



TO: Members of the Board of Directors

FROM: Bruce Steadman
Secretary & Executive Director

DATE: May 16, 2012

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 Proposed Plan Amendment Process
 - Update on FMERA Office Move to Fort Monmouth
 - Update on Master Broker/Real Estate Consultant Request for Proposals
 - Update on Land Use Regulations
 - 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 – Ken Kloo, Chairman
 - 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**

1. Consideration of Approval of First Plan Amendment Permitting Alternative Development Scenario in Tinton Falls
2. Consideration of Approval of Award of Design-Build Request for Proposals (RFP)
3. Consideration of Approval of the Authority's Comprehensive Annual Report for 2011, as required under Executive Order No. 37
4. Consideration of Approval of a Credit Facility from the New Jersey Economic Development Authority (EDA) Totaling \$4.5 Million for Economic Development Conveyance Working Capital Purposes and Renovation Costs

12. **Other Items**

13. **Public Comment**

14. **Adjournment**

Fort Monmouth Economic Revitalization Authority
Board Meeting
April 24, 2012
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
- Caren Franzini, CEO, New Jersey Economic Development Authority (NJEDA) - V
- Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor - V
- Dr. Robert Lucky, Public Member - V
- Lillian Burry, Monmouth County Freeholder – V
- Gerald Tarantolo, Mayor of Eatontown - V
- Gerald Turning, Business Administrator, Tinton Falls - V
- Michael Mahon, Mayor of Oceanport - V
- David Sweeney, Assistant Commissioner, NJ Department of Environmental Protection (DEP)
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs (DCA)
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation (DOT)
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor and Workforce Development (LWD)

V- Denotes Voting Member

Also present:

- Bruce Steadman, Executive Director, FMERA
- Gabriel Chacon, Deputy Attorney General (DAG)
- FMERA Staff

II.

The meeting was called to order by Chairman James V. Gorman at 7:03 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.

The first item of business was the approval of the March 21, 2012 meeting minutes. A motion was made to approve the minutes by Mayor Tarantolo, seconded by Freeholder Burry and unanimously approved by all voting members.

The second item of business was the approval of the March 21, 2012 executive session meeting minutes. A motion was made to approve the minutes by Freeholder Burry, seconded by Mayor Tarantolo and unanimously approved by all voting members.

II. WELCOME

Chairman James V. Gorman welcomed attendees to the Board Meeting and noted that there are two items of special significance at the Meeting that are in addition to the regular board meeting activities. The Board of Directors will consider approving a revised Memorandum of Agreement (MOA) with the U.S. Army and a purchase-sale agreement with CommVault Systems, Inc. (CommVault) for Parcel E in the Tinton Falls section of the former Fort Monmouth property. The MOA has been negotiated over the past several months and is the binding document, containing the terms and conditions of the Economic Development Conveyance (EDC) of the property from the U.S. Army to FMERA. Approval of the purchase-sale agreement with CommVault is necessary to facilitate the sale of the first property by FMERA and the U.S. Army. Both board actions are significant milestones.

The Chairman went on to state that there will be two comment periods at the meeting. The first comment period is for agenda items only and the Chairman asked for the public's cooperation in keeping their comments as brief as possible. The Chairman explained that the second public comment period is towards the end of the meeting agenda and is open to the full range of FMERA business. The Chairman reiterated his request for the public's cooperation in keeping comments as brief as possible. The Chairman continued by stating that in his role as Chairman he is required to conduct an orderly meeting and complete the meeting agenda in a reasonable time period. The Chairman concluded by stating that FMERA continues to welcome the public's constructive comments and ideas.

IV. SECRETARY'S REPORT

Mr. Steadman stated that there is nothing to report at this time.

V. TREASURER'S REPORT

Beverlee Akerblom, Director of Finance and Administration, stated that the Authority's grant amendments for the existing grants which were scheduled to close March 31, 2012 have been approved by the Office of Economic Adjustment (OEA). The extension of the grants through June 30, 2012 will allow for completion of the approved contractual items funded through the grants. Ms. Akerblom continued by stating that a new Grant Application has been submitted to OEA in support of the Authority's operations. The funds being requested from the OEA are consistent with the budget approved by the Authority's Board for fiscal year 2012 and presented to the State's Office of Management and Budget, in support of the Authority's appropriation request for the fiscal year ending June 30, 2013. Field work on the audit of the Authority's 2011 operations has been completed. Ms. Akerblom concluded by stating that spending continues to be strictly monitored.

Mayor Tarantolo asked if the completed audit is public information.

Ms. Akerblom explained that the field work on the audit has been completed and that the report has been issued in draft form. The Audit Committee will review the draft report and meet with Auditors in May. Following the Audit Committee's review, the report will be presented to the full Board of Directors. After the Board of Directors' review and approval the report will become public.

VI. PUBLIC COMMENT REGARDING AGENDA ITEMS

Tom Mahedy requested a copy of the revised MOA and asked Bruce Steadman to read the document to him.

Mr. Steadman stated that the document would not be read because it is still the subject of negotiations with the U.S. Army. Mr. Steadman explained that following the Board of Directors' approval of the MOA, it will go back to the U.S. Army for a final review. The document will not become public until it is executed by both FMERA and the U.S. Army.

Mr. Mahedy then stated that he believes that CommVault will be receiving a reduced price for the land and subsidies, and that it is not right because the State is broke.

Mr. Mahedy then asked the Board of Directors to vote no on both of the board actions on the agenda.

Mr. Mahedy asked who did the appraisal for Parcel E.

Mr. Mahedy was told that FMERA went out for quotes for the appraisal of Parcel E and that Gagliano and Company did the appraisal. Additionally, out an abundance of caution, FMERA received a second appraisal report on the property which was done by the Value Research Group. In addition, Mr. Steadman noted that CommVault offered to pay substantially more than the value quoted in the appraisal.

Mr. Mahedy stated that groundwater on the Fort is not suitable to drink, but is being used for landscaping.

Mr. Steadman stated that Mr. Mahedy is not correct and that in the Army's Finding of Suitability to Transfer (FOST) for Parcel E there is a stipulation that drinking wells not be dug on Parcel E. This was done from a pure safety standpoint as the Army did not want wells dug on Parcel E, but it did not stem from any contaminated groundwater condition.

