



TO: Members of the Board of Directors

FROM: Bruce Steadman
Secretary & Executive Director

DATE: December 21, 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. **Secretary's Report**
7. **Treasurer's Report:**
 - Summary of Status of Federal Grant and FMERA Financials
8. **Public Comment Regarding Agenda Items**
9. **Executive Director's Report:**
 - Update on Meetings with Army Representatives
 - Update on Suneagles Golf Course and Gibbs Hall
 - Update on Action Items
10. **Committee Reports**
 - Audit Committee – Michael Mahon, Acting Chairman
 - Real Estate Committee – James V. Gorman, Acting Chairman
 - Environmental Staff Advisory Committee – Michele Siekerka, Chairwoman
 - Historical Preservation Staff Advisory Committee – Bruce Steadman, Acting Chairman
 - Housing Staff Advisory Committee – Charles Richman, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**
 - Consideration of Approval of Memorandum of Agreement (MOA) with the U.S. Army and Economic Development Conveyance (EDC) Application
 - Consideration of Approval of FMERA's 2012 Budget and Authorization of FMERA's Executive Director to submit grant requests to the Office of Economic Adjustment (OEA) as necessary
12. **Other Items**
13. **Public Comment**
14. **Executive Session – OPMA EXEMPTION N.J.S.A 10:4-12b(5) and (7):**
Pending Real Estate Negotiations
15. **Adjournment**

Fort Monmouth Economic Revitalization Authority
Special Board Meeting
September 9, 2011
FMERA Office, Eatontown, New Jersey

MINUTES OF THE MEETING

I.

Members of the Authority present:

- James Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - V
- Michael Pane, Jr. Esq., Vice-Chairman, FMERA - V
- Alfred Koeppe, Chairman, New Jersey Economic Development Authority (NJEDA) — V (telephone)
- Lillian Burry, Monmouth County Freeholder - V
- Gerald Tarantolo, Mayor of Eatontown -V
- Kimberly A. Jungfer, Oceanport Borough Administrator/Clerk - V
- Gerald Turning, Business Administrator, Tinton Falls -V
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit –V
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor and Workforce Development (LWD) (telephone)
- Michele Siekerka, Assistant Commissioner, NJ Department of Environmental Protection (NJDEP) (telephone)

V- Denotes Voting Member

Members of the Authority not present:

- Dr. Robert Lucky, Public Member - V
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs (DCA)
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation (DOT)

Also present:

- Bruce Steadman, Executive Director, FMERA
- Gabriel Chacon, Deputy Attorney General (DAG)
- Caren Franzini, Chief Executive Officer, EDA (telephone)
- NJDEA Staff: Eatontown and Trenton Offices

II.

The meeting was called to order by Chairman Gorman at 11:02 a.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.

III.

WELCOME

Chairman Gorman thanked everyone for attending the meeting and noted that today's actions require prompt action.

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.

IV.

PUBLIC COMMENT # 1 REGARDING AGENDA ITEMS

Phil Welsh of Lincroft asked whether a finding of suitability for transfer (FOST) would be obtained for the lease of the golf course. Mr. Steadman stated that a draft of the finding of suitability for lease (FOSL) has been completed by the Army and was scheduled to be reviewed by the NJDEP within the next week. The lease will not be executed until such time as it is complete and fully reviewed.

Tom Mahedy of Wall Township questioned sewage sludge being spread on the golf course. He stated that Shaw Environmental reportedly had said this 3 to 4 years ago. Mr. Mahedy also asked about PCBs on the golf course. Chairman Gorman said the NJDEP would investigate and report any findings at the September 21st meeting. Ms. Siekerka reported that the NJDEP was not aware of any sewage sludge spreading, but she would investigate if there were any such reports. Mr. Steadman noted that the PCB area reportedly was confined to a small area beneath asphalt. Ms. Siekerka indicated she would investigate this as well and report back on both issues at the September 21st Board Meeting. Mr. Mahedy asked if the lease would cause FMERA to assume environmental liabilities for Army contamination. Mr. Chacon replied that CERCLA defined Army's continuing responsibility for any environmental issues stemming from Army's use of the property.

V.

Board Actions

The next item before the Board was the consideration of Approval of Lease of the Golf Course from the U.S. Army to the Fort Monmouth Economic Revitalization Authority.

Bruce Steadman presented an overview of the Lease of the Golf Course.

Mr. Pane stated that the Lease was discussed at a special meeting of the Real Estate Committee this morning, and the committee voted to recommend the lease to the Board for its approval, subject to clarification of the self-insurance question.

DAG Chacon noted that the motion would be subject to the self-insurance provision being resolved, and proper review of the Army's FOSL.

Freeholder Burry noted that the lease is a "no cost" to FMERA .

Mayor Tarantolo asked if the housing units would be included. Mr. Steadman responded no.

Chairman Gorman asked if the Request for Proposals (RFP) for Golf Course Operator was conducted in accordance with all state laws and guidelines. Mr. Steadman responded yes.

Mayor Tarantolo requested information on what local and state laws the golf course would be operated under. Mr. Steadman stated there would be a meeting next week to address these issues.

Motion to Approve: Freeholder Burry

Second: Mayor Tarantolo

AYes: 8

Resolution Attached and Marked Exhibit 1

VI.

Other Items

There were no other items.

VII.

Public Comment # 2

Mr. Walsh asked if there is anything in the lease that specifies fees to the public. Chairman Gorman stated that the fees will be able to be raised up to 20% in 2012, but will still remain competitive. And, Mr. Harrison noted there would be no fee increase through the end of 2011.

