



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Secretary & Executive Director

DATE: November 10, 2011

SUBJECT: Agenda for Board Meeting of the Authority

1. **Call to Order – James V. Gorman, Chairman**
2. **Pledge of Allegiance**
3. **Notice of Public Meeting - Roll Call – Bruce Steadman, Secretary**
4. **Approval of Previous Month’s Board Meeting Minutes**
5. **Welcome – James V. Gorman, Chairman**
6. **Public Comment Regarding Agenda Items**
7. **Treasurer’s Report:**
 - Summary of Status of Federal Grant and FMERA Financials
8. **Secretary’s Report**
9. **Executive Director’s Report:**
 - Update on Meetings with Army Representatives
 - Overview of Meeting with Solider On
 - Update on Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – James V. Gorman, Chairman
 - Real Estate Committee – James V. Gorman, Interim Chairman
 - Environmental Staff Advisory Committee – Colleen Kokas, NJDEP
 - Historical Preservation Staff Advisory Committee – Bruce Steadman, Interim Chair
 - Housing Staff Advisory Committee – Charles Richman, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**
 - Consideration of Approval of Proposed Revisions to the Lease Rules for Real and Personal Property
 - Consideration of Approval of Term Sheet and Submission of Initial Lease Proposal to U.S. General Services Administration (GSA) for Lease of Building 2525 to a Federal Agency
12. **Other Items**
13. **Public Comment**
14. **Adjournment**

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

MINUTES OF THE MEETING

I.

Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - **V**
- Michael Pane, Jr. Esq., Vice-Chairman, FMERA - **V**
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit -**V**
- Caren Franzini, Chief Executive Officer, New Jersey Economic Development Authority (NJEDA) - **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**
- Michele Siekerka, Assistant Commissioner, NJ Department of Environmental Protection (DEP)
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs (DCA)
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation (DOT)
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor and Workforce Development (LWD)

V- Denotes Voting Member

Also present:

- Bruce Steadman, Executive Director, FMERA
- Gabriel Chacon, Deputy Attorney General (DAG)
- NJ Economic Development Authority Staff: Eatontown and Trenton offices

II.

The meeting was called to order by Chairman Gorman at 7:02 p.m. who led the meeting in the Pledge of Allegiance.

In accordance with the Open Public Meetings Act, FMERA Executive Director and Secretary, Bruce Steadman announced that notice of this meeting has been 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 September 21, 2011 meeting minutes. A motion was made to approve the minutes by Mayor Tarantolo, seconded by Mayor Mahon.

Motion to Approve: MAYOR TARANTOLO Second: MAYOR MAHON
AYes: 8

Freeholder Lillian Burry abstained from the vote stating she was not present at the September board meeting.

III.

WELCOME

Chairman Gorman thanked everyone for attending the meeting and stated that he was looking forward to a productive meeting. The Chairman continued by saying that since the last meeting the FMERA standing committees and professional staff have been working hard towards meaningful results in an effort to revitalize the local economy. Mr. Gorman clarified the misconception regarding the ownership of Fort Monmouth - stating that the Army continues to own all of the Fort property, until such time parcels are conveyed to FMERA. Mr. Gorman commended Executive Director Bruce Steadman, NJEDA CEO Caren Franzini and all of the EDA staff for their efforts and perseverance to help restore and create jobs and economic vitality in the community.

Chairman Gorman then explained how public comment would proceed at the meeting, with the first public comment period being for agenda items only and the second public comment period being for general comments and questions. Chairman Gorman further stated that he would like to call to the public's attention that between these two public comment agenda items, each Committee reports its actions since the last Board meeting to the members of the Board and also the members of the public. In this fashion, the two public comment periods with the Committee reports sandwiched in between, the transparency to the public by this Authority is well maintained.

IV.

PUBLIC COMMENT REGARDING AGENDA ITEMS

Ken Brody of Wayne asked if the Department of Environmental Protection (DEP) has documented the parcels considered to have environmental issues and would the Army be responsible for the cleanup of those parcels. Michele Siekerka responded by stating that areas have been identified and the DEP is working directly with the Army on the cleanup of all environmental issues. Bruce Steadman added that under Federal law, the Army is forever responsible for the environmental cleanup of the Fort Monmouth property for contamination the Army caused, and a new buyer/leaser would be responsible only for its own contamination if any.

Mr. Brody asked if the Request for Offer to Purchase (RFOP) process has begun and Mr. Steadman stated that RFOP for Parcel E has been issued and can be found on FMERA's website. In addition, FMERA is asking for the Board's approval to begin the RFOP process for additional parcels.

Linda Zucaro of Tinton Falls asked for clarification on Parcel E, C, and C1, as she was unsure of their location on the Fort property. Bruce Steadman explained that Parcel E is a 55 acre parcel, currently located in the Tinton Falls portion of Charles Wood and borders Hope Road and Tinton Avenue. Parcel C is directly to the west of Parcel E and is a 44 acre parcel, and parcel C1 is a 12 acre parcel also located in Tinton Falls adjacent to Parcel E. Ms. Zucaro was shown the parcels on the map of the Fort.