VII. EXECUTIVE DIRECTOR'S REPORT

Mr. Steadman provided an update on meetings with Army representatives. Mr. Steadman stated that the Army remains the owner of the former Fort Monmouth property until such time that title transfers to FMERA. As the property owner, the Army is an active participant in the land conveyance process. Therefore, 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 former Fort Monmouth property. Weekly conference calls are used to update the status of key issues. These discussions continue to establish a good working relationship with the Army and have resulted in a finalized Memorandum of Agreement (MOA) that the Board of Directors will consider approving at tonight's meeting of the Authority. Mr. Steadman added that FMERA has an excellent working relationship with the U.S. Army and NJDEP on environmental issues.

Mr. Steadman then provided an update on the proposed plan amendment process. Mr. Steadman noted that FMERA staff met with representatives from Eatontown, Oceanport and Tinton Falls on March 8, 2012 to officially transmit the proposed plan amendment and to discuss the 45 day review period. The proposed amendment to the Fort Monmouth Reuse and Redevelopment Plan would allow, as an

alternative, commercial development on Parcel E while moving the housing that was proposed on Parcel E in the Reuse and Redevelopment Plan to other areas of the Tinton Falls section of the former Fort Monmouth property. The 45 day review period expired on April 23, 2012. In accordance with the FMERA Act, each host municipality may provide a report with comments on the proposed plan amendment within the 45 day review period. Comment reports were received from 2 of the Boroughs, and provided to the Attorney General's Office. FMERA and the Attorney General's Office will draft responses to the comment reports. The proposed plan amendment, the reports received from the municipalities, and FMERA's proposed responses will be reviewed by the FMERA Housing Staff Advisory Committee and Real Estate Committee prior to the full Board's consideration, which is expected in May.

Richard Harrison, Director of Facilities Planning, provided an update on the FMERA Office move to Fort Monmouth. Mr. Harrison stated that FMERA issued a publically advertised Design-Build Request for Proposals on March 29, 2012 for Building 502, the former Post Library, on the former Fort Monmouth property. A mandatory site visit was held on April 5, 2012 and a mandatory pre-proposal conference was held at the FMERA Office on April 9, 2012. Proposals are due by April 27, 2012 at noon. Building 502 will be converted into office space that the Authority hopes to occupy at the end of the summer. When the Authority office moves to the former Fort Monmouth property, there will be a system in place to provide the public with access to the office. Mr. Harrison concluded by stating that FMERA hopes to bring a recommendation to the Board for their consideration in May.

Mr. Harrison continued with an update on the Master Broker/Real Estate Consultant Request for Proposals. FMERA issued a publically advertised Request for Proposals for a Master Broker/Real Estate Consultant on Monday, April 16, 2012. A mandatory pre-proposal conference will be held on April 26, 2012. Proposals are due by May 11, 2012 at noon. The Master Broker/Real Estate Consultant will work collaboratively with the FMERA staff to help market, sell and lease the former Fort Monmouth property. Mr. Harrison concluded by stating that FMERA hopes to bring a recommendation to the Board for their consideration in June.

Bruce Steadman then provided an update on the land use regulations. Mr. Steadman stated that Authority staff has been working with the Attorney General's Office, the Authority's Outside Counsel, and Phillips Preiss Grygiel (PPG), the Authority's Planning Consultant to draft the land use regulations for the former Fort Monmouth property. PPG is finalizing the land use regulations, with input from these parties. It is anticipated that the regulations will be discussed at the June FMERA Board Meeting. Establishing land use regulations for the former Fort Monmouth property will create greater transparency and clarity in the redevelopment process.

Mr. Steadman concluded by stating FMERA's action items.

- Continued work with Matrix Design Group 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 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) as soon as the Master Broker/Real Estate Consultant has been selected
- 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

In response to Mr. Mahedy's comments, Mr. Steadman defined a Finding of Suitability to Transfer (FOST). Mr. Steadman stated that the U.S. Army cannot transfer a parcel without a FOST. A FOST documents any environmental matters associated with a particular property and notes the history of the issue. The NJDEP reviews each FOST and the public has an opportunity to comment on each FOST. The public comment period for the Parcel E FOST ends on May 6th and the FOST is posted on the U.S. Army's website.

Mr. Steadman also stated that work continues on a University Park concept for Fort Monmouth and he is hopeful that a Request for Proposals will be issued in the June timeframe.

Mayor Tarantolo asked if FMERA forfeits money from the federal government that it currently receives to lease its office space, once it moves on the Post into a federally owned building.

Mr. Steadman stated that the Office of Economic Adjustment (OEA) has let the Authority know that it will not fund rent for premises off the Post past the summer. Mr. Steadman stated that OEA prefers that Local Redevelopment Authorities (LRAs) work in a building on Post. Once FMERA moves to the Fort, the rent line item of the budget is eliminated, and the funds may not be used for any other expense.

COMMITTEE REPORTS

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

Acting Chairman Michael Mahon stated that the Committee has not met since the last board meeting and plans to meet in May.

b) REAL ESTATE COMMITTEE (JAMES V. GORMAN, ACTING CHAIRMAN):

Acting Chairman James V. Gorman stated that the members discussed the Parcel E Purchase and Sale Agreement (PSA) with CommVault, at length. In particular, they discussed the penalties to CommVault for failure to create the number of new jobs to New Jersey that CommVault has committed to, and failure to complete the improvements for their new world headquarters facilities within the agreed upon timeline. After the discussion of these points, and the PSA overall, the committee members agreed to recommend approval of the PSA to the FMERA Board of Directors at tonight's Board meeting.

Next, there was a brief discussion on the AcuteCare lease/purchase agreement. Staff recommended that a decision on the AcuteCare agreement be postponed until the May meeting, subject to receipt of the pending Army to FMERA lease on that property.

The Committee then discussed the final working draft of the Memorandum Of Agreement (MOA) with the Army. This is the third and final working draft to be reviewed by the Committee. The members discussed several of the minor changes to the MOA since the last working draft was reviewed in December. The members agreed to recommend approval of the MOA to the Board at tonight's Board meeting.

Staff updated the members on the status of the land use regulations that have been drafted by FMERA's planning consultant, Phillips Preiss Grygiel LLC (PPG). The draft regulations are being reviewed by outside counsel and the AG Office. The members requested an update on the regulations from PPG and outside counsel at the May Committee. It is hoped that the regulations could be reviewed by the Committee at its June meeting with a recommendation to the Board for approval at the June Board meeting.

Staff updated the members on the status of the Master Broker / Real Estate Consultant RFP. The notice was published last week, the mandatory pre-bid conference will be held this week, and formal proposals are due May 11. It is anticipated that the Master Broker will be retained by the end of June, and that the first project that the Master Broker will work on will be the RFOTP for Parcels C, C1, Golf Course, and Howard Commons.