Allison Means of Ocean Township asked the Chairman to confirm that fees could only be raised up to 20% in 2012. The Chairman confirmed this.

Tom Mahedy of Wall Township questioned if the responses to the RFP would be made public. DAG Chacon stated that he would need to review the RFP response to determine what can be made public legally. He also stated that some aspects went directly to Treasury. Mr. Mahedy

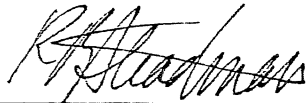
also stated that he believed that the meeting could have been conducted at time of day when more members of the public would be able to attend.

Mr. Chacon clarified the public notice period for FMERA lease and sales rules for 60 days each, with a means of commenting on the web site. There is no public comment period regarding the golf course lease.

Michele Siekerka left the call at 11:51.

There being no further business, on a motion by Mayor Tarantolo seconded by Freeholder Burry and unanimously approved by all voting members present the meeting was adjourned at 11:55 p.m.

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

Fort Monmouth Economic Revitalization Authority
Board Meeting
November 10, 2011
Eatontown Municipal Building, Eatontown, New Jersey

MINUTES OF THE MEETING

I.

Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - **V**
- Alfred Koeppe, Chairman of the New Jersey Economic Development Authority (NJEDA) - **V**
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit -**V**
- Dr. Robert Lucky, Public Member - **V**
- Lillian Burry, Monmouth County Freeholder - **V**
- Gerald Tarantolo, Mayor of Eatontown -**V**
- Michael Skudera, Mayor of Tinton Falls -**V**
- Kimberly Jungfer, Borough Administrator, Oceanport - **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)

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 October 19, 2011 meeting minutes. A motion was made to approve the minutes by Lillian Burry, seconded by Mayor Tarantolo.

Motion to Approve: LILLIAN BURRY Second: MAYOR TARANTOLO
AYes: 7

Kimberly Jungfer abstained from the vote stating she was not present at the October board meeting.

The next item of business was the approval of the September 21, 2011 and October 19, 2011 executive session minutes. A motion was made to approve the minutes by Mayor Tarantolo, seconded by Alfred Koepe.

Motion to Approve: MAYOR TARANTOLO Second: ALFRED KOEPPE
AYes: 7

Kimberly Jungfer abstained from the vote stating she was not present at the September and October board meetings.

III.

WELCOME

Chairman Gorman thanked everyone for attending the meeting and for accommodating the Board's needs in rescheduling the meeting. Chairman Gorman announced that Michael Pane, Esq., a public member of the Board, had resigned for personal reasons. Mr. Gorman thanked Mr. Pane for his service to the Board, and to the public, and wished him well in his future endeavors.

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 in between the two public comment periods, each Committee Chair reports its actions since the last Board meeting to the members of the Board and also the members of the public. In this fashion, with the two public comment periods and the Committee reports sandwiched in between, transparency to the public by this Authority is well maintained.

IV.

PUBLIC COMMENT REGARDING AGENDA ITEMS

Tom Mahedy of Wall Township commented on the resignation of Michael Pane, Esq. Mr. Mahedy stated his concern that Mr. Pane having a conflict of interest and being Chairman of the Real Estate Committee contaminated the process of sales and leases at Fort Monmouth. Mr. Mahedy further stated that there is a lack of transparency at closed meetings with FMERA. Mr. Mahedy objected to Chairman Gorman being the Interim Chairman of the Real Estate Committee and the Chairman of the Audit Committee. Mr. Mahedy stated that there is no public information on the Board Actions provided in advance of the meetings. Mr. Mahedy complained about deer being caught inside the Howard Commons fence, and asked that the Army let them out.

V.

TREASURER'S REPORT

Beverlee Akerblom, Director of Finance and Administration for FMERA, noted that the Authority's Grant Amendment requests for additional funds are being prepared for submission to the Office of Economic Adjustment. She further stated that the Authority is preparing several requests for proposals at this time and securing the federal funding prior to the award of the contracts is required.

Ms. Akerblom stated that the FMERA management team continues the 2012 FMERA budget process, with development of the Economic Development Conveyance (EDC) budget which will take into account the sales and lease activity expected to occur in 2012. She further stated that the Matrix pro forma is serving as a basis for development of the EDC component of the budget. 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 economic development conveyance expense categories.

Ms. Akerblom stated that the draft 2012 FMERA budget will be forwarded to the Audit Committee for its review at its November 2011 meeting. The FMERA 2012 Budget is scheduled to be brought before the Board for its consideration and approval at the December 21st Board Meeting.

VI.

SECRETARY'S REPORT

Bruce Steadman announced the promotions of Beverlee Akerblom to Director of Finance and Administration and Rick Harrison to Director of Facilities Planning. Mr. Steadman thanked Ms. Akerblom and Mr. Harrison for accepting the positions and looks forward to their great help and input as FMERA moves forward.

Mr. Steadman stated that the process has begun for the replacement of Vice Chairman Michael Pane and explained that Mr. Pane's position on the Board is that of a Public Member. A new public member will be nominated by the Governor and will go before the State Senate for approval. Mr. Steadman stated that the Board will keep the public updated as they move forward.

VII.

EXECUTIVE DIRECTOR'S REPORT

Mr. Steadman stated that there has been significant progress with the Army regarding the Memorandum of Agreement (MOA) and Economic Development Conveyance (EDC) application. Mr. Steadman proposed that the Board hold a special public meeting in December for public discussion on the MOA and EDC and at the scheduled December 21, 2011 board meeting the FMERA staff request the Board's approval of the MOA and EDC.