Tom Mahedy of Wall Township asked for clarification as to whether the Army or the new owner of the conveyed property is responsible for cleanup. Bruce Steadman stated that the question had been previously answered. Mr. Mahedy asked if information on the parcels being discussed under the board actions are available on the website. Bruce Steadman stated that RFOP for Parcel E can be found on FMERA's website. Mr. Steadman continued by stating that regarding Parcel C, C1, the Golf Course and Howard Commons, the Board is being asked to approve allowing FMERA staff to begin the RFOP process for the parcels, in accordance with the Authority's proposed sales rules. Therefore, no information is available yet on those parcels.

Sara Breslow of Eatontown stated that she agreed with Mr. Mahedy's comments. Ms. Breslow continued by saying that the Army stated at their Restoration Advisory Board (RAB) meeting that they would not be held responsible for environmental cleanup of the Fort property.

Joe Rizzo of Spring Lake asked if there is discussion regarding retaining the jobs that have not been relocated due to the Fort closing and he asked if there is a committee that is working on the topic. Bruce Steadman stated that FMERA's primary mission is to create an atmosphere where jobs will be created and that FMERA works with investors, developers and employers to help spur job creation.

V.

TREASURER'S REPORT

Beverlee Akerblom, Senior Finance Officer for FMERA, noted that the Authority's Grant extension request for the OEA grant scheduled to end September 30, 2011 was approved by the Office of Economic Adjustment and extended through December 31, 2011 to allow for completion of previously approved contracts, which include the Infrastructure Analysis, and the Business and Operations Plan and Economic Development Conveyance Application (EDC).

Ms. Akerblom stated that the FMERA Management Team has begun the 2012 FMERA budget process and in addition to the Authority's operating budget, the 2012 budget will also contain the EDC budget which will take into account the sales and lease activity expected to occur in 2012. She further stated that the EDC component will include projections of revenue to be generated from the operation, lease and/or sale of Fort property, and the related qualifying expenses in the 12 allowable EDC expense categories.

Ms. Akerblom stated that the draft 2012 FMERA budget will be forwarded to the Audit Committee for its review and that the FMERA Management Team will present the draft 2012 FMERA Budget to the Audit Committee at the November 2011 meeting. The FMERA 2012 Budget is scheduled to be brought before the Board for its consideration and approval at the December Board meeting.

Mayor Tarantolo asked how the revenue part of the budget is projected. Beverlee Akerblom explained that FMERA receives the approved funding for 90% of the operating budget from the Office of Economic Advisory (OEA) and the remaining 10% is matched by the state. She further stated that the EDC revenue will be compiled by the staff based on estimations of what is likely to close or come into lease operation during 2012 and input received by Matrix through the business plan. The expenses will be generated based on the categories in which funds can be disbursed under the EDC. All EDC funds must be re-invested into the footprint of the EDC property.

VI.

SECRETARY'S REPORT

Bruce Steadman noted that the November 16, 2011 Board meeting will likely need to be rescheduled and notification will be sent accordingly.

Jonathan Lowy arrived at 7:05p.m.

VII.

EXECUTIVE DIRECTOR'S REPORT

Odis Jones, Director of Real Estate, stated that the FMERA staff continues discussions with representatives of the Office of the Deputy Assistant Secretary of the Army for Installation and Housing, related to the closure process and property disposition and to finalize the Memorandum of Agreement (MOA) and EDC application. FMERA anticipates bringing the MOA to the Board for approval at the November meeting of the Authority.

Mr. Jones gave an update on the Suneagles Golf Course, noting that the Course officially reopened on Friday, September 31, 2011. He stated that FMERA is committed to ensuring that the golf course continues to operate in a way that offers excellent services to all patrons.

Mr. Steadman gave an update on Fort Security and stated that the New Jersey State Police (NJSP) presence is promoting the safety and security on Fort Monmouth. Mr. Steadman thanked the NJSP for their professionalism, assertiveness and respectful relationship. Mr. Steadman also thanked John Occhipinti, BRAC Site Manager for Fort Monmouth, for his outstanding work on the transition of the Fort.

The Executive Director's Report concluded with Mr. Steadman providing an overview of FMERA action items for next month.

Mayor Tarantolo asked about the status of the zoning map. Bruce Steadman responded by stating that FMERA's planner Phillips Pries Grygiel LLC has met with the respective professionals in all three host municipalities and their work is 80% complete. Bruce Steadman stated that they have integrated legal counsel into the process to sort through several details, and that all three host municipalities will have an opportunity to review the map upon completion.

COMMITTEE REPORTS

- a) AUDIT COMMITTEE (JAMES V. GORMAN, CHAIRMAN, FMERA):
Beverlee Akerblom, Treasurer, stated that the Audit Committee did not meet this month and will meet in November to review the FMERA 2012 budget.