The members of the Committee were briefed on the status of the University Park RFP, including possible concept site plans. It is hoped that the first phase of a 2-phase RFP process will begin in June. The several involved parties within and outside of state government continue to work on this exciting and very worthwhile project.

The members were briefed on a recent Department of Defense (DOD) publication that showed a \$17 million environmental budget for remaining environmental work at Fort Monmouth (\$29 million has been spent to date). The experience of our environmental consultant, Matrix, with such budgets is that the amount of money is a placeholder, but remains fluid subject to more accurate forecasts as projects move forward. But, it is recognized that DOD does see significant environmental work still to be completed at Fort Monmouth which, when completed, should enhance and improve FMERA's ability to market and sell the property.

c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (DAVID SWEENEY - NJDEP):

David Sweeney stated that Ken Kloof, NJDEP's Director of the Site Remediation Program, will be the Chairman of the Environmental Staff Advisory Committee and represent NJDEP on the FMERA Board of Directors.

Mr. Sweeney continued by stating that the Committee met on April 16th and the Committee discussed the FOST for Parcel E. NJDEP is reviewing the Army's FOST for Parcel E and the public can comment on the FOST until May 6, 2012 on the Army's website. The Committee Members raised an issue about sampling of the stream traversing Parcel 28 (part of Parcel E). Mr. Sweeney stated that no areas of concern were identified on Parcel 28; therefore there is no basis for investigating potential discharges of the stream. Further investigation of the stream may, however, be required relative to the other parcels or discharges.

The Committee also discussed the restriction on groundwater use in the FOST, precluding future use for drinkable purposes. Members questioned the need for a Classification Exception Area (CEA) imposed by NJDEP. The use restriction in the FOST is essentially a contractual agreement between the the Army and FMERA, whereas the approval of a CEA is a formal regulatory process which restricts the use of groundwater for a particular use. A party cannot elect to establish a CEA. The remediating party proposes a CEA, but it is the NJDEP that imposes the restriction, and it is only imposed when contamination is present above a regulatory standard.

Bruce Steadman asked David Sweeney to clarify that the CEA designation was not required for Parcel E. Mr. Sweeney stated that Mr. Steadman is correct and the CEA designation does not apply to Parcel E.

d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (BRUCE STEADMAN, FMERA):

Bruce Steadman noted that the Committee did not meet this month, but that he anticipates having a series of meetings once FMERA's focus shifts from the Charles Wood Area to the Main Post.

e) HOUSING STAFF ADVISORY COMMITTEE (CHARLES RICHMAN, DCA):

Chuck Richman noted that the Committee did not meet in the last month, but will be meeting sometime in early May to review the municipal comments to the proposed plan amendment and to make a recommendation on those comments to the Real Estate Committee.

f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY):

Lillian Burry stated that she has nothing new to report regarding the Committee's efforts to create a veterans housing facility on Fort Monmouth, but that work is progressing.

VIII. Board Actions

The next item before the Board was the Consideration of Approval of the Revised Memorandum of Agreement (MOA) with the U.S. Army.

Bruce Steadman read the resolution which is attached hereto and marked Exhibit 1.

A motion was made to approve by MAYOR TARANTOLO, and was seconded by FREEHOLDER BURRY.

Mayor Tarantolo asked about the 12 expense categories in the MOA in which money from the sales and lease proceeds may be invested. Mayor Tarantolo asked for the term public buildings/facilities to be defined.

Mr. Steadman stated that the Mayor is referring to Article 5 Section A-1 in the MOA which states that FMERA agrees that such payments that have been described will be reinvested in the Fort's footprint within the 12 expense categories, in accordance with BRAC law.

The Mayor then asked about the no cost transfers mentioned in the Board Memo (the Pool, the Teen Center and the Early Childhood Center). The Mayor asked if money gained from sales and lease proceeds can be used to improve the facilities that are being transferred at no cost.

Mr. Steadman stated that FMERA's budget probably would not include funds to be reinvested into those facilities as they are being transferred in an as is, where is condition. The reason that the U.S. Army is allowing for a few facilities in Phase 1 to be transferred at no cost is because the U.S. Army views those properties as having limited value for job creation potential, and may be used directly to

benefit the public. Typically, FMERA's reinvestment of sales proceeds in the 12 expense categories would be to enhance job creation opportunities, and not improve these public buildings.

Caren Franzini stated that the 12 expense categories are in BRAC law and are not determined by FMERA.

Chairman Gorman further stated that money generated from the sale or lease of Fort property must be reinvested back into the Fort footprint. It cannot be used for any other purpose.

Freeholder Burry stated that Monmouth County is committed to improving and enhancing the infrastructure on Fort Monmouth. Ms. Burry stated that the County will be improving County Road 537 through Fort Monmouth.

Gerald Turning thanked the U.S. Army on behalf of Tinton Falls for the Early Childhood Center, which will be used as a Tinton Falls school to assist special needs children.

Motion to Approve: MAYOR TARANTOLO Second: FREEHOLDER BURRY
AYes: 8

The next item before the Board was the Consideration of Approval of a Purchase-Sale Agreement with CommVault for Parcel E.

Bruce Steadman read the resolution which is attached hereto and marked Exhibit 2.

A motion was made to approve by DR. ROBERT LUCKY, and was seconded by MAYOR TARANTOLO.

Mayor Tarantolo asked about the P.I.L.O.T. between Tinton Falls and CommVault. Mayor Tarantolo stated that Parcel E is currently not part of the municipality's ratable base - therefore, how is Tinton Falls able to offer a P.I.L.O.T. DAG Chacon stated that the P.I.L.O.T. is between Tinton Falls and CommVault and does not involve FMERA. DAG Chacon further stated that Parcel E will become a ratable of Tinton Falls once Parcel E is transferred and that the reason it is mentioned in the Board Memo is because it is a condition of sale by CommVault. DAG Chacon stated that the Local Redevelopment and Housing Law indicates how the P.I.L.O.T. is to be done.

Bruce Steadman then stated that CommVault is publicly traded on the NASDAQ (CVLT), and currently employs approximately 1,370 worldwide with approximately 500 employed in Oceanport, New Jersey. If the Company is successful in acquiring the Property, CommVault proposes to construct on the Property its worldwide headquarters consisting of up to 650,000 square feet of new high-tech office/research technology space in one or more buildings with associated site improvements, which will include a parking garage.