Mr. Steadman stated that the Veterans Staff Advisory Committee and FMERA staff had the pleasure of meeting with Jack Downing from Soldier 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.

Lillian Burry, Chairwoman of the Veterans Staff Advisory Committee, explained the on-site services that Soldier On provides to the Veterans and continued by stating she hopes to bring Soldier On, or a program like it, to the Fort Monmouth property for homeless Veterans. The Soldier On video was viewed. Mr. Steadman indicated that any such program would be subject to the competitive process set forth in the lease and sales rules.

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

COMMITTEE REPORTS

- a) AUDIT COMMITTEE (JAMES V. GORMAN, CHAIRMAN, FMERA):
Beverlee Akerblom, Treasurer, stated that the Audit Committee will meet in November to review the FMERA 2012 budget.
- b) REAL ESTATE COMMITTEE (JAMES V. GORMAN, INTERIM CHAIRMAN, FMERA):
Chairman Gorman noted that the Real Estate Committee met on November 4, 2011 at the FMERA Office. Chairman Gorman stated that he acted as Committee Chairman due to Mr. Pane's resignation. Mr. Gorman stated that the Committee viewed the Soldier On video. He continued by stating that the Committee agreed that a formal business plan submission from those parties expressing a serious interest in specific parcels on the Fort will become a requirement and the FMERA staff and/or outside counsel will conduct financial and capability reviews on applicants prior to any future award of the property. Mr. Gorman further stated that the Committee reviewed the FMERA proposal to the U.S. General Services Administration (GSA) for lease of building 2525 and the related financials. He stated that the Committee approved the term sheet and recommended that the Board approve. Mr. Gorman noted that proposed Housing development guidelines, recommended by the Housing Committee, had been discussed and taken into consideration.
- c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (COLLEEN KOKAS - NJDEP):
Colleen Kokas noted that the Environmental Staff Advisory Committee did not meet this month. Ms. Kokas noted that the Baseline Ecological Evaluation (BEE) is still under review and NJDEP will meet with the Army to address all environmental issues on the Fort property. Ms. Kokas concluded by stating that there is a Coordination Meeting between Army and DEP scheduled for later in November.
- 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 met on October 26, 2011 at the FMERA office. Mr. Richman stated that the Committee unanimously approved housing guidelines, which recommend how housing might be developed on Fort property, be presented to the Real Estate Committee for approval. Mr. Richman further stated that the Committee viewed the Soldier On video and the Committee would like to conduct a joint meeting with the Veterans Staff Advisory Committee to address their participation with the project.
- f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY): Ms. Burry noted that the Committee met on October 24, 2011 for the Solider On presentation by founder Jack Downing.

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 Dr. Robert Lucky and unanimously approved by all voting members.

IX.

Board Actions

The next item before the Board was the Consideration of Approval of Proposed Revisions to the Lease Rules for Real and Personal Property.

Bruce Steadman stated that at the May 18, 2011 board meeting, the FMERA Board reviewed and approved proposed rules for leasing of real and personal property. Mr. Steadman explained that the approved rules have been amended to allow FMERA to make lease proposals to other public agencies outside of the public request for proposal (RFP) process, and in addition, other changes were made to the rules to make the leasing process clearer. The proposed new rules have been reviewed and recommended to the Board for approval by the Authority's Real Estate Committee.

Alfred Koeppe commented that the definition of public agency should include public schools and educational institutions, given the focus of higher education.

Mayor Tarantolo stated that the definition of Director should be changed to Executive Director to reflect Mr. Steadman's correct title. Gabriel Chacon clarified that the original FMERA Act states Director and shall remain as Director in the rules.

Mayor Tarantolo asked for clarification on monies to be received for property being deposited in an interest bearing account. Mr. Gorman explained that the bank will be FDIC approved and the rules should be specific in stating such.

Mayor Tarantolo asked if the rules could clarify the lease process for a public agency to lease Fort property. Gabriel Chacon stated that the public agency could present a proposal and FMERA has the ability to approve the proposal if it is in the best interest of the Authority, but that the decision is at FMERA's discretion. Bruce Steadman stated that the U.S. General Services Administration has a separate Request for Proposals (RFP) process and the new rules reflect an alternative process to allow FMERA to submit a proposal in accordance with the RFP requirements of a public agency.

Chairman Gorman called for a motion to approve the Consideration of Approval of Proposed Revisions to the Lease Rules for Real and Personal Property. A motion was made to approve by Dr. Lucky and was seconded by Mayor Tarantolo.

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

The next item before the Board was the 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.

Bruce Steadman stated that FMERA would like to submit an initial lease proposal to the GSA, an agency that oversees the management of federal properties, to solicit a federal agency to lease building 2525 in the Charles Wood area and relocate some of their operations to the Fort Monmouth property. The lease of building 2525 will bring approximately 200 federal jobs to the Fort property, and the potential of many more in the future.

Mr. Steadman stated that the Army as the owner of the building is supportive of the proposal due to the 10 year sellable lease and that the building can be sold at fair market value which would be profitable to both FMERA and the Army. Mr. Steadman noted that the reason the Army will allow such a lease is that the building eventually will be sold to a third party at market value. The value of the lease will attract a good buyer.

Mr. Gorman asked if FMERA is in a competitive stance for the building. Mr. Steadman answered yes.

Mayor Tarantolo asked when the ratable status takes effect. Mr. Steadman answered when the building is sold to a private entity.

