

Fort Monmouth Economic Revitalization Authority
Special Board Meeting
December 5, 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
- Caren Franzini, Chief Executive Officer, New Jersey Economic Development Authority (NJEDA) - V
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit -V
- Gerald Tarantolo, Mayor of Eatontown -V
- Michael Skudera, Mayor of Tinton Falls -V
- Michael Mahon, Mayor of Oceanport – V
- John Tobia, Director, Monmouth County Public Works and Engineering - V
- Colleen Kokas, Manager of Redevelopment & Business Assistance, 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)

Members not present:

- Dr. Robert Lucky, Public Member – V

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 7:06 pm 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.

III.

WELCOME

Chairman Gorman thanked everyone for attending the Special Board Meeting. Mr. Gorman explained that the agenda would be limited to one topic, the presentation on the summary review of FMERA's negotiations with representatives of the U.S. Army regarding the process by which land transfer will occur and the revitalization of Fort Monmouth can begin.

Mr. Gorman then explained that due to the special limited agenda there would be only one public comment period at the end of the presentation and that comments should be limited to the matters reviewed in the presentation. Mr. Gorman further explained that questions or comments related to other FMERA matters should be presented at the December 21st Board Meeting.

IV.

Presentation on Memorandum of Agreement (MOA) with the U.S. Army and Economic Development Conveyance (EDC) application (please see copy of presentation attached hereto.)

The presentation was given by Bruce Steadman, FMERA Executive Director, Rick Harrison, FMERA Director of Facilities Planning, and Odis Jones, FMERA Director of Real Estate.

David Knisely, Esq., FMERA's Base Realignment and Closure (BRAC) Attorney, stated that based on previous military transfers he has negotiated, the conveyance process between FMERA and the U.S. Army has been moving at a rapid pace and has many advantages for the community. Mr. Knisely further stated that the shared proceeds approach outlined in the MOA, and agreed to by the Army, works as an advantage to completing the process. Mr. Knisely explained that the confidence that the U.S. Army has shown in the FMERA staff, and the FMERA Board, has helped produce control of the sales and competitive process by FMERA. Mr. Knisely stated that while the Army does not often become involved with leasing property, they have agreed to early leases for FMERA in order to move the Fort Monmouth project along to produce revenue and create jobs. Mr. Knisely noted that due to the fact that the conveyance has moved at such a quick pace the Army has made greater resources available to FMERA than other base closure communities.

Mayor Tarantolo asked if FMERA has interacted with the Patriot Alliance to parallel job creation. Mr. Steadman stated that FMERA has met with the group and has asked for a business plan, and an explanation of how they plan to move forward with creation of jobs.

Mayor Tarantolo asked if the use of revenue generated during the sale and lease process could be used for demolition, which essentially would increase the value of the property. He continued by asking if FMERA would be eligible to receive the increased revenues from the value created by demolition. Mr. Steadman answered yes, that FMERA revenue could be used for demolition projects within the Fort boundaries, but that FMERA would have to share with the Army any increased sales revenue resulting from the demolition. Mr. Steadman also stated that the Army has six different groups with different agendas, missions, and objectives, and that this complicates many of the issues being negotiated with the Army. Mr. Steadman also stated that federal law requires that the Army not be perceived as improving the property once closure has been determined as the viable action, which precludes the Army from participating in demolition projects before property transfer.

Mayor Tarantolo asked for clarification on the statement of "enlist stakeholder help". Mr. Steadman explained that during meetings and tours with interested developer, investor, and employer entities, FMERA would look to the particular borough and its Mayor that the entity is interested in, to make

sure that the project is one that the borough could support and that it would find the project to be valuable and beneficial.

Mayor Tarantolo noted that the statement in the presentation regarding other key points which states that FMERA must sell properties by competitive sale to achieve highest available market price should include a supplement stating the FMERA's primary objective of job creation. Mr. Steadman explained that one of the key justifications of the EDC application, in the Army's review of it, is the need for creation of jobs to replace those lost as a result of base closure. Mr. Steadman further explained that BRAC law states that there must be a competitive sale to determine the sale price.

Mayor Mahon asked if there is anything that would prevent FMERA from using some of the sale and lease proceeds for demolition after the property transfers to FMERA. Mr. Steadman explained that demolition is included as one of the 12 acceptable categories for reinvestment in the Fort property and that there is a line item in the pro forma that anticipates using funds for demolition over the next 20 years for the Phase 1 area.