CommVault is presenting a transformative project that will provide benefits beyond the scope of its footprint. When fully built out, CommVault has indicated that it will have 2,500 employees at the site, up to 700 of which will be hired within three years after occupancy. The positive impact of a project of this magnitude on Fort Monmouth, and the surrounding area which lost 5,000 jobs at the Fort and thousands of other supporting jobs when the Army closed the base, will be significant. This became a job retention project for the State, when it became apparent that CommVault was considering several relocation sites, including some out-of-state.

Tom Mahedy asked about the underground water contamination on Parcel E.

Bruce Steadman stated that Mr. Mahedy is incorrect in his reference to the FOST, and that members of the public can reference the FOST for Parcel E on the Army's website to get the facts.


Mr. Mahedy asked for the amount of money that the State is promising to CommVault.

Mr. Steadman clarified that no one is "promising" money to CommVault. However, CommVault, just as any other employer offering to invest millions of dollars and create hundreds of new jobs in New Jersey, has access to the State's incentive programs. CommVault has applied to the NJEDA for some of these incentives.

Caren Franzini referred Mr. Mahedy to the NJEDA website where their board information is available to the public. Ms. Franzini also noted that she would arrange for the pertinent board documents to be e-mailed to Mr. Mahedy.

There being no further business, on a motion by Mayor Mahon, seconded by Dr. Robert Lucky and unanimously approved by all voting members the meeting was adjourned at 8:35 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

ADOPTED
April 24, 2012

Resolution Regarding the
Revised Memorandum of Agreement (MOA) with the U.S. Army

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (“Act”), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Authority”); and

WHEREAS, section 2(a) of the Act states that “[t]he closure and revitalization of Fort Monmouth is a matter of great concern for the host municipalities of Eatontown, Oceanport, and Tinton Falls; for Monmouth County; and for the State of New Jersey”; and

WHEREAS, in section 9(b) of the Act, the Authority is given the power, “[a]s designated and empowered as the ‘local redevelopment authority’ for Fort Monmouth for all purposes of the Defense Base Closure and Realignment Act of 1990, Pub.L.101-510 (*10 U.S.C. § 2687*), and, in that capacity, to enter into agreements with the federal government, State departments, agencies or authorities, the county, the host municipalities, or private parties;” and

WHEREAS, in section 9(e) of the Act, the Authority is empowered “[t]o acquire or contract to acquire . . . the project area”; and

WHEREAS, Fort Monmouth closed on September 15, 2011; and

WHEREAS, the U.S. Army owns the Fort Monmouth property; and

WHEREAS, the MOA contains the binding terms of the Economic Development Conveyance of certain Fort Monmouth property by the U.S. Army to FMERA; and

WHEREAS, at the December 21, 2011 Meeting of the Authority, the Board of Directors approved the Memorandum of Agreement (MOA) with the U.S. Army and the Economic Development Conveyance (EDC) application; and

WHEREAS, following the Board of Directors’ approval of the MOA in December negotiations between the U.S. Army and FMERA staff continued; and

WHEREAS, the MOA was revised to reflect the continued negotiations; and

WHEREAS, no substantive changes have been made to the EDC application, other than to reflect the changes to the MOA; and

WHEREAS, the Real Estate Committee reviewed the revised MOA and recommends it to the full Board of Directors for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the MOA with the U.S. Army, on terms substantially consistent as those set forth in the attached memorandum and MOA with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Chairman of the Authority or the Executive Director to execute the document.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: April 24, 2012
ATTACHMENTS

EXHIBIT 1

ADOPTED
April 24, 2012

Resolution Regarding the
Authorization for
the Fort Monmouth Economic Redevelopment Authority (FMERA)
to Enter into a Purchase-Sale Agreement
with CommVault for Parcel E

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act ("Act"), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority ("FMERA" or "Authority"); and

WHEREAS, the U.S. Army closed Fort Monmouth on September 15, 2011; and

WHEREAS, the U.S. Army is the owner of the Fort Monmouth Property; and

WHEREAS, in an effort to earn early proceeds, the Army has allowed for a 55 acre parcel in the Tinton Falls section of Fort Monmouth to be publically advertised for purchase; and

WHEREAS, on October 13, 2011 FMERA issued and publically advertised its first Request for Offers to Purchase (RFOTP) for Parcel E in accordance with the Authority's Rules for the Sale of Real and Personal Property; and

WHEREAS, four proposals were received: one offer was for commercial development and three were for residential development; and

WHEREAS, all proposals were scored independently by an evaluation committee; and

WHEREAS, CommVault received the highest score; and

WHEREAS, as provided in the Authority's Rules for the Sale of Real and Personal Property, the FMERA Staff determined during the evaluation process of the proposals received that there was a high likelihood that negotiating with CommVault will lead to an acceptable sales contract between FMERA and CommVault; and

WHEREAS, at the February Meeting of the Authority the Board of Directors authorized FMERA to enter in to exclusive negotiations with CommVault, in accordance with the Authority's Sales Rules; and

WHEREAS, on March 20, 2012 CommVault executed the Exclusive Negotiations Agreement and provided an additional 10% deposit in accordance with the Authority's Sales Rules; and

WHEREAS, the exclusive negotiations have resulted in the attached purchase-sale agreement; and

WHEREAS, the Real Estate Committee has reviewed the attached purchase-sale agreement and recommends it to the full Board of Directors for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of CommVault as the purchaser of Parcel E in the Tinton Falls Section of the former Fort Monmouth property pursuant to the October 13, 2011 Request for Offers to Purchase, on terms substantially consistent to those set forth in the attached memorandum and the attached purchase-sale agreement and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the agreement and take any necessary actions to effectuate the selection of CommVault as the purchaser of Parcel E.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: April 24, 2012
ATTACHMENTS

EXHIBIT 2



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: May 16, 2012

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 Proposed Plan Amendment Process; Update on FMERA Office Move to Fort Monmouth; Update on Master Broker/Real Estate Consultant Request for Proposals; Update on Land Use Regulations and Action Items for Next Month.

Treasurer's Report.

Federal Grant Status

1. Grant Request.
The Authority's grant request for funds in support of the Authority's operations is under review by the technical review committee of the Office of Economic Adjustment (OEA). The funds requested from the OEA are consistent with the budget approved by the Authority's Board for fiscal year 2012 and presented to the State's Office of Management and Budget, in support of the Authority's appropriation request for the fiscal year ending June 30, 2013.