- b) REAL ESTATE COMMITTEE (MICHAEL PANE, CHAIR): Mr. Pane noted that the Real Estate Committee met on October 17, 2011 at the FMERA Office. Chairman Pane stated that the Committee had a lengthy discussion regarding the ongoing negotiations of property transfers from the Army.

Mr. Pane excused himself from the meeting during discussions of other matters due to a possible conflict of interest.

- c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (MICHELE SIEKERKA - DEP): Michele Siekerka noted that the Environmental Staff Advisory Committee met on October 5, 2011 at the FMERA Office. Ms. Siekerka stated that the Committee discussed confidential matters related to job creating projects. The Chairwoman explained that any information regarding contamination matters at Fort Monmouth is public information, but when discussing environmental issues on job creating parcels there must be confidentiality, as to not jeopardize the integrity of the real estate process or the negotiations with the Army. Ms. Siekerka further stated that the Committee discussed the Findings of Suitability to Lease (FOSL) for Suneagles Golf Course. In addition, noting that DEP reviewed the FOSL and their comments were not substantial. Ms. Siekerka noted that if the DEP has any concerns with future Finding of Suitability to Transfer (FOSTs) or FOSLs, the DEP will engage the Army in a dialogue about those concerns. Ms. Siekerka shared with the Committee that there will be another Coordination Meeting between DEP and the Army regarding the Baseline Ecological Evaluation (BEE) and FOSTs for phase 1 parcels. Ms. Siekerka also noted that there was some discussion on possible vapor intrusion at the Myer Center and the Committee asked Julie Carver of Matrix to prepare a summary of vapor intrusion data to be presented at a future meeting.
- d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (BRUCE STEADMAN, FMERA) Bruce Steadman noted that the Committee did not meet this month.
- e) HOUSING STAFF ADVISORY COMMITTEE (CHARLES RICHMAN, DCA): Mr. Richman noted that the Committee did not meet this month. Mr. Richman stated that a meeting is scheduled for October 26, 2011.
- f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY): Ms. Burry noted that the Committee did not meet this month. She stated that a meeting is scheduled for October 24, 2011 with representatives from SoldierOn.

Chairman Gorman called for a motion to approve the activities highlighted in the Committee Reports. A motion was made to approve the Committee Reports by Mayor Tarantolo and was seconded by Michael Pane and unanimously approved by all voting members.

IX.

Board Actions

The next item before the Board was the Confirmation of Board's Approval to Make Parcel E Available through the Offer to Purchase Process.

Bruce Steadman stated that at the September 21, 2011 Meeting of the Authority the Board approved, in Executive Session, in conjunction with its approval of negotiating terms with the Army, making Parcel E available through the Offer to Purchase process.

Mr. Steadman further explained that the sale of Parcel E would be a key milestone in the redevelopment of Fort Monmouth and that FMERA staff is asking for the Board to confirm their

approval to make Parcel E available through the Offer to Purchase process, in accordance with the Authority's proposed sale rules.

Mayor Tarantolo asked if a potential use of Parcel E conflicts with the original redevelopment plan. Mr. Steadman stated the Board is being asked to confirm their approval to issue the Offer to Purchase, and if any proposal FMERA receives conflicts with the plan, the proposed plan change would have to be presented to the Board for their consideration with a recommendation from the Real Estate Committee.

Chairman Gorman called for a motion to approve the confirmation of the Board's approval to make Parcel E available through the Offer to Purchase process. A motion was made to approve by Mayor Tarantolo and was seconded by Dr. Lucky.

Motion to Approve: MAYOR TARANTOLO Second: DR. ROBERT LUCKY
AYes: 8

Michael Pane abstained from voting due to a potential conflict of interest.

The next item before the Board was the consideration of approval for FMERA to Make Parcel C, C1, the Golf Course and Howard Commons available through the Offer to Purchase process.

Bruce Steadman stated that the Authority staff is recommending proceeding with the Offer to Purchase process because there is specific interest in the area. Mr. Steadman further stated that the sale of said parcels will be a key milestone in the redevelopment and will help to fuel creation of jobs, housing and reinvestment. Mr. Steadman added that the parcels may be offered in separate or joint Request(s) for Offer to Purchase (RFOP).

Caren Franzini asked for a distinction from the previous action item, stating that there has not been a Request for Offer to Purchase issued or posted on the aforementioned parcels. Ms. Franzini further stated that when an RFOP(s) is prepared it will be reviewed by the Authority's Real Estate Committee. In addition, the selection of the purchaser(s) will come before the Board for their consideration.

Chairman Gorman called for a motion to approve FMERA making Parcel C, C1, the Golf Course and Howard Commons available through the Offer to Purchase process. A motion was made to approve by Dr. Lucky and was seconded by Mayor Mahon and unanimously approved by all voting members.

Motion to Approve: DR. ROBERT LUCKY Second: MAYOR MAHON
AYes: 9

X.
Other Items

There were no other items for discussion.

XI.

