



Update on FMERA
Status and Activities

Public Board Meeting
December 5, 2011

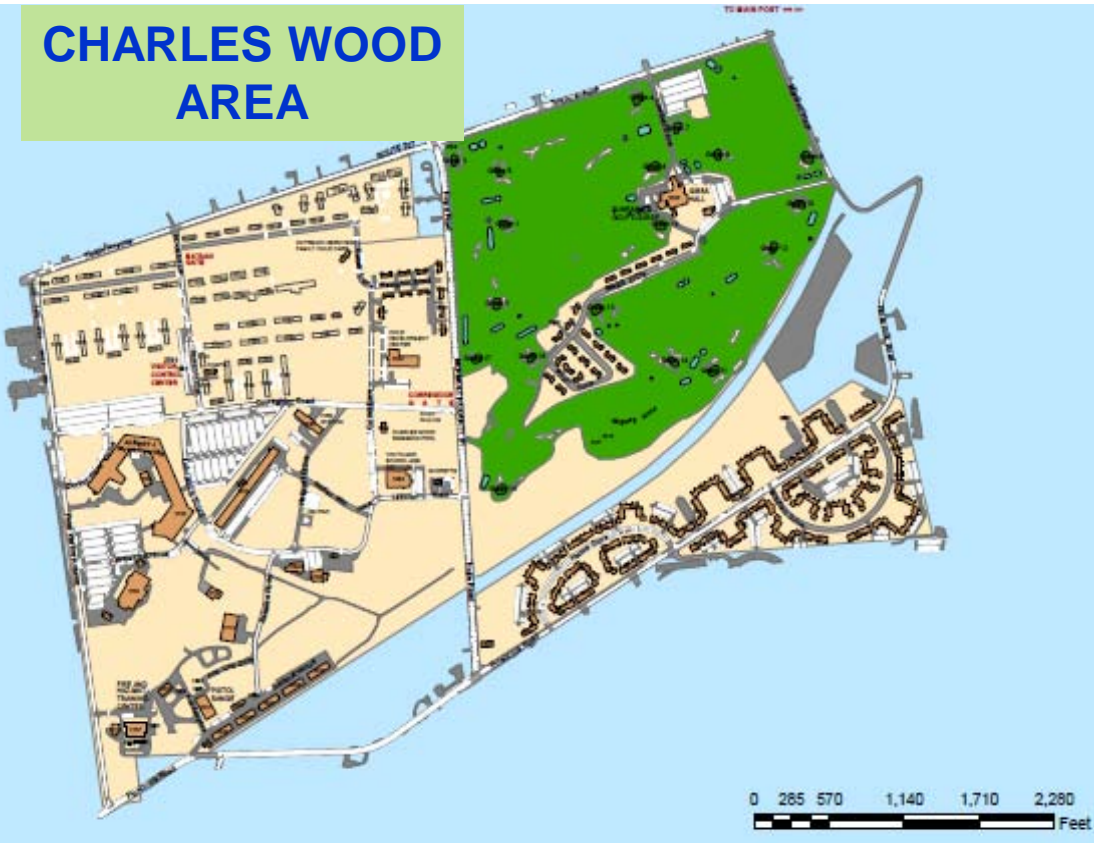
James V. Gorman, Chairman
Bruce Steadman, Executive Director

STATUS:



- Army closed Fort Monmouth on 9/15/2011
- Army Caretaker Plan in place
- FMERA and Army to memorialize transfer plan in MOA and EDC Agreement
- Army working on environmental responsibilities with NJDEP oversight
- FMERA attracting employers / investors / developers