2. 2011 Comprehensive Annual Report of the Authority.
The Authority's independent accounting firm has completed the 2011 audit, and reported their findings to the Audit Committee at the May 8, 2012 meeting of the Committee. The auditors issued an unqualified opinion with regard to the Authority's 2011 financial statements. Staff also presented the Authority's 2011 Annual Report to the Committee. The Annual Report and the audited financial statements serve as FMERA's comprehensive annual report to meet the requirements of Executive Order No. 37 (2006).

Based on the Audit Committee's review of the 2011 Comprehensive Annual Report, the Committee recommended the presentation of 2011 Comprehensive Annual Report for Member's approval at the May 16, 2012 Board meeting.

3. Budget.
Spending continues to be strictly monitored.

Executive Director's Report.

1. Update on Meetings with Army Representatives.

After fifteen months of discussion and negotiation, and the FMERA Board's approval of the Memorandum of Agreement (MOA) at last month's meeting of the Authority, FMERA and the Army will execute the long-awaited MOA on May 17, 2012. This is a great milestone for FMERA, and paves the way for the first transfers of property to begin.

The MOA covers the Phase 1 property: Charles Wood, plus three parcels on the Main Post. FMERA anticipates taking title to the first parcel on Charles Wood by June 2012, and the last of the Phase 1 parcels by the end of June 2013.

Next month, FMERA and the Army will begin discussions on the future transfer of the balance of the Main Post, under the Phase 2 MOA.

2. Update on Proposed Plan Amendment Process.

The FMERA staff met with representatives from Eatontown, Oceanport and Tinton Falls on March 8, 2012 to officially transmit the proposed plan amendment and to discuss the 45 day review period. The proposed amendment to the Fort Monmouth Reuse and Redevelopment Plan would allow, as an alternative, commercial development on Parcel E while moving the housing that was proposed on Parcel E in the Reuse and Redevelopment Plan to other areas of the Tinton Falls section of the former Fort Monmouth property. The 45 day review period expired on April 23, 2012. In accordance with the FMERA Act, each host municipality may provide a report with comments on the proposed plan amendment within the 45 day review period. The proposed plan amendment and the reports received from the municipalities are being brought to the FMERA Board of Directors for consideration at this month's meeting of the Authority.


3. Update on FMERA Office Move to Fort Monmouth.

FMERA issued a publically advertised Design-Build Request for Proposals on March 29, 2012 for Building 502, the former Post Library, on the former Fort Monmouth property. A mandatory site visit was held on April 5, 2012 and a mandatory pre-proposal conference was held at the FMERA Office on April 9, 2012. Proposals were due by April 27, 2012 at noon and 11 were received. FMERA will conduct interviews with the three highest scoring bidders, and make a recommendation to the Board. Building 502 will be converted into office space that the Authority hopes to occupy at the end of the summer. When the Authority office moves to the former Fort Monmouth property, there will be a system in place to provide the public with access to the office.

4. Update on Master Broker/Real Estate Consultant Request for Proposals.
FMERA issued a publically advertised Request for Proposals for a Master Broker/Real Estate Consultant on Monday, April 16, 2012. A mandatory pre-proposal conference was held on April 26, 2012. Proposals were due by May 11, 2012 at noon. The Master Broker/Real Estate Consultant will work collaboratively with the FMERA staff to help market, sell and lease the former Fort Monmouth property. FMERA staff hopes to bring a recommendation for approval to the Board of Directors at the June Meeting of the Authority.

5. Update on Land Use Regulations.
Authority staff has been working with the New Jersey Attorney General's Office, the Authority's Outside Counsel, and Phillips Preiss Grygiel (PPG), the Authority's Planning Consultant to draft the land use regulations for the former Fort Monmouth property. PPG is finalizing the land use regulations, with input from these parties, and drafts continue to be circulated. It is anticipated that the regulations will be discussed at the June FMERA Board Meeting. Establishing land use regulations for the former Fort Monmouth property will create greater transparency and clarity in the redevelopment process.

6. Action Items for Next Month.
 - Continued work with Matrix Design Group 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 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) as soon as the Master Broker/Real Estate Consultant has been selected
 - Continued meetings and tours with 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 a University Park Concept


Approved By: Bruce Steadman

Prepared by: Katie Hodes

**ADOPTED
May 16, 2012**

**Resolution Regarding the
Approval of First Plan Amendment Permitting Alternative Development
Scenario in Tinton Falls**

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (“Act”), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Authority”); and

WHEREAS, the U.S. Army closed Fort Monmouth on September 15, 2011; and

WHEREAS, the FMERA Act, in N.J.S.A. 52:27I-26(c), authorizes FMERA “to adopt, revise, adjust, and implement . . . any aspect of the plan” and the Plan states that it is intended to “continue to evolve”; and

WHEREAS, the process set forth in the FMERA Act, in N.J.S.A. 52:27I-35, requires transmitting any proposed plan amendment to the governing body of each of the three municipalities for a 45-day comment period and then to consider any comments prior to the Board approving or disapproving the amendment; and

WHEREAS, in accordance with the FMERA Act the FMERA Board approved transmitting the proposed plan amendment #1 to the host municipalities at its February 15, 2012 meeting; and

WHEREAS, on March 8, 2012 the host municipalities received the proposed plan amendment, starting the 45-day comment period; and

WHEREAS, the 45-day comment period expired on April 23, 2012 and reports were received from Oceanport and Eatontown; and

WHEREAS, although the reports did not contain specific recommendations, they were reviewed by the Real Estate Committee, the Housing Staff Advisory Committee and FMERA staff; and

WHEREAS, the Members have reviewed the reports from Oceanport and Eatontown and wish to adopt proposed plan amendment #1 to the Fort Monmouth Reuse and Redevelopment Plan.

THEREFORE, BE IT RESOLVED THAT:

1. As expressed in the attached board memorandum, the Authority approves the first plan amendment permitting alternative development scenario in Tinton Falls.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: May 16, 2012
ATTACHMENT

EXHIBIT 1



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

RE: Consideration of Approval of First Plan Amendment Permitting Alternative Development Scenario in Tinton Falls

DATE: May 16, 2012

Request

I am requesting that the Board of Directors consider approving Amendment #1 to the Fort Monmouth Reuse and Revitalization Plan, which would permit an alternative development scenario in Tinton Falls to include professional office/R&D space on Parcel E, a 55-acre parcel in the northeast quadrant of the Tinton Falls Fort Monmouth area, while preserving the same total number of housing units in the Tinton Falls Fort Monmouth area.