Mayor Mahon asked how the demolition of some buildings, that are completely inconsistent with the Reuse Plan, would occur. Bruce Steadman explained that the Reuse Plan does not require FMERA to be responsible for demolition, but in those cases where demolition is a condition of the sale of property to a third party, a Request for Purchase (RFP) would be issued and demolition would be part of the purchaser's cost. In addition, any proposed change to the Reuse Plan must be considered by the FMERA Board and approved by a super majority of its members.

Mayor Mahon asked for clarification regarding the Notice of Interest (NOI) process and the treatment of the homeless shelters within the EDC. David Knisely explained that the Reuse Plan is a U.S. Department of Housing and Urban Development (HUD) approved plan, and that in the MOA a fund is established by FMERA to be utilized to satisfy obligations to homeless providers under the Legally Binding Agreements (LBAs) developed as a result of the Reuse Plan process. The LBAs have been approved by HUD. Mr. Steadman further stated that with regard to the received NOI requests, FMERA has begun a process to evaluate the NOI's and will present the list to the Real Estate Committee for review at the December meeting.

Mayor Mahon asked if the initial parcelization plan is consistent with the Reuse Plan. Mr. Steadman explained that the parcelization (as shown in the maps in the presentation) has been consistent with the Reuse Plan. Mr. Steadman continued by stating that RFPs will be issued in order to attract the best opportunities that will be consistent with the Plan, but that also will allow for the greatest flexibility based on today's real estate market.

Mayor Mahon asked if the boroughs' planning boards would be involved with zoning of the Fort property. Mr. Steadman stated that FMERA's planning firm, Phillips Preiss Grygiel (PPG), has met with the local boroughs regarding developing zoning for the Fort. It is FMERA's intention that the zoning will be consistent with the current zoning within the boroughs and with the uses shown in the Reuse Plan; and that it will provide maximum flexibility to accommodate nuances brought forth by the competitive bidding process. If there is a zoning change it will be discussed with each borough to develop a process to implement such a change if necessary, which would then be presented to the Board for approval.

Gabriel Chacon, DAG, stated that there are detailed procedures regarding zoning and in some instances the zoning changes may be presented to a borough's zoning board or FMERA dependent on the type of variances being sought.

Mayor Skudera stated that he is happy that job creation is the primary concern of FMERA and that community involvement is important. He further stated that he is looking forward to seeing the final MOA in order to begin the redevelopment process.

Caren Franzini asked when the U.S. Army's seven year reinvestment period begins and what happens upon completion. David Knisely explained that under the new regulations, the seven years begins at the beginning of the last transfer – which is anticipated to be February 2013 for Phase 1. He further explained that the seven year period ends once the Army concludes a final audit to demonstrate full reinvestment of all the proceeds by FMERA in accordance with the EDC agreement, and that a satisfactory audit would signal the end of the Army's involvement for Phase 1.

Ms. Franzini also asked what the benefits of a 2 phased approach are. Mr. Steadman explained that the Army wanted to concentrate on the Charles Wood Area being that it was less mission sensitive than the Main Post, and from a security standpoint could be carved out and marketed quickly to gain momentum for redevelopment.

V.

Public Comment

Peter Karavites of Tinton Falls Board of Education (BOE) stated that Tinton Falls did not educate any of the military children previously housed at Fort Monmouth. He stated that with the redevelopment, Tinton Falls may now be responsible for the education of children who will live on the Tinton Falls portion of the Fort property.

Mr. Karavites asked out of 563 residential units within the plan, what is the number that is within Tinton Falls. Rick Harrison answered that the plan consists of 288 units which will be phased in over a 20 year period within the Tinton Falls portion of the Fort.

Mr. Karavites stated that the BOE submitted an NOI for the childhood redevelopment center at the Fort due to the overcrowding of the Tinton Falls schools. Bruce Steadman explained that there will be a Memorandum of Understanding (MOU) outlining all key elements of the working agreements with the boroughs, and that all of the NOIs are currently being reviewed.

Mr. Karavites asked if the tax structure for parcels conveyed to third parties will be a pilot program, and Mr. Steadman answered it was too early to make such a determination. Mr. Karavites stated that the homeless obligation has a large impact on the school districts.