Chairman Gorman called for a motion to approve 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. A motion was made to approve by Mayor Skudera and was seconded by Mayor Tarantolo and unanimously approved by all voting members.

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

X.

Other Items

There were no other items for discussion.

XI.

Public Comment

Bob English of Eatontown stated that the Soldier On video was very impressive and asked for the number of Veterans included in the housing. Lillian Burry answered that there are approximately 175 Veterans.

Mr. English asked for a status of Howard Commons. Bruce Steadman explained that Howard Commons is included in the Memorandum of Agreement (MOA) which will be discussed at the December Special Board Meeting. He explained that FMERA's goal is to have Howard Commons included in an RFP process in the near future. Mr. Steadman stated that the Army has declined to demolish Howard Commons and the Army has inspected the area for safety issues and has performed a cleanup process. It is our hope that we can sell the property and the new owner will demolish the buildings beginning Winter 2012.

B. Priestly of Eatontown stated that the Fort property has been closed to the public for the past 20-30 years and that there should be photos advertised for public viewing. Bruce Steadman explained that there is a plan in place to develop marketing material and will be included in the master broker RFP.

John Weber of Link News asked for clarification on the other competitive bids for Building 2525. Mr. Steadman explained that GSA has put out a bid solicitation and FMERA is responding to it. Therefore, he cannot speak to the other bids as it is a competitive solicitation, and we do not have information about other proposers.

Gregory Coleman of Ocean Township commented that there are a lot of former Fort Monmouth employees with valuable experience who could partner with GSA for the rebuilding and construction of building 2525. He requested that the potential tenant be made public so that former Fort employees could find out if there are any job opportunities.

Anthony Perriera of Manchester asked for the timeframe with regards to a response from FMERA to a company which has filed a Letter of Interest (LOI). Bruce Steadman asked Mr. Perriera to speak to him after the meeting so that a meeting can be scheduled with FMERA to discuss the LOI.

Paul Gaffney of West Long Branch expressed his concern about limiting the lease rules to colleges that are public as there are independent universities with a public mission who are in the 501(c)3s. He further stated that counsel should consider including the independent universities in the lease rules as these institutions may have a better ability to lease Fort property.

Art Robidoux of Barnegat asked if the Suneagles Golf Course RFP, including the evaluation and score sheets, are a matter of public record. DAG Gabriel Chacon stated that FMERA staff should be able to provide documents related to the Golf Course RFP, as the RFP selection has been made. Mr. Steadman provided Mr. Robidoux with his contact information.

Tom Mahedy stated that he was not given clarification on the gag order imposed on committee members. Mr. Gorman explained that committee members were asked for confidentiality at the Environmental Staff Advisory Committee Meeting regarding potential job-creating projects, not environmental information. Mr. Mahedy stated that the housing at the Fort should be used for Veteran housing. Mr. Mahedy stated that Building 2525 should be leased to a public company versus private. Mr. Mahedy expressed his concerns regarding the RFP process, Wampum Lake, solar projects, and the Environmental Impact Statement.

Jeanette of Freehold Township asked for the makeup of the Real Estate Committee. Mr. Gorman stated that they are included in the FMERA by laws. Jeanette stated that the public is concerned with the environmental issues and the cleanups effect on taxpayers.

Beth Sidlow of Eatontown stated that the Suneagles Golf Course has been well maintained.

There being no further business, on a motion by Mayor Tarantolo seconded by Dr. Lucky and unanimously approved by all voting members the meeting was adjourned at 8:25 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: December 21, 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; Update on and Suneagles Golf Course and Gibbs Hall and Action Items for Next Month.

Treasurer's Report.

Budget.

Update on payment of contractual engagements

Planning, Engineering & Architectural Consulting:

Contract Amount	\$865,900.00
Payments to date	<u>740,921.45</u>
Balance Remaining on Contract	\$124,978.55

Business, Operations Plan and Economic Development Conveyance:

Contract Amount	\$384,230.00
Payments to date	<u>340,782.00</u>
Balance Remaining on Contract	\$43,448.00

Spending continues to be strictly monitored.

Federal Grants Status.

The Authority's Grant Extension and Additional Funds request for the grant scheduled to end December 31, 2011 is being prepared for submission to the Office of Economic Adjustment.

A Grant Amendment request for additional funds for the grant scheduled to end March 31, 2012, is also 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.

Executive Director's Report.

1. Update on Meeting with Army Representatives.

FMERA staff continues its 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 establish a working relationship with the U.S. Army that will result in a finalized Memorandum of Agreement (MOA) and Economic Development Conveyance (EDC) application.

2. Update on Suneagles Golf Course and Gibbs Hall.

Suneagles Golf Course has had a great couple of months since reopening. Thanks to the excellent management of the course by Atlantic Golf, and the extended good weather this fall, the course is seeing an abundance of activity.

Sal's 19th Hole and Gibbs Hall are also open and doing well. McLoone's has begun to hold events at Gibbs Hall, and it is great to see this renowned local landmark open again.

Ensuring that Suneagles and Gibbs Hall remained open, and available to the Community, has been a top priority of the Fort Monmouth Economic Revitalization Authority.

3. Action Items for Next Month.

- Continued work with Matrix and the NJDEP to identify environmental issues of concern
- 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 has issued a request for quotes for an Appraiser
- FMERA anticipates issuing an RFP for a surveyor and a Master Broker in the next 30 days
- FMERA anticipates issuing Requests for Offer to Purchase (RFOTP) for Parcel C, C-1, Golf Course and Howard Commons



Approved By: Bruce Steadman

Prepared by: Katie Hedden



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

RE: Memorandum of Agreement (MOA) with the U.S. Army and Economic Development Conveyance (EDC) Application

DATE: December 21, 2011

Request

FMERA staff is requesting that the Board of Directors approve the Memorandum of Agreement (MOA) with the U.S. Army and the Economic Development Conveyance (EDC) application. The Board of Directors is asked to authorize the Executive Director to execute the MOA and submit the EDC application to the U.S. Army.