Background

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

FMERA's predecessor authority, the Fort Monmouth Economic Revitalization Planning Authority created and developed the Fort Monmouth Reuse and Redevelopment (the Plan). The Plan was completed in 2008 after years of careful consideration and under economic conditions that were different from today.

The FMERA Act, and the Reuse Plan itself, contemplate that amendments to the Plan would be required from time to time. Specifically, the FMERA Act authorizes FMERA "to adopt, revise, adjust, and implement . . . any aspect of the plan. . ." Moreover, the Plan states that it is intended to "continue to evolve." Plan amendments will allow FMERA to respond to opportunities that arise once parcels are publicly advertised for sale and that further FMERA's purpose and responsibilities.

In accordance with the relevant FMERA Act statute, the Reuse Plan is required to be "a report or statement and land use and development proposals" that includes:

- (1) A statement of objectives, assumptions, and standards on which the plan is based;
- (2) The relationship to Statewide, county and municipal planning objectives;
- (3) Proposed land uses; and

- (4) Any significant relationship to municipal and county plans as well as the State Development Redevelopment Plan.

The attached proposed Amendment #1, prepared by FMERA's professional planners, Phillips Preiss Grygiel (PPG), encompasses the Fort Monmouth area within Tinton Falls (the Tinton Falls Reuse Area), which totals approximately 254 acres. The existing Plan envisions redevelopment of this area for approximately one million square feet of non-residential space and 288 residential units. Such development is to include a high-tech business campus with a multi-use town center containing ground-floor retail space with mixed-income housing or professional offices above, and standalone residential, institutional and civic uses.

Amendment #1 maintains the Plan's planning objectives and principles, such as job creation, economic development, and the provision of a mix of housing. Amendment #1 would permit an alternative development scenario for the Tinton Falls Reuse Area that, if pursued, would result in the development of 650,000 square feet of professional office/R&D space on Parcel E, a 55-acre parcel in the northeast quadrant of the Tinton Falls Reuse Area, while preserving the same total number of housing units in the Tinton Falls Reuse Area. Thus, under the alternative development contained in Amendment #1, the total number of residential units within the Tinton Falls Reuse Area would remain at 288; the 126 residential units envisioned in the Plan for Parcel E would be redistributed to other locations within the Tinton Falls Reuse Area. The alternative housing scenario under Amendment #1 would still provide a mix of housing types allowing for mixed-income housing; the alternative commercial development for Parcel E in Amendment #1 would allow for the commercial use proposed by CommVault in response to the publically advertised Request for Offer to Purchase for Parcel E.

On February 15, 2012, the FMERA Board approved due diligence guidelines to assist the Board in making an informed decision about any proposed Plan amendment, revision, or supplement. The guidelines state that, prior to its final approval of any Plan change, the Board will seek certain information from its professional planners and outside counsel. The guidelines do not require affirmative statements or opinions, but, rather, the statements or opinions are intended to guide the Board in its decision making. With regard to the plan resulting from the incorporation of Amendment #1, the Board has received:

- (1) A statement from PPG that the resulting plan is a rational and coordinated plan.
- (2) A statement from PPG that the resulting plan does not significantly impact the areas within Fort Monmouth of the other host municipalities. **[#1 and #2 are addressed by PPG in one statement.]**
- (3) An opinion of outside counsel that the resulting plan does not negatively impact FMERA's obligations under federal Base Closure and Realignment (BRAC) law or under any Agreement with the Army.
- (4) An opinion of outside counsel that the resulting plan does not negatively impact FMERA's obligations under fair housing laws.

In accordance with the FMERA Act, the FMERA Board also approved on February 15, 2012 the transmittal of Amendment #1 to the governing body of each host municipality for a 45-day comment period. The municipalities received Amendment #1 on March 8, 2012; the comment period ended April 23, 2012. Tinton Falls did not provide any comments; the correspondence received from Eatontown and Tinton Falls are attached. The letter from Eatontown's Borough Administrator states that the Eatontown Planning Board passed a resolution recommending the approval of Amendment #1 and that the Eatontown governing body had no objections. Oceanport's comment stated that Amendment #1 was reviewed by the mayor and council, planning board, citizens advisory committee, fire department, first aid squad, police department, office of emergency management, borough planner, and borough engineer and indicated that no concerns were raised as to infrastructure or by emergency services but that the planning board, governing body, and professionals expressed the concern that jobs were being moved from one host community to another.

Additionally, on February 27, 2012, FMERA's Housing Staff Advisory Committee met with PPG to discuss Amendment #1. At the March 21, 2012 meeting, the FMERA Board was provided an oral report on that Committee meeting. The Board was informed that the Committee discussed the viability of building the 288 housing units in the Tinton Falls Reuse Area outside of Parcel E and that there is sufficient potential to have the 20% affordable housing set aside if housing is developed under Amendment #1. The Board was also told that the Committee discussed the impact of having the creation of jobs as the first priority and how this creates a greater demand for housing. The Housing Staff Advisory Committee met on May 10, 2012. The Committee reviewed and discussed the comment reports from Eatontown and Oceanport regarding Amendment #1.

Having reviewed and considered the comments from the host municipalities, and comments from the Housing Staff Advisory Committee, and other public comments, Staff recommends that the Board approve Amendment #1. With regards to the host municipalities, no specific recommendations were received; the only comment was the concern expressed by Oceanport regarding CommVault. While the concern does not address the substance of Amendment #1, in response it should be noted that CommVault made the decision to relocate from Oceanport on its own and had considered out-of-state sites. As for public comments expressing a concern about achieving the balance of uses contemplated in the Plan and Amendment #1, the FMERA Board has approved issuing Requests for Offers to Purchase for various parcels that contain housing, including parcels within the Tinton Falls Reuse Area. To do so in accordance with U.S. Army requirements, on April 16, 2012 FMERA issued a Request for Proposals for Master Broker Services, such as assistance with the marketing and selling of facilities and property.

FMERA's Real Estate Committee reviewed the proposed plan amendment, and the comment reports received from Eatontown and Oceanport, and recommends the plan amendment permitting an alternative development scenario in Tinton Falls to the full Board of Directors for approval.

Recommendation

In summary, I recommend that the Board of Directors approve the proposed Amendment #1 to the Fort Monmouth Reuse and Revitalization Plan Amendment that would permit an alternative development scenario in Tinton Falls.


