

Fort Monmouth Economic Revitalization Authority
Board Meeting
January 18, 2012
Maple Place School, Oceanport, 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**
- Dr. Robert Lucky, Public Member - **V**
- Gerald Tarantolo, Mayor of Eatontown - **V**
- Michael Skudera, Mayor of Tinton Falls - **V**
- Michael Mahon, Mayor of Oceanport - **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)

Members Not Present

- Lillian Burry, Monmouth County Freeholder – **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 7:07p.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 December 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: 6

Brandon Minde abstained from the vote stating he was not present at the December Board Meeting.

The second item of business was the approval of the December 21, 2011 Executive Session Meeting Minutes. A motion was made to approve the minutes by Mayor Mahon, seconded by Mayor Tarantolo.

Motion to Approve: MAYOR MAHON Second: MAYOR TARANTOLO
AYes: 5

Mayor Skudera abstained from the vote stating he has a conflict of interest.
Brandon Minde abstained from the vote stating he was not present at the December Board Meeting

III. WELCOME

Chairman Gorman thanked everyone for attending the meeting. Mr. Gorman stated that in addition to the regular board matters, the Board would consider the approval of Fort Monmouth Economic Revitalization Planning Authority's (FMERPA) Close-out Financial Statements reflecting previous accounting periods and that board approval is required annually. Mr. Gorman further stated that in addition, the Board would review the public comments submitted related to the adoption of the proposed rules for sale of real and personal property which will identify the process that FMERA will utilize for the sale of properties transferred to FMERA by the Army. Mr. Gorman stated that with the approval of this milestone, FMERA will be one step closer in its efforts to revitalize our community business environment and foster support for economic recovery.

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. SECRETARY'S REPORT

Bruce Steadman stated that the Secretary's report would be provided in the Executive Director's report related to the Board Actions contained on the agenda.

Michele Siekerka arrived at 7:10p.m.

V. TREASURER'S REPORT

Beverlee Akerblom, Director of Finance and Administration, stated that the Authority submitted a Grant Amendment for the grant scheduled to end December 31, 2011. The extension of the grant

through March 31, 2012 is to allow for completion of the approved contractual items funded through the grant. Ms. Akerblom stated that field work has begun on the audit of the Authority's 2011 operations and the spending continues to be strictly monitored.

VI. PUBLIC COMMENT REGARDING AGENDA ITEMS

Phil Welch of Middletown asked if the comments that he submitted regarding the proposed rules for the sale of real and personal property were shared with the Board and if any Board member had any questions regarding his comments. Gabriel Chacon stated that the FMERA will provide responses to his comments upon board approval. Mr. Welch stated that he had requested FMERA's responses be shared with the public prior to board approval. Mr. Welch asked the Board to reconsider sharing the responses with the public prior to board approval.

Tom Mahedy of Wall Township stated that it was his understanding that the responses were to be released prior to the Board Meeting. Mr. Gorman stated that the Board is not aware of any rules requiring the responses be made available to the public prior to the meeting. Gabriel Chacon stated that the responses will be published in the NJ register in March and that FMERA will post the responses within 1-2 days after the Board meeting dependent on Board approval of the action.

Mr. Mahedy further stated that the public has not been treated with respect and that they should be suspicious. He further stated that no changes to the rules could lead to fraud, corruption and conflict of interest. Mr. Mahedy stated that the Board should not vote until the public has the opportunity to review the responses. Mr. Gorman stated that there will be a second public comment period in which comments can be made. Mr. Mahedy stated that the Fort property is public land and this is theft to the public. Mr. Mahedy further stated that the Environmental Impact Statement has not been completed regarding the sales and leases.

VII. EXECUTIVE DIRECTOR'S REPORT

Bruce Steadman stated that the 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 conveyance of the Fort. Mr. Steadman stated that these discussions continue to establish a good working relationship with the Army that will result in a finalized Memorandum of Agreement (MOA) and Economic Development Conveyance (EDC) application. Mr. Steadman stated that draft versions of both documents have been submitted to the Army for their final comments so that FMERA will be in a position in 2012 to accept and transfer the title in the effort of creation and retention of jobs.

Mr. Steadman stated that the New Jersey State Police (NJSP) continues to monitor the former Fort Monmouth property on a 24/7 basis. Mr. Steadman stated that a safe environment will attract potential employers, investors and visitors, and preserve the value of the many assets of the Property. Mr. Steadman stated that to date, there have been no major law enforcement incidents on the Fort Monmouth property. Mr. Steadman stated that the relationship with the NJSP has been outstanding and thanked them for their efforts.