Background

Governor Christie signed P.L. 2010 c. 51 on August 17, 2010 to create the Fort Monmouth Economic Revitalization Authority (FMERA or the 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.

Fort Monmouth closed on September 15, 2011. However, the U.S. Army still owns the property and has authority to dispose of it in various manners, including by public auction. One of the U.S. Army's obligations is to obtain value from the property for the U.S. Treasury. However, in order to accomplish FMERA's charge, FMERA has been negotiating a Memorandum of Agreement (MOA) with the U.S. Army for FMERA to control the process by which the property is conveyed and redeveloped.

The essential component of Fort Monmouth's initial redevelopment effort is finalizing the MOA with the U.S. Army. The MOA is the binding document that contains the terms of the Economic Development Conveyance (EDC) of property from the U.S. Army to FMERA; the EDC application is the formal request to the U.S. Army to transfer property through an EDC. The MOA establishes a timeline by which the U.S. Army will transfer property to FMERA and sets forth the responsibilities of each party. It must be executed by both FMERA and the U.S. Army before the EDC application can be formally reviewed by the U.S. Army.

The MOA between FMERA and the U.S. Army sets forth a two phased property transfer. Phase 1 will include the transfer of nine parcels to FMERA by February 1, 2013. This includes six parcels in the Charles Wood Area (Golf Course, Howard Commons, Parcel C, Parcel C1, Parcel E, and Parcel F) and three parcels in the Main Post (Clinic Parcel, Marina and Parcel B). The

Phase 2 transfer will include the balance of the Main Post. The two phased approach allows FMERA to build momentum for the redevelopment effort by conveying Phase 1 parcels more expediently because the U.S. Army can transfer these properties more quickly, as it views them as less mission-critical areas. Please see the attached maps for the location of each parcel.

The MOA also sets forth how FMERA and the U.S. Army will share sale and lease proceeds. The U.S. Army's share of the proceeds will by law be deposited into the U.S. Treasury. Under Base Realignment and Closure (BRAC) law, FMERA's share of the Phase 1 proceeds, obtained until the end of the seventh year after the transfer of the last Phase 1 property, must be reinvested within 12 BRAC pre-determined expense categories. The subsequent phase will have its own seven-year period restriction. In addition, EDC regulations require an annual audit to confirm that lease and sale revenue has been reinvested appropriately.

The MOA also addresses environmental considerations, specifying that property cannot be transferred without the Finding Of Suitability to Transfer (FOST). Similarly, the Army cannot lease a property without a Finding Of Suitability to Lease (FOSL). The FOST and FOSL document the current environmental condition of each parcel, notes any usage restrictions, and how the U.S. Army has met its legal obligations under applicable environmental law. If there have been any contaminated areas, the FOST and FOSL will address the achievement of a No Further Action (NFA) status through the N.J. Department of Environmental Protection (NJDEP). Under CERCLA, the U.S. Army must meet all federal environmental standards based on the Army's use, before a property can be transferred. The NJDEP is an active participant in determining that the Army satisfies its environmental obligations. The U.S. Army is responsible for all environmental remediation on the property forever for contamination the U.S. Army has caused.

The MOA outlines other key points. It stipulates that FMERA must sell and lease all property through a competitive process. In addition, FMERA's obligation associated with Legally Binding Agreements (LBAs) for homeless assistance will be funded by payments from property purchasers. The Army will provide caretaking services for all of the former Fort Monmouth property until transfer of title or leasehold interest. The U.S. Army will also allow for lease opportunities prior to property transfer to generate early revenue.

The EDC application is FMERA's formal request for the U.S. Army to transfer to FMERA title to the Fort Monmouth property. The EDC application contains the detailed justification for such transfer, which BRAC law requires to be based on job creating potential and financial implications to the host municipalities. The EDC application contains the business plan with a 20 year pro-forma. The 20 year pro-forma estimates that the Phase 1 sale and lease proceeds will be approximately \$138 million; and while various land transfers will have differing share percentages initially, the pro-forma estimates that the split over the 20-year period will be approximately 50% going to FMERA and 50% going to the Army. Furthermore, the EDC application shows a breakdown of the acreage to be transferred with the potential for commercial and residential redevelopment, in accordance with the Fort Monmouth Reuse and Redevelopment Plan.

The Board of Directors and the Authority's Real Estate Committee have reviewed the Army's negotiating positions in the past. The MOA and EDC application together make up the eventual EDC agreement with the U.S. Army. Upon the execution of the MOA by both FMERA and the U.S. Army, FMERA will submit the EDC application to the U.S. Army. When the U.S. Army approves the EDC application, the complete EDC agreement will be established with FMERA.

Recommendation

FMERA staff is recommending that the Board of Directors approve the Memorandum of Agreement (MOA) with the U.S. Army and the Economic Development Conveyance (EDC) application. The Board of Directors is asked to authorize the Executive Director to execute the MOA and submit the EDC application to the U.S. Army.



