land uses proposed in the plan is deliberately broad to help accelerate redevelopment and provide for the creation of a wide range of jobs and housing types in order to meet the needs of the demographically diverse population. The inclusion of office, research and development, business services, light manufacturing, retail, residential housing, homeless accommodations, and civic space reflects the overarching commitment to provide for short, medium, and long-term regional planning implementation and economic opportunity.

Plans for the Tinton Falls reuse area, which extends from the westernmost border to Hope Road, envisions a mixed-use, high-tech hub with a multi-use town center containing storefront retail, with the potential for mixed-income housing or professional offices above, institutional uses such as a library, and professional office space. The Eatontown reuse area is divided into the existing Charles Wood area to the west, and the eastern Main Post area. The Suneagles Golf Course encompasses the majority of the western area, approximately 175 acres, with the Howard Commons area, 64 acres, covering the remaining portion. A Lifestyle Town Center is expected to serve as an exciting gateway to the east, with retail, restaurants, entertainment venues, residences, and other uses that create a vibrant pedestrian environment. The three distinct areas proposed within Oceanport include a high tech/green industry cluster, an education and medical campus, a waterfront boutique hotel and spa located along Parkers Creek, and a neighborhood center.

In June 2011, the U.S. Department of Housing and Urban Development (HUD) approved the Fort Monmouth Reuse and Redevelopment Plan, which was completed and approved under the auspices of FMERPA and submitted to HUD in September 2008.



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2010 Activities & Accomplishments

September 28, 2010 — December 31, 2010

On September 28, 2010, FMERA marked a seminal moment in the history of Fort Monmouth when it held its organizational meeting. At the inaugural meeting, members of the Board were asked to act on a series of recommendations designed to institute and effectuate the Board's powers and responsibilities, as well as enable FMERA's staff to undertake necessary day-to-day operations. Additional Board meetings were held in November and December.



September also marked FMERA's kick-off meeting with Matrix Design Group, the planning, engineering, architectural and environmental consultant selected by FMERPA in August 2010. To date, 29 of the 33 buildings identified in the scope of work have been assessed, and on-site assessments of the wet and dry utilities, geothermal systems and transportation infrastructure have been conducted. Matrix also undertook a thorough environmental assessment to identify Areas of Concern and implement environmental risk management strategies. Matrix continues to work on identifying needs related to environmental investigation and cleanup under the Comprehensive Environmental Response, Compensation and Liability Act, with oversight from the New Jersey Department of Environmental Protection. The Department of Defense remains responsible for investigation and cleanup even after closure.

FMERA subsequently approved the award of the Business and Operations Plan Request for Proposals (RFP) to Matrix. Under this agreement, Matrix is charged with developing business and operations plans, which are intended to support the submission of the Economic Development Conveyance (EDC) application required by the Department of the Army.

In accordance with the federal Base Realignment and Closure law, a local redevelopment authority (LRA) must exist for purposes of implementing the Reuse and Redevelopment Plan. In September 2010, Governor Christie sent a letter to the Department of Defense's Office of Economic Adjustment (OEA) requesting recognition of FMERA as the State's LRA for Fort Monmouth. The Department of Defense sent the Letter of Recognition naming FMERA as the LRA on October 12, 2010. Also in October, FMERA staff met with Army representatives in Washington, D.C. for the first time to discuss objectives for the disposition of property. A follow-up meeting with Army officials was held to continue discussions related to the Army's ultimate conveyance of the property to FMERA.

During this period, FMERA also approved its 2011 Budget and established three staff advisory committees – Environmental, Veterans, and Housing – chaired by a Board member, with representatives from



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2010 Activities & Accomplishments

September 28, 2010 — December 31, 2010



the community. Each committee is charged with examining matters related to the Fort's closure and revitalization and providing input and information to staff on relevant issues. Monthly updates on committees are provided to the FMERA Board at the public Board meetings.

FMERA conducted briefings and outreach meetings throughout the fall and early winter, including a discussion with the New Jersey Turnpike Authority regarding possible alternate routes to access the Fort property in a more efficient manner. A meeting with representatives of the New Jersey Department of Military and Veteran Affairs was also held, at which relevant veterans issues related to the Fort's closure were both identified and discussed.