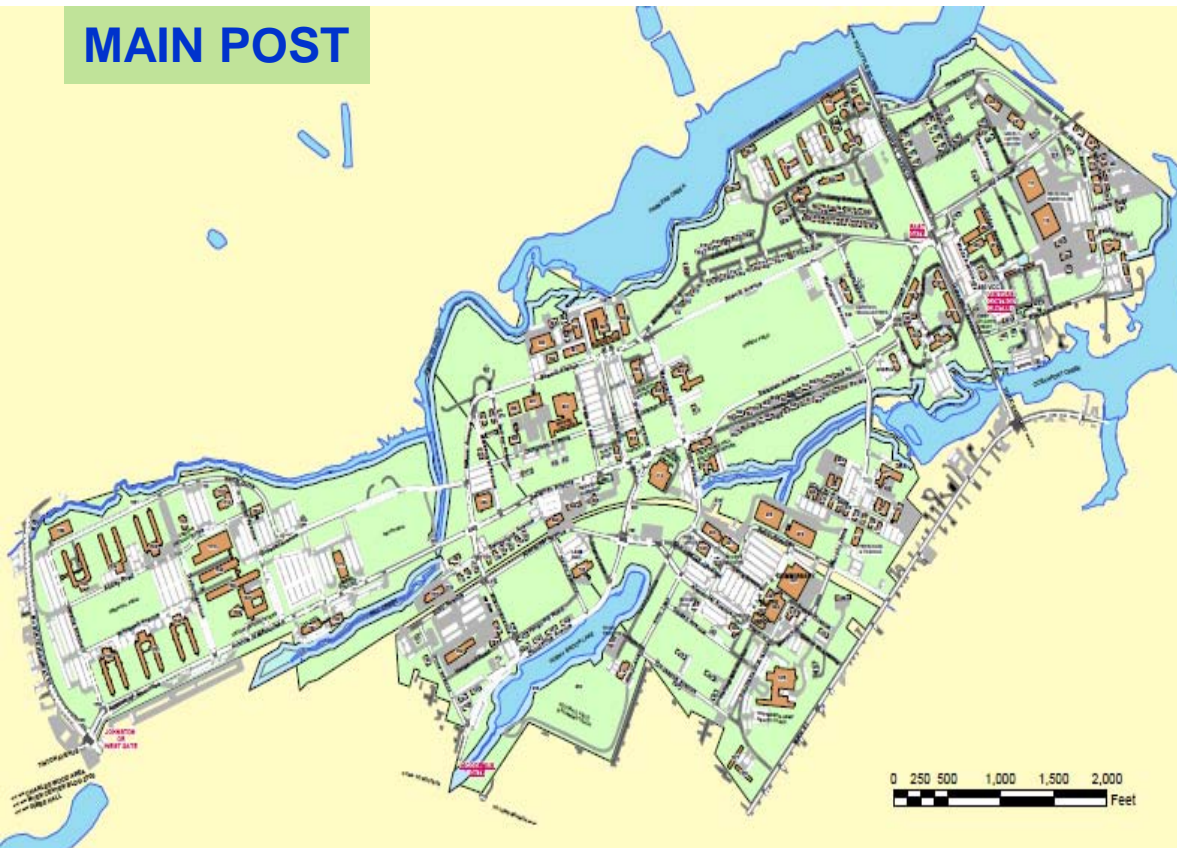
**CHARLES WOOD
AREA**



GOOD NEWS:

- 1126 acres in outstanding location
- Excellent access to highway, air, rail, and water
- GSP access enhanced by \$40M Exit 105 improvement
- Green space, recreational venues, historic areas

MAIN POST



GOOD NEWS cont'd:

- 800,000 SF of R&D / Hi-Tech space and labs
- 1.5M SF of offices
- 0.5M SF of housing
- Redundant fiber ring, excellent voice and data infrastructure
- Golf course and Marina
- Excellent potential for reuse



FMERA Goals

- 1. Job creation**
- 2. Re-investment of sale proceeds for economic development**
- 3. Ensure Army resolves environmental issues**
- 4. Satisfied stakeholders**



1. Job Creation (5,000+ Jobs)

- Re-employ high-tech workers / managers / researchers
- Bring new jobs to New Jersey
- High-tech, R&D, good pay / benefits
- Diversified among small, medium, large companies
- Network with existing companies

Outstanding interest coming from prospective employers, developers, investors



2. Re-investment of Sales Proceeds

- Redevelopment costs expected to be \$100M over 20 years (for the entire property – Phase 1 + Phase 2)
- FMERA and Army will share proceeds
- FMERA's proceeds will be used for:
 - Rehabilitation / replacement of 50+ year old utility systems
 - Streets and roads; upgrades and new construction
 - Demolition of obsolete buildings
 - Asbestos and lead paint removal
 - Repair and maintenance of all structures
 - Sub-division / survey / oversight

Early sales and leases are critical to start the process

3. Ensure Army Resolves Environmental Issues

- Army responsible for clean-up to “standards” under CERCLA
- Consultant (Matrix Design Group) helping FMERA to determine:
 - How “standards” satisfy our redevelopment needs
 - If Army data has gaps
 - If unknown contamination areas may exist
- Coordination with NJDEP to ensure Army performs