Bruce Steadman

ATTACHMENT: Correspondence from the Borough of Eatontown
Correspondence from the Borough of Oceanport
Proposed Amendment #1
Opinions

Prepared by: Bruce Steadman

DRAFT

**Proposed Amendment #1 to the
*Fort Monmouth Reuse and Redevelopment Plan***

Prepared for:
The Fort Monmouth Economic Revitalization Authority

By:
Phillips Preiss Grygiel LLC
Planning and Real Estate Consultants
33-41 Newark Street
Hoboken, NJ 07030

February 2012

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I. Introduction and Planning Rationale

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:271-18 et. seq.), the Fort Monmouth Economic Revitalization Authority ("FMERA") is considering amending the *Fort Monmouth Reuse and Redevelopment Plan* (the "*Reuse Plan*" and "Plan") to provide the option for development of professional office and/or research and development (R&D) space on a 55-acre parcel ("Parcel E") located in the northeast section of the former Fort Monmouth property in the Borough of Tinton Falls, New Jersey. FMERA must determine whether the alternative development scenario is generally consistent with the overall planning principles and objectives of the *Reuse Plan*.

The proposed amendment does not purport to delete any provisions of the *Reuse Plan* but rather would supplement the Plan by proposing an alternative development scenario for the 55-acre parcel cited above. The amendment would ultimately be incorporated into the Land Use Regulations for the Reuse Area in a manner similar to an "overlay zone," whereby an additional set of requirements are superimposed on the area allowing for such alternative development scenario to be realized. Overlay zoning would provide additional opportunities for development which would not apply unless the land is developed in accordance with the purposes for which the overlay zoning was adopted.

The Fort Monmouth properties in Tinton Falls ("the Reuse Area") total approximately 254 acres and are bounded generally by Pearl Harbor Avenue to the west, Tinton Avenue to the north, Hope Road to the east and Pinebrook Road and the Conrail railroad tracks to the south. The *Reuse Plan* envisions redevelopment of this area for approximately one million square feet of non-residential space and 288 residential units. Such development would include a high-tech business campus with a multi-use town center containing ground-floor retail space with mixed-income housing or professional offices above, and standalone residential, institutional and civic uses. Specifically, Parcel E is planned for low- and medium-density housing totaling 126 units, together with ball fields and a field house, and three neighborhood pocket parks.

This amendment, referred to as Amendment #1, maintains the land use concepts and plans articulated in the *Reuse Plan* but also permits an alternative development scenario that, if pursued, would result in the development of 650,000 square feet of professional office/R&D space on Parcel E. Under this alternative, the total number of residential units would remain at 288, however the 126 residential units envisioned for Parcel E would be redistributed to other locations within the Tinton Falls Reuse Area.

This amendment is consistent with the planning objectives and principles articulated in the *Reuse Plan* and is necessary to fulfill the Authority's main objectives—specifically job creation, economic development and the provision of housing. The real estate market has taken a turn for the worse since the *Reuse Plan* was prepared and this downturn

has been compounded by the actual closure of Fort Monmouth, which has resulted in the loss of 5,000 jobs on the base and 15,000 supporting jobs in the region. The impacts associated with the base closure relative to the local property tax base and local and regional employment will continue to be felt so long as the former Fort properties remain fallow and unproductive.

A significant change has occurred since the preparation of the *Reuse Plan* that directly affects the Tinton Falls Reuse Area: plans by the New Jersey Turnpike Authority to re-configure Exit 105 of the Garden State Parkway. These improvements will remove traffic from the Hope Road/Route 36 intersection and provide additional access to Pearl Harbor Avenue, Tinton Avenue and Route 18. The *Reuse Plan* placed limitations on density and types of land uses in those areas of the Tinton Falls Reuse Area that would be served by the local roadway system. As a result of the Exit 105 improvements, the Tinton Falls Reuse Area will be positioned to accommodate higher-traffic generating uses, i.e., office/research uses (and at higher development intensities) than originally envisioned. Furthermore, this new access will, in all likelihood, render certain land parcels more desirable for office/R&D use than was contemplated during the Plan preparation stage.

The *Fort Monmouth Reuse and Redevelopment Plan* involved years of careful consideration and study as well as an extensive effort to draw input from local residents, the three host municipalities and the County, State and Federal government. As such, this amendment does not change the underlying Plan vision for the Tinton Falls Reuse Area. Instead, it provides an alternative development scenario that affords FMERA with the necessary flexibility to respond to changed circumstances in a manner that does not compromise overall *Reuse Plan* goals and objectives.

The following chapter describes the nature and scope of the amendment, while succeeding chapters discuss its relationship to the elements, objectives and planning principals of the *Fort Monmouth Reuse and Redevelopment Plan*, as well as to FMERA's own directive, and to relevant State, County and municipal planning objectives.

II. Scope of *Reuse Plan* Amendment

This amendment to the *Reuse Plan* is intended to allow for an alternative development concept for approximately 55 acres, referred to as Parcel E, in the Tinton Falls Reuse Area. The Tinton Falls Reuse Area is bound generally by Pearl Harbor Avenue to the west, Tinton Avenue to the north, Hope Road to the east and Pinebrook Road and the Conrail railroad tracks to the south.

Parcel E is located in the northeast quadrant of the Reuse Area and is bounded on the north by Tinton Avenue; on the east by three single-family residential parcels and Hope Road; on the south by Corregidor Road and Building 2290 (formerly used as a Child Development Center); and on the west by Bataan Avenue. Parcel E is located adjacent to the intersection of Tinton Avenue and Hope Road. Convenient access to the parcel is currently provided via one of two gated entrances: on Bataan Avenue off of Tinton Avenue (the "Bataan Gate") and on Corregidor Road off of Hope Road.

The *Reuse Plan* envisions redevelopment of the Tinton Falls Reuse Area for approximately one million square feet of non-residential space and 288 residential units. Such development would include a high-tech business campus, a multi-use town center containing ground-floor retail space with mixed-income housing or professional offices above, and standalone residential, institutional and civic uses. Under the *Reuse Plan* Parcel E would be developed for 126 mixed-income residential units distributed as follows: 7 large-lot detached homes fronting on Tinton Avenue; reuse of 22 units of the extant Hemphill housing; 39 small-lot detached homes and 58 townhouses. The *Reuse Plan* envisions Parcel E to also accommodate ball fields and a field house, and three neighborhood pocket parks.