Bruce Steadman

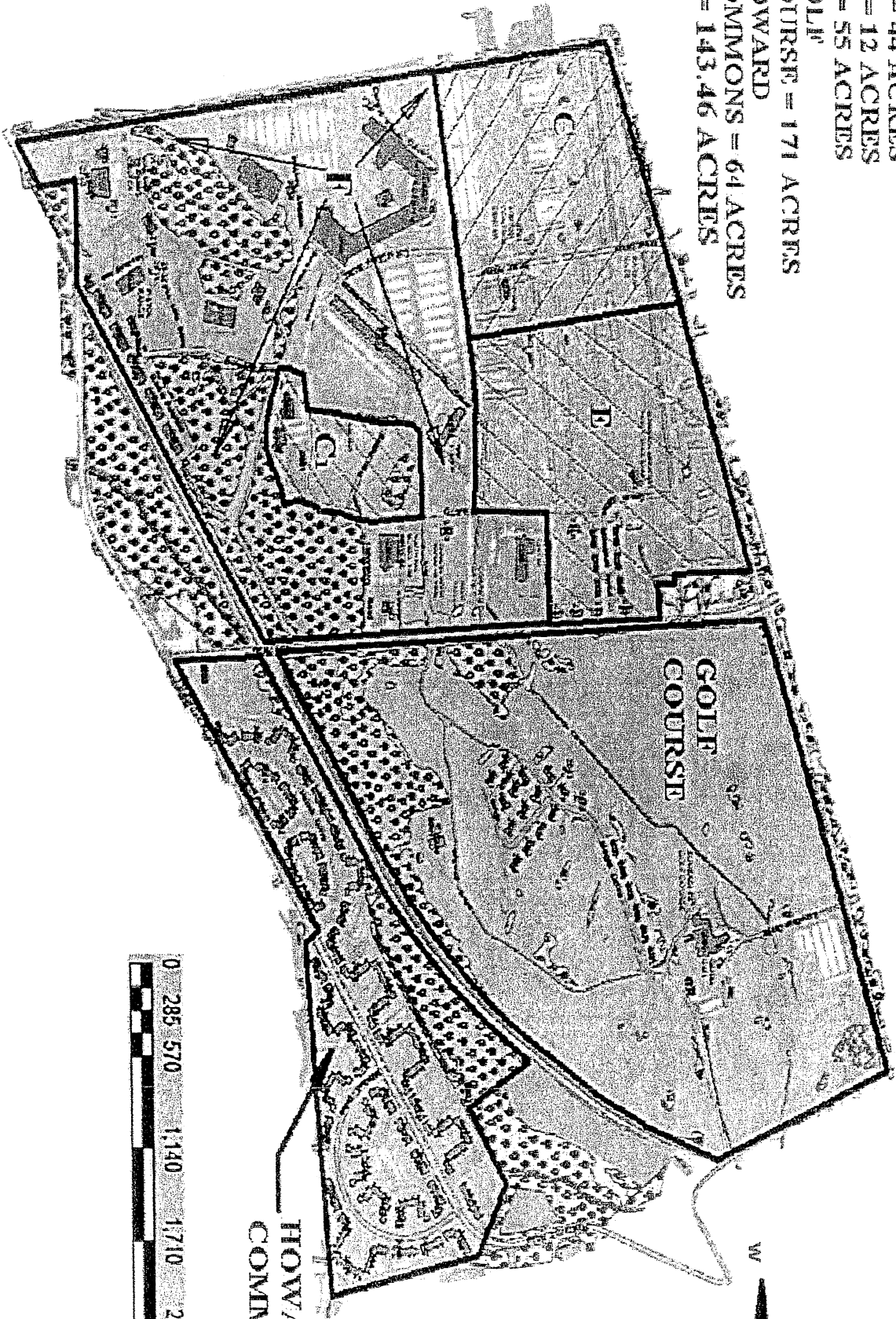
ATTACHMENTS

Prepared by: Bruce Steadman

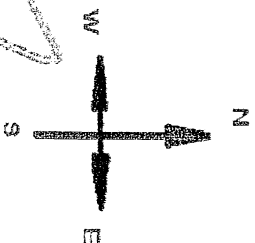


Fort Monmouth Economic Revitalization Authority

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



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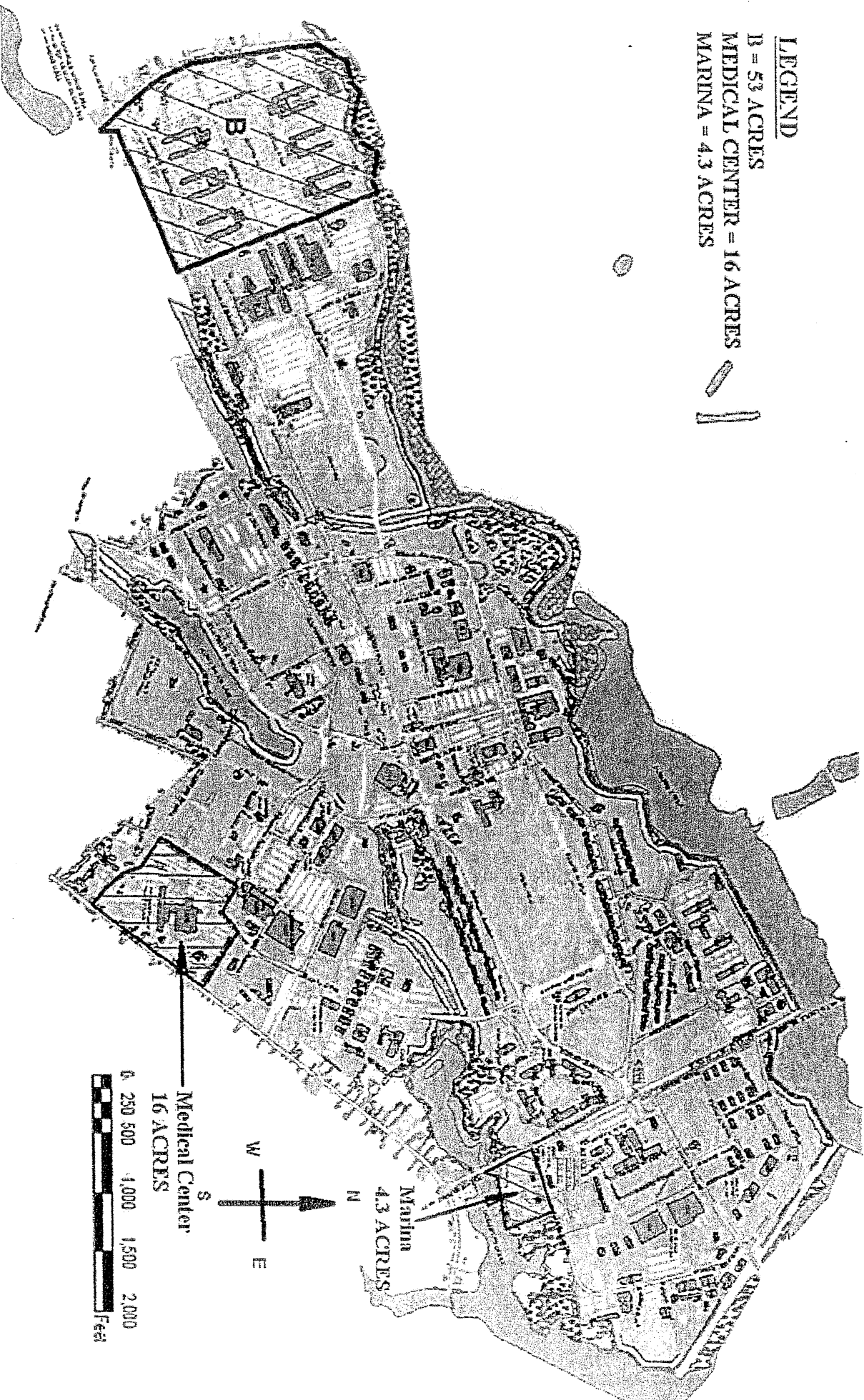
HOWARD
COMMONS



Fort Monmouth Economic Revitalization Authority

LEGEND

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



Medical Center
16 ACRES

Marina
4.3 ACRES

W
S
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N



MEMORANDUM

TO: Members of the Board of Directors
FROM: Beverlee Akerblom
Director of Finance and Administration
DATE: December 21, 2011
SUBJECT: Draft 2012 Consolidated Fiscal Plan

The draft 2012 Consolidated Fiscal Plan, consisting of the draft 2012 Operating Plan, and draft 2012 Economic Development Conveyance (EDC) Plan is enclosed for your review and approval.

2012 Plan Highlights

- Consolidated Net Operating Earnings projected to exceed \$12 million dollars
- Operating Plan expenses lower than 2011's Operating Plan and the Projected Actual
- Favorable Operating Plan budget variance for 2011

The 2012 Consolidated Fiscal Plan financially depicts the change in the Authority's operations as it transitions from the negotiation of an EDC to the implementation of the approved EDC Agreement. This year's plan includes: an EDC Plan, representing the projected 2012 financial activity under the EDC Agreement; and, an Operating Plan which represents the ninety percent (90%) funding of qualified expenses received through the Office of Economic Adjustment (OEA) and funding from the State of New Jersey through the appropriation process, which includes the requisite 10% local match.

The Consolidated Fiscal Plan supports the FMERA Mission to *create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property*, expanding the Authority's sources of funding while continuing controlling costs and directing spending to maximize the benefits derived.