Public Comment

Joe Rizzo of Spring Lake asked if there is a process or a vision for each of the parcels containing the hospital and school on the Fort property. Mr. Rizzo was referred to the FMERA website to review the redevelopment plan.

Sara Breslow asked if the Environmental Committee meetings are open to the public. Ms. Siekerka stated that the meetings are only open to committee members. Ms. Breslow stated that if the committee members are being asked to keep things confidential, the confidence of the public will be lost. Ms. Siekerka reiterated that the committee members are asked to only keep potential negotiation matters confidential. Bruce Steadman further explained that the committee is not a public committee, and it was noted upon formation of the committee, that there would be confidential matters discussed at meetings.

Jerry Spumberg of Tinton Falls thanked Mr. Gorman for his professionalism. Mr. Spumberg stated that he has contact with a global company making investments in New Jersey. Odis Jones provided his business card to Mr. Spumberg.

Linda Zucaro asked what the reuse plan indicates should be on Parcel E and Bruce Steadman indicated that there is housing shown on the reuse plan. Ms. Zucaro also asked where she can locate the RFOP and was referred to the FMERA website. Linda Zucaro further asked how the discussions with the Army can include the Business Plan if it is not yet complete. It was explained that FMERA and the Army use concepts from the Business Plan in their discussions, and it is hoped the business plan will be completed soon.

Ken Brody of Wayne asked if the Howard Commons zoning is staying the same and Mr. Gorman answered that the Board is in discussion with the Army regarding Howard Commons. Mr. Steadman stated that the plan for Howard Commons has many combinations and multi-family housing is included. Mr. Brody asked if there was any study regarding local schools if Howard Commons was redeveloped. Mayor Tarantolo explained that when the Army families transferred to Maryland the number of students in Eatontown decreased. Therefore, if new homes are built in Eatontown there would be no impact on the schools because there is room from the students that have left.

Phil Welch of Lincroft stated that he is interested in the SoldierOn group that is meeting with the Veterans Staff Advisory Committee, further stating that maybe SoliderOn would be interested in Howard Commons for Veterans housing.

Paul Gaffney of West Long Branch stated that he had received a press release from the Governor's Office regarding the new strategic job growth plan. Admiral Gaffney asked if at a future meeting it can be addressed how FMERA can interact with the Governor's plan. Michele Siekerka stated that FMERA is in the Plan, as are all of the state agencies represented on the FMERA Board.

Mr. Mahedy stressed that the Fort should be used for Veterans.

The next item on the Agenda was to adjourn the Public Session of the meeting and enter into Executive Session - OPMA Exemption N.J.S.A. 10:4-12b(5) and (7): Pending Real Estate and Contract Negotiations with the Army.

A motion was made to enter into Executive Session by Mayor Mahon, seconded by Gerald Turning and unanimously approved by all voting members.

There being no further business in Executive Session a motion was to go back into Public Session by Mayor Mahon, seconded by Caren Franzini and unanimously approved by all voting members.

The Board returned to public session.

There being no further business, on a motion by Mayor Tarantolo seconded by Mayor Mahon and unanimously approved by all voting members the meeting was adjourned at 9:40 pm.

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



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: November 10, 2011

SUBJECT: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) Staff's monthly activities which include an Update on the Status of the Federal Grant and FMERA Financials; Update on Meetings with Army Representatives; Overview of Meeting with Solider On; and Action Items for Next Month.

Treasurer's Report.

1. Grant Status

Grant Amendment requests for additional funds are being prepared for submission to the Office of Economic Adjustment. The Authority is preparing several requests for proposals at this time and securing the federal funding prior to award of the contracts is required.

2. Budget

The FMERA Management Team continues the 2012 FMERA budget process, with development of the Economic Development Conveyance budget which will take into account the sales and lease activity expected to occur in 2012. The Matrix pro forma is serving as the basis for development of the Economic Development Conveyance component of the budget. The Economic Development Conveyance component will include projections of revenue to be generated from the operation, lease and/or sale of Fort property, and the related qualifying expenses in the 12 allowable economic development conveyance expense categories.

The draft 2012 FMERA budget will be forwarded to the Audit Committee for its review. The FMERA Management Team will present the draft 2012 FMERA Budget to the Audit Committee at their November 2011 meeting.

The FMERA 2012 Budget is scheduled to be brought before the Board for its consideration and approval at the December Board Meeting.

Spending continues to be strictly monitored.

3. 2013 State Appropriation Request

The Authority submitted a preliminary appropriation request to the New Jersey Office of Management and Budget for inclusion in the state's fiscal year 2013 budget. The request for \$262,425 is level with the Authority's 2012 appropriation of \$263,000, and reflects the Authority's dedication to controlling costs, and eliminating unnecessary spending. The State appropriation is required to satisfy the 10% local match requirement of the federal grant received through the Office of Economic Adjustment.

As FMERA advances the land transfer and redevelopment strategy, and opportunities for revenue through sales and leasing develop, future state appropriation requirements will be reduced.