Ben Forest of Red Bank asked for clarification on the homeless obligation. Rick Harrison explained that the homeless trusts for a domestic violence shelter will be funded, and located offsite, and will have no impact on the Eatontown, Oceanport and Tinton Falls schools. He further stated that the emergency shelter is a single adult facility located in the Oceanport area and the shelter does not, and will not, house children, and the single room occupancy housing, for individuals with disabilities, also will not house children. Mr. Harrison stated that the remainder of homeless accommodations are for single family permanent supportive housing and they are included in the total number of single family

units in Tinton Falls and Eatontown and could generate school children, as they would as non-homeless units.

Tamara Gens, Business Administrator for Tinton Falls School District, asked where Parcel F is located and what phase it is included in. Bruce Steadman explained that Parcel F is in the Charles Wood Area and included in Phase 1.

Ms. Gens asked if the proposals for Parcel E are available to the public. Mr. Steadman stated that the submissions are still under evaluation. Gabriel Chacon stated that once the bid is awarded, the information will become public.

Ms. Gens asked if the Tinton Falls BOE would be able to meet with the Real Estate Committee to discuss their NOI submission. Mr. Steadman stated that when the evaluation process is complete, there may be opportunities for such discussions. Ms. Gens asked if the BOE is awarded the building, it is stated in their NOI submission that there would be an allowable timeframe to go through the bureaucratic processes with the State Department of Education. Mr. Steadman stated that there would be such an interim period.

Bob English of Eatontown asked if the boroughs have assurance that as properties are built, the tax levy would be 100% paid. Mr. Steadman stated that this is FMERA's intention, but that the state does offer processes for determining tax abatement programs for certain job producing entities. Mr. Steadman also stated that when FMERA takes title and delivers title to a new owner of the property, the owner would be responsible for the taxes subject to any tax abatement programs.

Ms. Franzini noted that the tax structure is up to the municipalities.

Tom Mahedy of Wall Township asked how the public can become involved in the redevelopment process. Mr. Steadman stated that the public can bring comments and questions to the public meetings and that FMERA has an open door policy. Bruce Steadman further noted that Mr. Mahedy has his contact information. Mr. Steadman also stated that Mr. Mahedy can contact the FMERA office to schedule a meeting if he would like more information. Mr. Mahedy questioned how there can be an open door policy when there was a gag-order put on the Environmental Committee. Mr. Steadman clarified the discussions at the Environmental Committee Meeting and noted that the false implication that there was a gag-order imposed has been brought to the Board at four meetings and has been repeatedly clarified to Mr. Mahedy to show that a gag-order was not imposed.

Mr. Mahedy stated that he is in favor of the land being used for schools. Mr. Mahedy asked how a non-profit group such as the Patriot Alliance, which consists of high tech firms, are considered non-profit groups since they have the 501(c)3 category and are entitled to by-pass the RFP process. Mr. Chacon clarified that 501(c)3 organizations do not gain any advantage, and are not treated differently than any other agency, in the leasing rules.

Caren Franzini stated that, as the Chairman noted at the beginning of the meeting, the public comment period is related to the presentation only and Mr. Mahedy should reserve his other comments for the December 21st Board Meeting.

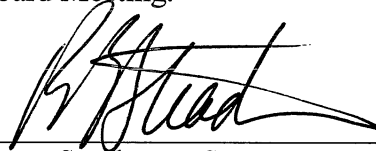
Mr. Mahedy asked if there is a plan for the clean-up of Wampum Lake. Mr. Gorman stated that FMERA would not accept any property until it is inspected and signed off by the Department of

Environmental Protection (DEP), but that Wampum Lake is not within the Fort's boundaries. Mr. Mahedy stated that FMERA and DEP are not supportive of an environmental impact study. Mr. Mahedy stated that the Army plans on leaving the dumps at the Fort. Mr. Steadman clarified that the dumps will have to be closed by the Army in accordance with NJ law.

Mr. Mahedy was asked several times to leave the podium due to over-extended time due to his lengthy comments, and had to be escorted from the podium by the attending police officer.

There being no further business, on a motion by Mayor Tarantolo seconded by Caren Franzini and unanimously approved by all voting members present the meeting was adjourned at 8:58 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.

A handwritten signature in black ink, appearing to read "B. Steadman", written over a horizontal line.

Bruce Steadman – Secretary