The draft Consolidated Plan's Net Operating Earnings of \$12,320,563 result from the sale of five and the lease of two Phase 1 parcels during 2012. The draft EDC Plan's activity level is predicated on input from the Department of the Army that FMERA's EDC application should be approved in the 1st Quarter of 2012. Staff anticipates that the subject parcels will receive timely Findings Of Suitability to Transfer (FOSTs), and Findings Of Suitability to Lease (FOSLs) as Army, New Jersey Department of Environmental Protection, FMERA staff and consultants will be working concurrently on these. Sale and lease prices for the parcels are estimated, based on data provided by FMERA consultants, real-time market information acquired by the FMERA staff, and are subject to the competitive bid process. Projected reinvestment of the EDC's initial year's proceeds during will be fluid; based on the actual parcel sales and lease proceeds.

The 2012 draft FMERA Operating Plan's total expenses and costs of \$2,686,379 will be partially funded by federal grants of \$2,180,084 through the OEA, with a local match requirement of \$241,997. The Back Office Support Services, payable to New Jersey Economic Development Authority (NJEDA) for services performed under the Memorandum of Understanding between FMERA and NJEDA does not qualify for funding under the terms of the federal grant, and payment is deferred at 3% annual interest, accruing quarterly, subject to the approval from both authorities' Boards. The Back Office Support Services include human resources, IT, fiscal, marketing and administrative. The 2012 Operating Plan's Interest charges on the Back Office Support Services deferral is \$14,063 which with the unfunded \$250,000 in Back Office Support Services account for the Authority's 2012 Net Operating Loss of \$264,063. FMERA staff is developing a reporting system, consistent with EDC protocol, which will track and quantify the Back Office Support Services for payment under the terms of the Economic Development Conveyance Agreement.