Executive Director's Report.

1. Update on Meeting with Army Representatives.

FMERA Staff continues discussions with representatives of the Office of the Deputy Assistant Secretary of the Army for Installation and Housing, related to the closure process and property disposition. Weekly conference calls are used to update the status of key issues, such as the environmental work plan, utilities and others. These discussions continue to build a working relationship with the Army toward finding appropriate solutions to mutual issues FMERA must address, and to finalizing the Memorandum of Agreement (MOA) and Economic Development Conveyance (EDC) application. FMERA anticipates bringing the MOA to the Board for review at a special board meeting in December, and for approval at the regularly scheduled board meeting in December.

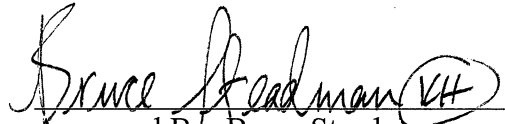
2. Overview of Meeting with Solider On.

At the end of October, the Veterans Staff Advisory Committee and FMERA staff had the pleasure of meeting with Jack Downing from Solider On. Soldier On is a non-profit organization, that works in partnership with the U.S. Department of Veterans Affairs and the U.S. Department of Housing and Urban Development to provide housing to homeless Veterans. The Veterans Staff Advisory Committee and FMERA staff are in the preliminary stages of exploring the Solider On program, and the possibility of bringing it to the Fort Monmouth property. Members of the FMERA Staff will be traveling to Pittsfield, Massachusetts next month to visit one of the Solider On facilities.

3. Action Items for Next Month.

- Continued work with Matrix to finalize the business plan, pro forma, and EDC application
- Continued work with Matrix and the NJDEP to identify environmental issues of concern
- Continued work with Washington, D.C. and local Army/BRAC representatives regarding property transfer, environmental issues, costs and timing
- Continued meetings and tours with the interested prospective employers and investors
- Continued outreach to our stakeholders

- Continued collaboration with our Trenton office on marketing and business development opportunities
- Continued work on the Notice of Interest (NOI) evaluation process
- FMERA anticipates issuing RFPs for an Appraiser and a Surveyor in the upcoming weeks
- FMERA anticipates issuing an RFP for a Master Broker in the next 30 days


Approved By: Bruce Steadman

Prepared by: Katie Hedden



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: November 10, 2011

SUBJECT: Proposed Revisions to the Lease Rules for Real and Personal Property

Request

The Fort Monmouth Economic Revitalization Authority (FMERA or the Authority staff) is requesting that the Board of Directors consider approving revised rules to govern the leasing of real property and accompanying personal property by the Fort Monmouth Economic Revitalization Authority. The proposed revisions to the rules are intended to enhance the leasing regulations that were approved by the Board on May 18, 2011.

Summary

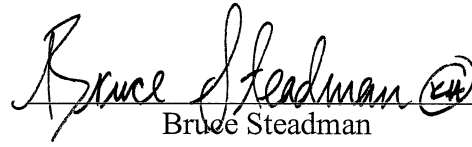
Governor Christie signed P.L. 2010 c. 51 on August 17, 2010 to create the Fort Monmouth Economic Revitalization Authority. The economies, environment, and quality of life of the host municipalities, Monmouth County, and the State will benefit from the efficient, coordinated, and comprehensive redevelopment and revitalization of Fort Monmouth. Section 9(kk) of the FMERA Act (P.L. 2010 c. 51) authorizes rulemaking by the Authority in furtherance of its responsibilities and mission.

At the May 18, 2011 meeting of the Authority the FMERA Board reviewed and approved proposed rules for leasing of real and personal property. The rules that were approved in May have been amended to allow FMERA to make lease proposals to other public agencies outside of the public request for proposal (RFP) process. In addition, other changes were made to the rules to make the leasing process clearer. Attached please find the revised lease rules, with the proposed changes highlighted for your convenience.

The proposed new rules have been reviewed by the Authority's Real Estate Committee and are being submitted to Board for final review and approval.

Recommendation

In summary, I am requesting that the Board of Directors consider approving revised rules to govern the leasing of real property and accompanying personal property by the Fort Monmouth Economic Revitalization Authority. The proposed revisions to the rules are intended to enhance the leasing regulations that were approved by the Board on May 18, 2011.

Bruce Steadman 
Bruce Steadman

ATTACHMENT

Prepared by: Bruce Steadman

DRAFT

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY

Proposed New Rules: N.J.A.C. __: __ - __

Real and Personal Property Leasing

__: __ - __ Applicability and scope

The Fort Monmouth Economic Revitalization Authority is promulgating these rules to govern the lease of real property and accompanying personal property as part of its mission in planning and implementing the redevelopment and reuse of Fort Monmouth and pursuant to authorization under P.L. 2010, c.51 (N.J.S.A. 52:27I-18).

__: __ - __ Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

“Authority” means the Fort Monmouth Economic Revitalization Authority.

“Board” means the Board of the Fort Monmouth Economic Revitalization Authority.