Landfills and Myer Center Lime Pit are the primary on-site issues



4. Satisfied Stakeholders

- **Help 3 Boroughs and County overcome additional service costs**
- **Frequent updates to elected officials, media, public, and businesses**
- **Safety, convenience, and amenities for tenants and visitors**
- **Develop zoning plan in concert with Boroughs, and provide flexibility for reuse and redevelopment**

Enlist stakeholder help to create an environment where employers will employ and investors will invest



Fort Monmouth Redevelopment

Key Strategies to Accelerate Redevelopment

- Hit the ground running
- Attract best and brightest employers, investors, developers nationally / internationally
- Emphasize our outstanding location and amenities
- Provide professional, fast, accurate responses from the FMERA team
- Connect with all “Action Groups” (public and private)
- Negotiate fair and achievable MOA & EDC Agreement with Army



MOA (Memorandum of Agreement)

- Lists salient points of the EDC (Economic Development Conveyance) Agreement between Army & FMERA
- Outlines process and timing by which Army transfers property to FMERA
- Sets forth responsibilities of each party
- Must be signed by both parties before Army will review an EDC (Economic Development Conveyance) Application



MOA Between FMERA & Army

1. Sets forth a 2-phased process for the property transfer:

Phase 1

- Charles Wood (plus selected Main Post parcels) to be transferred to FMERA in 8 parcels by February 1, 2013
- Phase 1 parcels include: Golf Course, Howard Commons, Marina, Clinic parcel, Parcel E, Parcel C, Parcel C1, Parcel B and Parcel F