The Executive Director's Report concluded with Mr. Steadman providing an overview of FMERA action items for the next several weeks, which include the following:

- Continued work with Matrix and the N.J. Department of Environmental Protection to identify environmental issues of concern
- Continued work on the Notice of Interest (NOI) evaluation process
- FMERA anticipates issuing an Request for Proposals (RFP) for a Master Broker/Real Estate Consultant in the next 30 days
- FMERA anticipates issuing Requests for Offer to Purchase (RFOTP) for Parcel C (mixed use), C-1 (housing), Golf Course (golf course and related uses) and Howard Commons (housing)
- Continued meetings and tours with the interested prospective employers and investors regarding job retention and job creation projects
- Continued outreach to our stakeholders
- Continued collaboration with our Trenton office on marketing and business development opportunities
- FMERA received 18 proposals in response to the Surveyor RFP which are currently under review with a recommendation to be presented to the Board at the February Board meeting.

COMMITTEE REPORTS

a) AUDIT COMMITTEE (MICHAEL MAHON, INTERIM CHAIRMAN):

Michael Mahon stated that the Audit Committee met informally on January 10, 2012 at the FMERA Office. Mr. Mahon stated that the Committee reviewed the 2011 Audit Plan with the independent auditor, Schneider & Company regarding the issued report on the financial statements on the predecessor Authority, FMERPA, for a period ending June 30, 2010 and a three month period ending September 28, 2010. Mr. Mahon stated that the Auditor issued a report on internal control over financial reporting, compliance and other matters for FMERPA and a report on compliance with requirements applicable to the major program and internal controls over compliance. Mr. Mahon stated that the report concluded that the financial position of FMERPA as of June 30 and September 30, 2010 and the results of the operations and its cash flows for the periods ended in conformity with accounting principles generally accepted in the United States.

Mr. Mahon stated that the Committee also discussed the following:

- Property Appraisals, Option Year and build-out of office space
- Timeliness of certain mandatory annual filings, segregation of duties within FMERA and independent review of bank statements to be included as a regular agenda item
- A fraud discussion with the Independent Auditors in closed session.

Mr. Mahon then called upon Beverlee Akerblom to present the FMERPA Close-out Financial Statements.

Ms. Akerblom stated that at the close of business on September 28, 2010, FMERPA ceased operations and transferred its net assets to the Successor Authority. Ms. Akerblom stated that the audit covers the predecessor Authority's financial statements for the fiscal year end June 30, 2010 and the short year ended September 28, 2010. Ms. Akerblom stated for the period ended September 28, 2010:

- The Authority's total assets, all current, increased by more than \$15,000

- Total liabilities, all current, decreased by more than \$110,000
- The Authority's total net assets increased by more than \$125,000
- The Authority had no debt
- The Authority transferred net assets of \$291,178 to the successor authority.

Ms. Akerblom stated that the auditors reported that the financial statements are in compliance and the auditors have issued an unqualified opinion with regard to FMERPA's financial statements.

Mayor Tarantolo asked if the assets were all cash. Ms. Akerblom stated that the assets were mixed. Mr. Tarantolo asked if FMERA will be leasing or purchasing the property they will be moving to at Fort Monmouth. Ms. Akerblom explained as a Local Redevelopment Authority (LRA) we are entitled to free office space on the fort and pay only for utilities. Ms. Akerblom further stated that if there are upgrades that need to be performed, FMERA may receive funding through the Office of Economic Adjustment (OEA) or alternate sources of funding.

Mayor Tarantolo asked how the NJSP are being paid to provide security at the Fort. Bruce Steadman explained that FMERA has an agreement with the Army to secure a lease for the building that is currently being occupied by the NJSP as well as several other buildings in which the NJSP have expressed interest in. FMERA will pay for NJSP services out of EDC funds. NJSP may lease or purchase buildings at the Fort to offset some of or all of these costs.

Chairman Gorman called for a motion to approve the Consideration of Approval of the Fort Monmouth Economic Revitalization Planning Authority's Close-Out Financial Statements. A motion was made to approve by Mayor Tarantolo and was seconded by Brandon Minde.

Motion to Approve: MAYOR TARANTOLO Second: BRANDON MINDE
AYes: 7

- b) REAL ESTATE COMMITTEE (JAMES V. GORMAN, INTERIM CHAIRMAN, FMERA): Chairman Gorman noted that the Real Estate Committee met on January 12, 2012 at the FMERA Office. Mr. Gorman stated that Committee was given a presentation by the Borough of Eatontown relative to their future space needs. Mr. Gorman further stated that the Committee was given an update on the four proposals submitted for Parcel E. The Committee was also given a status of the Notice of Interest (NOI's) which were submitted to FMERA noting that the Committee has designed a process for each of the parties who submitted an NOI to make a presentation to the Committee. Mr. Gorman further stated that the Committee discussed the move of the FMERA office to the Fort and the timetable associated with the move. Mr. Gorman stated that the Committee reviewed the public comments regarding the proposed rules for sale of real and personal property, and discussed and revised responses thereto.