“Director” means the Director of the Fort Monmouth Economic Revitalization Authority.

“FMERA” means the staff ~~who are~~ responsible for carrying out the policies, mission and purpose of the Fort Monmouth Economic Revitalization Authority.

“Market rent” means the rental rate, commonly expressed as a rate per square foot, as determined by a professional licensed appraiser or a valuation consultant retained by the Authority.

“Plan” means the Fort Monmouth Reuse and Redevelopment Plan prepared and adopted by the Authority’s predecessor authority.

“Public agency” means a branch or office of the federal government, State departments, agencies or authorities, the county, and the host municipalities.

~~“Real Estate Committee” means the Real Estate Committee of the Fort Monmouth Economic Revitalization Authority.~~

__: __ - __ Advertising process

(a) FMERA shall publicly advertise a notice of -each opportunity for the lease of real and accompanying personal property on ~~its~~the Authority's website, on the NJ State business portal and place an advertisement for same in the "Public/Legal Notice section of the Star Ledger, the Asbury Park Press and if FMERA deems it appropriate, in possibly other regional newspaper(s) or publications.

(b) In addition, FMERA may contact potential lessees directly to seek to increase the number of proposals received in response to an advertised opportunity to lease.

 : - Proposal request

(a) The public notice of opportunity to lease shall request proposals for a lease of -a particular parcel or building which shall include the time, date and format in which the proposal is to be submitted. The notice shall also include a name and phone number or other contact information potential lessees can use to obtain additional information about the leasing opportunity.

(b) Each public notice of opportunity to lease shall specify material~~Material~~ terms of the lessor-lessee relationship that are to be proposed by potential lessees and material terms that are required for the particular lease and not subject to bidding, which~~(such as lease duration; rent concessions for tenant improvement allowance or initial rent free period, if any; rent escalation; responsibility for paying taxes, utilities and insurance; indemnification/limits on indemnification of the Authority; limits on direct liability; consequences upon default by lessee), shall be specified provided to potential lessees~~ either through the advertisement for notice of opportunity to lease, a specimen form of lease agreement, or on the Authority's website.

(c) Proposals will be opened on the date specified in the public notice. After proposals have been publicly opened, FMERA may seek best and final proposals from one or more potential lessees that timely submitted a responsive proposal for the particular real property and accompanying personal property.

 : - Proposal submission

(a) All proposals shall be submitted on or before the specified time and date required by the public notice and contain all information requested by FMERA. Unless otherwise specified in the notice, a proposal shall not be submitted by telephone, facsimile, or other electronic means.

(b) All proposals shall include a certified, cashiers or bank check made payable to the Authority in the amount of ten percent of the first year's rent, which shall be held by the Authority as a deposit and applied to the rental payments for the accepted proposal, and returned to all others.

(c) Deposit checks shall be deposited by FMERA into an interest bearing account with interest accruing to the benefit of the potential lessee. Deposits paid by unsuccessful potential

lessees, with accrued interest, shall be returned when FMERA issues its notice of intent to award a lease in accordance with N.J.A.C. _____.

(d) Proposals received by FMERA shall be held unopened until the close of the proposal submission period, at which time all proposals received shall be publicly opened and the identities of the potential lessees, but not the substance of the proposals, will be read.

__ : __ - __ . Extension of time to submit proposal

The Director may extend the time for opening proposals at the request of a potential lessee who notifies FMERA that he or she intends to submit a proposal and gives valid reasons why he or she will not meet the proposal ~~formal~~ opening date. The potential lessee making this request shall do so in writing and specify the length of additional time requested. The written request must be received by FMERA no later than one week prior to the proposal submission deadline. If granted, extensions of time for opening of proposals shall be applicable to all potential lessees and shall be posted on the Authority's website. All proposals shall be held and remain sealed until the expiration of the time extension granted by the Director.

__ : __ - __ . Prices

(a) A proposal shall include all material price information required by the public notice. Prices shall be typewritten, photocopied, or written in ink or some other indelible substance.

(b) Unless the public notice states otherwise, the prices submitted shall remain effective for 90 days after the opening date, subject to any negotiations conducted in accordance with N.J.A.C. __ : __ : __ . __ .

__ : __ - __ . Withdrawal of proposal

(a) Prior to the time for opening of the proposals, a potential lessee may, for any reason, request the withdrawal of his or her proposal. The request shall be made in writing to FMERA and shall be signed by a person authorized to submit the proposal (such as the owner or owner's designated representative, or an attorney or real estate broker with written authorization to negotiate and act as attorney in fact for owner). Proof of authorization shall accompany the request.

(b) After the opening of the proposals, if either the potential lessee or FMERA discover a material error in a proposal, the potential lessee may request the withdrawal of the proposal. If the error is discovered by FMERA, the potential lessee will be notified in writing, and the potential lessee will have five business days from receipt of the notice to request withdrawal of the proposal. Any request to withdraw from the potential lessee shall be addressed to FMERA which will return the proposal if the potential lessee can demonstrate that he or she exercised reasonable care in preparing and submitting the proposal, and that it would be unconscionable for FMERA to enforce the proposed lease agreement. The decision to grant or deny any such request shall be at the sole discretion of the Director.