The FMERA 2012 draft Operating Plan's total expenses and costs of \$2,686,379 are under 2011's Planned and Projected Actual levels due to lower 2012 General and Administrative and Program Costs in relation to the increase in the 2012 Plan's Direct Office Support (for FMERA dedicated staff), payable to NJEDA. The decrease in 2012 General and Administrative Expenses is due to the relocation of the FMERA office to a rent free office on the Fort planned for the 1st half of 2012. Back Office Support Services remain at \$250,000 for 2012. In 2011, legal notices are projected to be over budget due to the placement of more Request for Proposals advertising than projected in the budget.

The 2011 Plan called for a staff of 10 to be augmented by the staggered hiring of 3 additional staff members during the course of the fiscal year. Actual 2011 staffing level was 7 with the addition of 2 staff members during the 2nd half of the year for a total of 9 at the end of 2011. As a result, the Projected Actual Direct Office Support is substantially under the 2011 Plan. The increase in the 2012 Direct Office Support as compared to the Projected Actual is due to the addition of two staff members planned for early in 2012, bringing the staffing level to 11, and the effect of the full year of the salaries and benefits of the 2 additions to staff in 2011.

The decrease in Program Costs to \$670,400 in 2012 reflects the Authority's transition to implementation of the EDC Agreement. With the approval of the EDC application in 2012 the Authority's Program Costs will shift from the Operating Plan to the EDC Plan. The 2011 Projected Actual Program Costs exceed the 2011 Operating Plan's Program Costs primarily to timing differences. The Planning, Architectural and Engineering, Business and Operations Plan and Economic Development Conveyance Application, and the Environmental Consulting Services engagements were projected to begin in 2010, as a result costs expended in 2011 were budgeted for in 2010 thus accounting in large part for the budget variances. The Planning, Architectural and Engineering, and Business and Operations Plan and Economic Development Conveyance Application consultants have advised staff that due to reported Army document and data deficiencies in materials supplied to the Consultants, they have incurred additional costs. FMERA staff has requested back-up data from the consultants to justify their costs which will be reconciled with the OEA if, and as needed. BRAC Legal Counsel Fees are also projected to be over budget due to negotiations with the Department of the Army beginning earlier in the 2011 than projected.

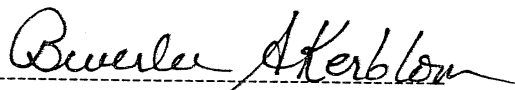
The Consolidated Plan includes zero value line items for Environmental Services Program Income and Costs to reference an "Environmental Services Cooperative Agreement" or "ESCA". An ESCA is a form of grant agreement between a military service and a local redevelopment authority (LRA). Grant funding provided by the military under an ESCA may be utilized by an LRA for the completion of environmental investigation or cleanup obligations of the military service at closing bases. Specific tasks typically funded through ESCAs include the preparation of documents required by regulatory agencies, investigation costs, remediation costs, regulatory oversight costs, LRA administrative costs and, if applicable, the purchase of environmental insurance. The LRA's performance under an ESCA does not diminish the military's ultimate responsibility for contamination caused by the military. In discussions with the Army, FMERA staff has received indication the Army would favor entering into an ESCA with the Authority for environmental investigation of landfills, underground storage tanks, and the lime pit at the Myer Center. FMERA staff does not have adequate information on the scope of a potential environmental services cooperative agreement with the Army to prepare an ESCA budget at this time. Discussions with the Army on the environmental conditions are ongoing.

The Authority's Audit Committee has reviewed the 2012 consolidated financial plan and recommends it to the Board of Directors for final review and approval.

Recommendation

Based on the above, the Board is asked to approve the attached draft 2012 Consolidated Plan.

The Board is also requested to approve authorizing the Executive Director to submit grant requests and any other necessary documentation, to the Office of Economic Adjustment for federal funds in an amount not to exceed \$2,180,084.



Beverlee Akerblom

ATTACHMENT

Prepared by: Beverlee Akerblom

Fort Monmouth Economic Revitalization Authority
 2012 Summary Consolidated Fiscal Plan

2012

	Operating Plan	EDC Plan	Consolidated Plan
Operating Revenue			
Federal Grant	\$ 2,180,084		\$ 2,180,084
Property Sales		\$ 31,559,735	31,559,735
Lease Income		202,657	202,657
Environmental Services Program Income			-
Total Operating Revenue	\$ 2,180,084	\$ 31,762,392	\$ 33,942,476
Non Operating Revenue			
Local Match Requirement	241,997		241,997
Interest from Cash Investments	235	19,000	19,235
Total Non Operating Revenue	242,232	19,000	261,232
Total Revenue	<u>2,422,316</u>	<u>31,781,392</u>	<u>34,203,708</u>
Administrative Expenses			
Direct Office Support	1,549,600		1,549,600
General and Administrative	452,316		452,316
Total Administrative Expenses	2,001,916		2,001,916
Costs			
Interest	14,063		14,063
Land Costs (payments to Army)		14,450,000	14,450,000
Program Costs	670,400	4,746,766	5,417,166
Environmental Services Program Costs			-
Total Costs	684,463	19,196,766	19,881,229
Total Expenses & Costs	<u>2,686,379</u>	<u>19,196,766</u>	<u>21,883,145</u>
Net Operating Earnings (Loss)	<u>\$ (264,063)</u>	<u>\$ 12,584,626</u>	<u>\$ 12,320,563</u>