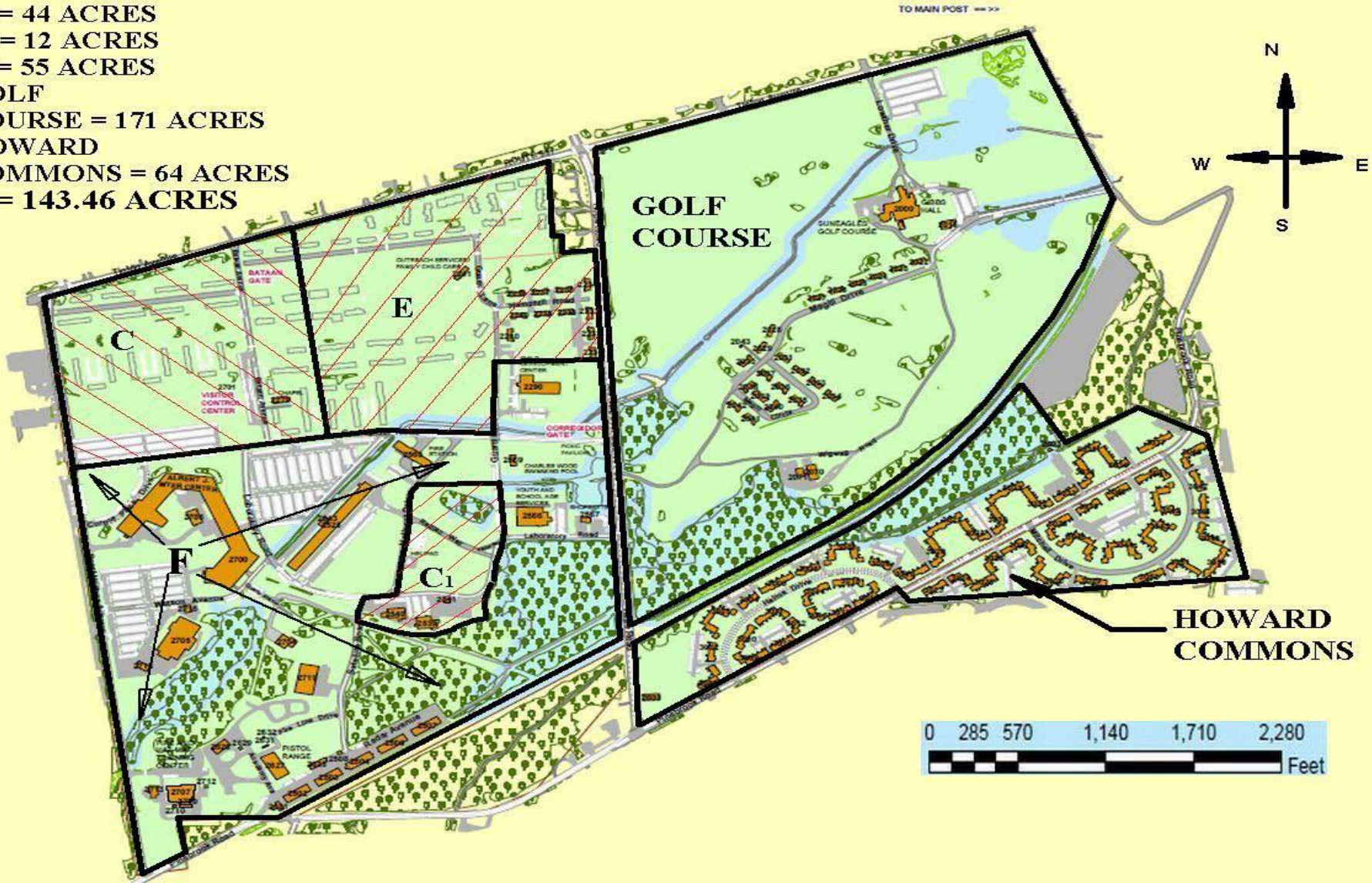
Phase 2

- Balance of Main Post to be transferred to FMERA later (TBD)