__ : __ - __ . __ Correction of pricing error

(a) FMERA shall correct a pricing error in a leased space proposal under the following circumstances:

—1.—Unless the public notice states otherwise, or the result would be unconscionable, where a leased space proposal contains a discrepancy between a unit price and a total price based on those units, the unit price shall govern. Where the proposal contains any other price discrepancy, FMERA shall determine the price if the leased space proposal contains clear evidence of the intended price.

__ : __ - __ . __ Verification of proposal

FMERA may seek information outside of the proposal to verify the accuracy and responsiveness of the proposal, and whether the potential lessee is responsible. FMERA may request such information from the potential lessee, from public records, or from others familiar with the potential lessee or the space. Such information may clarify, but not modify, a lease proposal. Such investigation may include, but shall not be limited to, contacting the potential lessee's surety companies, financial institutions, prior lessees or visiting the potential lessee's place of business and property sites.

__ : __ - __ . __ Rejection, of all proposals, re-advertisement and termination

FMERA reserves the right to reject all lease proposals and to either re-advertise or terminate an advertised opportunity to lease if FMERA determines that insufficient competition results from the initial advertisement, the price is unfavorable in the current market, or for any other reason in the best interests of the Authority or the redevelopment plans for Fort Monmouth.

__ : __ - __ . __ Evaluation

(a) FMERA shall evaluate each lease proposal received in accordance with this subchapter and shall identify the proposal(s) determined to be responsive to all material elements set forth in the public notice. Material elements may include, including, but not limited to: (i) rent rate per square foot; (ii) lease term; (iii) total tenant investment during lease term; (iv) estimate of jobs to be created or relocated to the parcel; (v) the potential lessee's financial capacity to meet the proposed terms of the lease; (vi) use of leased space; (vii) impact to host municipality; and (viii) confirmation that the potential lessee's proposed use is consistent with the Plan.

(b) Evaluation of proposals will be made based on the best interests of the Authority and the redevelopment plans for Fort Monmouth, price and other factors considered.

__ : __ - __ . __ Negotiations

FMERA may seek to obtain business terms that better suit the interests of the Authority and the redevelopment plans for Fort Monmouth by negotiating with the one, two or three more potential lessee(s) that submit the best lease proposal(s) in accordance with the above noted evaluation criteria. FMERA reserves the right to negotiate with some but not all potential lessees who submitted a proposal ~~exclude from negotiations any and/or all proposals received based on the initial submissions.~~

__ : __ - . __ Recommendation, review and award

(a) The Director and FMERA shall recommend to the Board Real Estate Committee the one potential lessee who will provide the lease agreement which is in the best interests of the Authority and the redevelopment plans for Fort Monmouth considering price and other factors. The Director and FMERA may decide not to recommend any lease proposals to the Real Estate Committee.

(b) The Board shall determine whether to issue a notice of intent to award a lease agreement and reject competing proposals or to take other appropriate action. Upon recommendation of the Director and after review by the Real Estate Committee, the Board shall consider and give approval to award a lease.

(c) Upon approval by the Board of an award of lease, FMERA shall issue a notice of intent to award a lease agreement and send it to all potential lessees that submitted a proposal. The notice of intent to award a lease agreement shall set forth all of the material terms of the lease agreement. FMERA shall finalize the lease agreement which shall be executed by the Director.

__ : __ - . __ Challenges

(a) ~~FMERA shall give written notice to all potential lessees of the particular lease proposal approved by the Board prior to entering into a lease agreement. After the date of the notice of intent to award a particular proposed lease agreement has been given, potential lessees who submitted a proposal may review: (i) proposals submitted by other potential lessees; and (ii) FMERA's comparative summary of proposals received; and (iii) records of the negotiations, if any.~~ Challenges to the notice of intent to award a particular proposed lease agreement shall be submitted in writing to the Director within 10 business days from the date of the letter giving notice of intent to award issued in accordance with N.J.A.C. _____ and shall state with specificity all arguments, materials and/or other documents that may support the challenger's position that the proposed award should be overturned. The Director may extend the time for submitting a challenge on good grounds shown to the satisfaction of the Director in his/her sole discretion.

(b) If a challenge is timely received, the Director shall assign a hearing officer to review the challenge and make a final recommendation to the Board. The Director, in consultation with the hearing officer, has sole discretion to determine if an oral presentation by the challenger is necessary to reach an informed decision on the merits of the challenge. Challenges of the type described in this subchapter, for the purpose of this chapter, are not contested cases subject to the

requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 *et seq.*, and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

 : - . . Documents considered public information

After FMERA's issuance of notice to all potential lessees of intent to award the particular lease proposal approved by the Board, the documents submitted by potential lessees (excluding those items exempt from public access pursuant to *N.J.S.A. 47:1A-1 et seq.*) shall be considered public information, notwithstanding any disclaimers submitted by the potential lessees to the contrary.