Mayor Tarantolo stated for the record that Eatontown Business Administrator, George Jackson gave the presentation to the Committee.

- c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (MICHELE SIEKERKA - NJDEP): Michele Siekerka noted that the Environmental Staff Advisory Committee did not meet this month. Ms. Siekerka stated that the DEP continues their ongoing discussions with the Army regarding the Baseline Ecological Evaluation (BEE). Ms. Siekerka further stated that there has been a change in the DEP team leader who has been transitioning in relation to the Fort Monmouth project. Ms. Siekerka stated that the new team leader will be present at the February Committee meeting.

Mayor Mahon stated that a member of the Committee, Ellen Kahle, who is also a member of the Oceanport Council gave a report regarding contamination at Wampum Lake. The Council was asked to consider adopting a resolution supporting Eatontown's investigation regarding the contamination of Wampum Lake.

- 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 the Committee will meet with the planners Phillips, Preiss, Grygiel when they have prepared the zoning plan.
- f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY) : Freeholder Burry was absent from the meeting. Bruce Steadman noted that the Committee did not meet this month.

VIII. Board Actions

The next item before the Board was the Consideration of Approval of FMERA Staff's Recommendations Regarding Public Comments Submitted and Final Adoption of the Proposed Rules for the Sale of Real and Personal Property.

Bruce Steadman stated that the Members of the Board of Directors are requested to approve the adoption of the proposed new rules to govern the sale of real and accompanying personal property by the Fort Monmouth Economic Revitalization Authority (FMERA). The draft adoption, without change (see attached), addresses comments submitted by two individuals and are summarized, along with the Authority's responses, in the proposed adoption.

On August 17, 2011, the Board reviewed and approved draft new rules for the sale of real and personal property, at N.J.A.C. 19:31C-2, which was formally proposed upon publication in the October 3, 2011 edition of the New Jersey Register. As part of the rulemaking process, the public was invited to submit written comments regarding the provisions of the proposed new rules within 60 days of publication, and the comments received are addressed in the adoption.

Please be advised that the draft rule proposal, which was reviewed and approved by the Board, included references to *contribution to affordable housing* as part of material elements which **may**,

along with other elements, be included in the solicitation or notice of availability in N.J.A.C. 19:31-2.14(a), as well as among the factors upon which FMERA may accept a lower purchase price from a government purchaser or public/private partnership in N.J.A.C. 19:31C-2.14(b). This phrase was omitted inadvertently from the proposed regulations that were sent to the Office of Administrative Law. However, upon consideration it was determined that it should not be included. By current law, every proposal for housing must be consistent with the Reuse Plan's requirement to provide 20% affordable housing. The list of evaluation criteria is to be used to select among the proposals that meet all legal and other established mandatory criteria of a particular sale. Therefore staff recommends that this phrase not be included in the final proposal published in the New Jersey Register.

Mr. Steadman recommended that the Board of Directors approve the adoption, without change, of the proposed new rules to govern the sale of real and accompanying personal property by the Fort Monmouth Economic Revitalization Authority and authorize staff to submit the adoption for publication in the New Jersey Register, subject to final review and approval by the Office of the Attorney General, and the Office of Administrative Law (OAL).

Mayor Tarantolo stated that he received an email from Phil Welch regarding his concerns about having the opportunity to review the FMERA staff comments to the sales rules. Mr. Tarantolo stated that the Authority is obligated, out of courtesy, to address the comments which were not accepted. Mr. Tarantolo asked if the weighting factors for sales and leases are fixed or variable. Mr. Steadman stated that the weighting factors are variable depending on the type of property being offered for sale. Gabriel Chacon stated that the rules do not require FMERA to disclose the weighting factors within the Request for Proposals (RFP).

Bruce Steadman stated that FMERA followed the appropriate process regarding a review of the comments received by Mr. Welch and Mr. Mahedy and after lengthy and thoughtful discussion with the Attorney General's office, members of the Real Estate Committee, EDA staff, and FMERA staff, a set of responses to the comments was drafted. The responses are presented to the Board for review.

Chairman Gorman called for a motion to approve the Consideration of Approval of FMERA Staff's Recommendations Regarding Public Comments Submitted and Final Adoption of the Proposed Rules for the sale of Real and Personal Property. A motion was made to approve by Mayor Mahon and was seconded by Dr. Robert Lucky.