Additionally, FMERA met with representatives of several companies interested in property at Fort Monmouth. These preliminary talks proved encouraging, and follow-up discussions were scheduled upon request.

To ensure open communication with its stakeholders, FMERA launched its website in late September. In addition to including all Board-related activity, the site has a link to the FMERPA website, facilitating access to the wealth of information that was gathered by the planning authority. FMERA's Executive Director and staff also conducted tours of Fort Monmouth in 2010, providing greater insight and understanding of the property, its physical condition, and value.



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Looking Ahead

2011 has already proven to be an eventful year for FMERA as its staff and Board were finalized and the following key strategies to accelerate redevelopment were determined:

- Continue the interactive and transparent communications with stakeholders/public;
- Identify and target industries to match facilities and investors/employers;
- Utilize New Jersey incentives to attract the best and brightest employers and employees;
- Emphasize the Fort's outstanding location;
- Ensure professional, fast and accurate responses from the FMERA team;
- Uphold a commitment to excellence in all aspects;
- Create a branding strategy to promote the Fort nationally and internationally, with assistance from the New Jersey Partnership for Action.

One of the most exciting achievements in 2011 came in April when the Governor announced plans to invest New Jersey Turnpike Authority capital funds in a project that will provide an important boost to the redevelopment of Fort Monmouth. The Turnpike Authority plans to reconfigure the Garden State Parkway in Tinton Falls, adding new ramps from the southbound Parkway to Wayside Avenue and signage in both directions at Exit 105 for Fort Monmouth visitors. The project also includes improving the intersection of Hope Road and Route 36, an area plagued by congestion and traffic delays. The project will improve traffic flow in the vicinity and provide better access to the western portion of the Fort. These improvements will serve to add value to the property and further demonstrate a commitment to development. In late July, the Turnpike Authority Board awarded the design contract to RBA Group of Parsippany. Construction on the new exit and Hope Road improvements are anticipated to start in 2013.

In May, FMERA approved the selection of a professional planning consultant, Phillips Preiss Grygiel LLC, another significant step that will result in the preparation of design guidelines, zoning maps and land use regulations. In addition, the FMERA Board also set forth procedures for leasing space at the Fort in accordance with the appropriate land transfer from the Army. These rules provide a transparent process for FMERA to proceed with the reuse and economic revitalization of Fort Monmouth and were advanced to encourage the use of existing buildings at the post, optimize revenue opportunities to support redevelopment, and prioritize job creation and economic activity.

FMERA continues to hold regular meetings with the Army to ensure a smooth transition once the flag comes down in mid-September. From Fort security to environmental issues, detailed plans are being prepared to minimize any negative impact on the community's health and vitality through the transition period. The property will maintain its 24/7 police presence and it is intended that the Suneagles



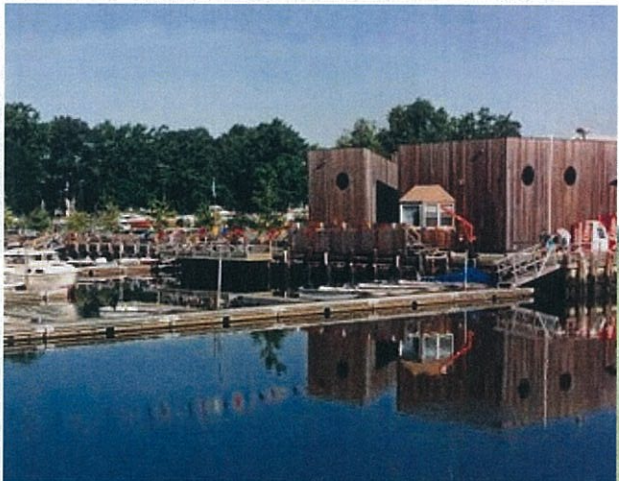
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Looking Ahead

Golf Course will continue operations. FMERA will award a contract to provide management and maintenance for the golf course and banquet/restaurant facilities.

As FMERA moves forward in advancing the redevelopment plan, it has outlined four central goals tied to its key strategies:

1. Job Creation
2. Re-Investment of Sale Proceeds within the Fort's footprint
3. Ensure Army Resolves Environmental Issues
4. Satisfied Stakeholders





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Michael Pane, Esq., Vice Chairman
Public Member

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Public Member

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Lillian Burry
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