 : - . . Lease with public agency

(a) Notwithstanding the advertising process set forth in : - . ., FMERA may make a proposal to a public agency to lease a parcel of land or a building and accompanying personal property without publicly advertising the particular property as being available for lease when the Board determines that the proposed lease with the public agency is in the best interests of the Authority and the redevelopment plans for Fort Monmouth considering price and other factors or that the particular property offers a unique benefit to the public agency.

(b) The Director and FMERA may recommend to the Board making a lease proposal to a public agency if the proposal is in the best interests of the Authority and the redevelopment plans for Fort Monmouth considering price and other factors or the particular property offers a unique benefit to the public agency. The rental rate for a lease proposed to a public agency may be discounted below market rent based on an evaluation formula approved by the Board taking into consideration elements that may include, but not limited to: (i) job creation; (ii) an economic or community benefit that would not be realized from a lease to a private party; (iii) service provided to municipality or county; and improved community development or educational services to the region. Any recommendation to make a lease proposal to a public agency shall also identify any solicited or unsolicited lease or purchase proposal that the Authority may have received for the particular property.

(c) FMERA may respond to a request for a refined proposal or a counter-proposal from the public agency that received a proposal by negotiating minor changes to the Authority's proposal provided that changes to the Authority's proposal do not materially change the benefits of the lease to the Authority and the redevelopment plans for Fort Monmouth, price and other factors considered, based upon the above noted evaluation criteria.

(d) Upon acceptance by a public agency of a lease proposal made by the Authority with no changes or only minor changes to the Authority's proposal or the approval by the Board of a refined proposal by FMERA or a counter-proposal from a public agency, FMERA may enter into a lease agreement for the particular property with the public agency to whom FMERA had made an offer.

(e) If, in the period of time between when the Board approves the making a proposal to a public agency pursuant to : - . (a) and FMERA entering into a lease agreement with the public agency, FMERA is notified by some other public agency that it is interested in leasing the particular property from the Authority, FMERA shall advertise the property as available for lease pursuant to : - . and award a lease as set forth in : - . through : - . . In such a situation, the notice for proposals advertised by FMERA may specify that only public agencies are eligible bidders for leasing the particular property.



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: November 10, 2011

SUBJECT: Lease Proposal with a Federal Agency

Request

The Fort Monmouth Economic Revitalization Authority (FMERA or the Authority staff) is requesting that the Board of Directors consider approving the attached term sheet, which will serve as the basis for an initial lease proposal, with basic business terms, to be submitted to the U.S. General Services Administration (GSA) for lease of building 2525 on the Fort Monmouth property to a federal agency.

Summary

Governor Christie signed P.L. 2010 c. 51 on August 17, 2010 to create the Fort Monmouth Economic Revitalization Authority. The economies, environment, and quality of life of the host municipalities, Monmouth County, and the State will benefit from the efficient, coordinated, and comprehensive redevelopment and revitalization of Fort Monmouth.


In accordance with the federal Base Realignment and Closure (BRAC) law, Fort Monmouth was closed on September 15, 2011. The Army continues to own the Fort property until such time as it can be conveyed to the Authority. However, the Army has agreed in certain instances to allow for early lease opportunities for specific facilities on the Fort property. One of these facilities is building 2525 in the Charles Wood Area as well as the Tinton Falls planned area. Accordingly, FMERA would like to submit an initial lease proposal to the GSA to solicit a federal agency to lease building 2525 and relocate some of their operations to the Fort Monmouth property. GSA is the agency that oversees the management of thousands of federal properties. GSA requires that a proposal be submitted to them for consideration.

Pursuant to GSA, lease proposal submissions are due on Wednesday, November 23, 2011. The submission of a lease proposal to GSA will be done in accordance with FMERA's revised lease regulations for real and personal property. The final lease will be brought to the FMERA Board of Directors for review and consideration of approval. The lease of building 2525 on the Fort property will bring approximately 200 federal jobs to the Fort Monmouth property.

The attached term sheet has been reviewed by the Authority's Real Estate Committee and is being submitted to Board for final review and approval.

Recommendation

In summary, I am requesting that the Board of Directors consider approving the attached term sheet, which will serve as the basis for an initial lease proposal, with basic business terms, to be submitted to the GSA for lease of building 2525 on the Fort Monmouth property to a federal agency.


Bruce Steadman

ATTACHMENTS

Prepared by: Bruce Steadman



ATTACHMENT

[The term sheet that the preceding memo refers to is not being provided as part of this full agenda, as it is part of a competitive real estate process. Making the term sheet available to the public would compromise the competitive position of the Fort Monmouth Economic Revitalization Authority (FMERA) to the benefit of other landlords as FMERA and competing landlords negotiate with the U.S. General Services Administration for a lease of a building for use by a federal agency.]