Motion to Approve: MAYOR MAHON Second: DR. ROBERT LUCKY
AYes: 7

IX. Other Items

There were no other items for discussion.

X. Public Comment

Linda Zucaro of Tinton Falls asked if future RFP's will include the criteria of what is within the Re-use plan and do the criteria flow from the Re-use plan, and was answered yes. Ms. Zucaro asked if the Real Estate Committee has reviewed the housing guidelines which were previously submitted. Mr. Gorman stated that the Committee has begun discussion with the Housing Committee regarding the guidelines.

Ms. Zucaro asked for a status of the Parcel E proposals, and was answered that the proposals are currently under review. Ms. Zucaro asked if there was housing included in Parcel C, C1 and B, and was answered yes as shown in the Re-use plan. Ms. Zucaro asked the timeline of the issuing of the RFP's for these parcels. Mr. Steadman stated that upon the completion of the MOA & EDC Agreement with the Army, the RFP's will be issued soon, hopefully early in 2012.

Bob English asked for the general feedback of the large potential employers who have visited the Fort. Bruce Steadman stated that the feedback has been excellent based on the location of the property. Mr. Steadman further stated that the topography and the history of the property also sells well. Mr. Steadman stated that the economy and the lack of funding has been a difficulty for some investors. Mr. Steadman further stated that the saturated housing market has also been a consideration for the property, but that overall interest in the Fort property is very high.

Phil Welch thanked Mayor Tarantolo for his comments. Mr. Welch stated that he had asked for feedback on his comments in writing and did not receive. Mr. Gorman stated that there is a legal protocol that must be followed.

Mr. Welch asked for the status of the field visit to Soldier On. Bruce Steadman stated that there has been no visit but one is being scheduled. Mr. Steadman stated that there has been parallel activity in Washington and locally regarding a homeless veterans project. Mr. Welch asked if there are parcels being identified for Soldier On and Mr. Steadman answered yes and the project will follow the RFP process.

Stuart Briskey of Oceanport asked if the NJSP are being compensated by the Army. Mr. Steadman stated that there will be an arrangement between FMERA and the NJSP. Mr. Briskey asked if the NJ taxpayer is compensating the NJSP. Mr. Steadman explained that FMERA will pay the NJSP bill, and according to the EDC Agreement with the Army, the proceeds of sales and leases must be reinvested in the Property, and will serve as a source of funds to compensate to the NJSP.

Mr. Briskey asked if the three local borough's Fire and EMS are also being compensated in the same manner and was answered the Army will reimburse for fire events. Mr. Briskey asked if there were Right-to-Know for each borough and Richard Harrison, Director of Facilities Planning, stated that he had met with each borough and all of the information regarding the Right-to-Know was conveyed to each of the boroughs,

Tom Mahedy expressed his concerns regarding the new team leader at the DEP stating that the Environmental Committee has lost years of knowledge due to Larry Quinn and now Matt Turner's leaving. Mr. Mahedy also stated that NJ is pushing a waiver and is down-playing environmental issues. Mr. Mahedy was in favor of Oceanport becoming involved in the clean-up of Wampum Lake. Mr. Mahedy expressed his concerns regarding the contamination at Suneagles Golf Course.

Mr. Mahedy stated that a gag order was imposed on him at a Committee meeting. Mr. Steadman clarified the confidential discussions at the Environmental Committee meeting relating to job-producing projects, and noted that the false implication that there was a gag order imposed has been brought to the Board at previous meetings and been repeatedly clarified to Mr. Mahedy. The confidentiality related to the job-producing projects, and not to any environmental issues.

Mr. Mahedy stated that his First Amendment Rights at the December 21 Board Meeting were violated. Mr. Steadman explained that Mr. Mahedy was removed from the meeting due to his attempt to disrupt the meeting and was not arrested and charged by FMERA, but when he was outside the premises of the meeting he was arrested by Tinton Falls Police for his conduct outside the meeting.

Glenn of Oceanport asked that the Board to defer the discussions regarding housing on the Fort property due to the oversupply of housing and the glut of houses currently on the market. Mr. Glenn also stated that it would be ideal to move the current Little Silver train station. Mr. Glenn asked the Board if they have considered a Roosevelt Island University like project in New York. Ms. Franzini stated that she concurred with Mr. Glenn's statement regarding a university project and that EDA and FMERA are currently reviewing and discussing future university project possibilities for the Fort property.

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 Negotiations and Attorney-Client Privileged Matter.

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

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

The Board returned to public session.

There being no further business, on a motion by Brandon Minde seconded by James V. Gorman and unanimously approved by all voting members present the meeting was adjourned at 9:10 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.



Richard Harrison – Assistant Secretary