Fort Monmouth Economic Revitalization Authority

C = 44 ACRES
C₁ = 12 ACRES
E = 55 ACRES
GOLF COURSE = 171 ACRES
HOWARD COMMONS = 64 ACRES
F = 143.46 ACRES

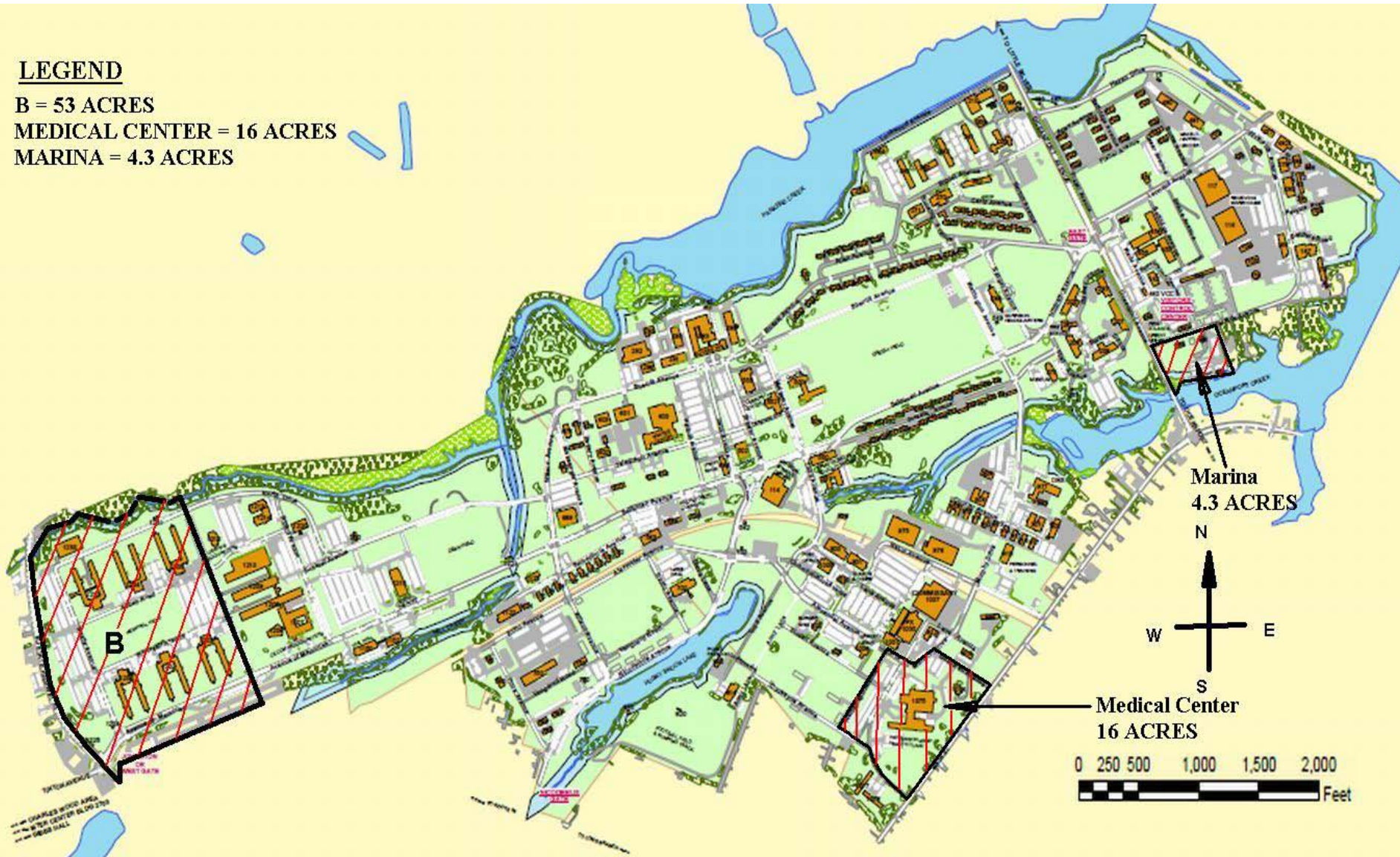




Fort Monmouth Economic Revitalization Authority

LEGEND

- B = 53 ACRES
- MEDICAL CENTER = 16 ACRES
- MARINA = 4.3 ACRES





MOA Between FMERA & Army (cont.)

2. **Army must produce acceptable Finding Of Suitability to Transfer (FOST) with favorable review by NJDEP, before FMERA may accept title for a parcel.**
 - **FOST includes history of any environmental issues associated with the parcel, status of any contamination, No Further Action (NFA) letter by NJDEP, or any institutional controls that will stipulate reuse**
 - **Similar Finding Of Suitability to Lease (FOSL) for any leased parcels**
 - **Army must complete all environmental remediation, as required by prevailing Federal & State laws**



MOA Between FMERA & Army (cont.)

3. **Outlines how FMERA & Army will share sale & lease proceeds from sale & lease of former Fort Monmouth property to 3rd party users**
 - **EDC regulations require that FMERA's proceeds must be reinvested for a 7-year period within the footprint of the former Fort Monmouth**
 - **EDC sale & lease proceeds must be reinvested within 12 BRAC pre-determined expense categories**
 - **EDC regulation requires annual audits to confirm that sale & lease proceeds have been reinvested appropriately**
 - **Army's share by law goes to U.S. Treasury**



MOA Between FMERA & Army (cont.)

4. Other Key Points:

- FMERA must sell properties by competitive sale to achieve highest available market price
- FMERA's Homeless obligations under the Legally Binding Agreements (LBA's) will be funded from gross proceeds before sharing of sale & lease proceeds
- The Army will provide Caretaker services for all former Fort Monmouth property until transfer of title or leasehold interest
- The Army will allow certain parcels to be leased prior to transfer of title for approved projects



EDC (Economic Development Conveyance) Application

- **Formal document request by which Local Reuse Authority (FMERA) requests transfer of title for former Fort Monmouth lands**
- **Satisfies the legal requirement to justify transfer of property to FMERA, based on job-creating potential of the property and financial implications to the affected communities**
- **Contains the Business Plan, which forms financial basis of the request, showing 20-year pro forma of projected FMERA revenue and expenses**



FMERA's EDC Application to Army

- **Phase 1 consists of 563 acres**
 - 490 Acres – Charles Wood: Tinton Falls & Eatontown
 - 73 Acres – Main Post: Eatontown & Oceanport
- **Phase 1 redevelopment potential**
 - 563 residential units
 - 1.7M square feet of office and retail space
- **20-year Phase 1 sale and lease proceeds projected by MATRIX**
 - \$138M Total – approximate 50/50 split between Army and FMERA



FMERA's EDC Application to Army (cont.)

- **Primary EDC reinvestment areas for FMERA include:**
 - Tenant improvements to existing buildings
 - Demolition and asbestos removal
 - Onsite utility and road repair / replacement
 - EDC-approved costs for affected communities
 - Professional services (e.g. legal, accounting, marketing, engineering)
 - Maintenance of existing buildings
 - Contingency



Opportunities

- **Job-Creation Projects**
- **Early Sales of Selected Parcels**
- **Early Lease Opportunities**
- **Develop Project Momentum and Interest**

FMERA Challenges - \$\$

- Minimize outdated buildings & utilities



Former Hospital



Myer Center

- Maximize high-value properties

- Jobs
- Ratables



McAfee Center



Mallette Hall



Next Steps

- Finalize MOA & EDC Application documents by December
- FMERA Board approval of MOA & EDC Application at December 21 Board Meeting
- Submit final MOA & EDC Application to Army by year-end 2011
- FMERA & Army execute MOA by 1st Quarter 2012
- FMERA & Army execute EDC Agreement by 1st Quarter 2012



FMERA Mission;

“Create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property.”