This amendment maintains the development concepts and plans articulated in the *Reuse Plan*, but further permits an alternative development scenario that, if pursued, would result in the development of up to three buildings totaling 650,000 square feet of professional office/R&D space on Parcel E. Under this alternative development scenario, the total number of residential units within the Tinton Falls Reuse Area would remain at 288. However, the 126 residential envisioned for Parcel E would be redistributed to other locations within the Tinton Falls Reuse Area as follows: 82 apartment units above ground-floor retail space in the mixed-use town center; 90 mixed-income apartments to the east of the town center and 33 townhouse units directly to the north; 34 small-lot detached homes along Tinton Avenue between Parcel E and the town center; 36 townhouses to the west of the existing pool and teen center and south of Laboratory Road; 8 large-lot detached homes to the south of Laboratory Road and east of Park Road; and 5 small-lot detached homes to the north of Laboratory Road (see *Figure 1: Alternative Scenario for Parcel E in the Tinton Falls Reuse Area*).

The amendment would necessitate the removal of Buildings 2539 and 2540 south of Laboratory Road. These buildings, which total approximately 16,000 square feet, are shown in the "Building Reuse Plan" exhibit in the *Reuse Plan* as having potential (but not required) for reuse as office/R&D space. The amendment would also require the removal of 22 duplex units of the Hemphill Housing (Buildings 2231-2240, 2260) located along Hemphill Road on the western side of Hope Road, east of Guam Lane and north of Corregidor Road. These structures are not shown on the "Building Reuse Plan" exhibit nor are they listed as buildings required for preservation in the *Programmatic Agreement* between the New Jersey State Office of Historic Preservation (SHPO) and FMERA.

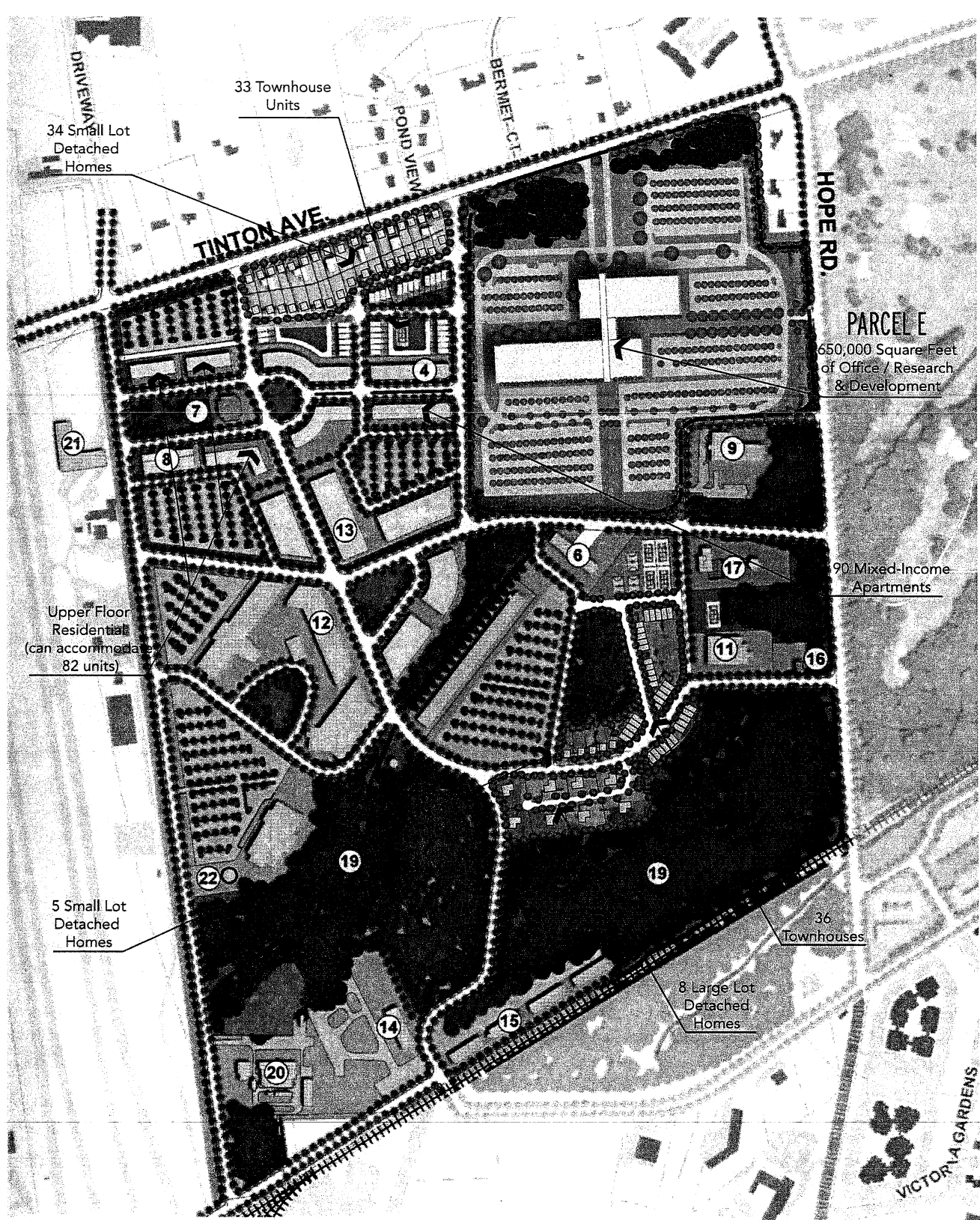


Figure 1:
Alternative Scenario for Parcel E in the
Tinton Falls Reuse Area

III. Relationship to Elements, Objectives and Principles of the *Reuse Plan* and FMERA Directives

Relationship to Reuse and Redevelopment Plan Elements

In considering the impacts of the *Reuse Plan* amendment (i.e., to permit office/R&D uses on Parcel E and redistribute 126 residential units to other locations in the Tinton Falls Reuse Area), the following *Reuse Plan* elements were evaluated: land use and circulation, infrastructure, environmental issues, historic preservation and community impacts. The relationship between the amendment and these Plan elements are described below.

Land Use and Circulation

Total Development Yield

If the alternative development scenario that is part and parcel of this amendment is pursued, it would result in the redevelopment of 650,000 square feet of new office/R&D space and a loss of ~16,000 square feet of existing office/R&D space in the Tinton Falls Reuse Area.¹ Thus, there would be a net increase of ~634,000 square feet of non-residential square footage. The number of residential units would remain at 288. The alternative development scenario, would result in revisions to the following tables in the *Reuse Plan*: “Reuse & Redevelopment Program,” “Non-Residential Building Reuse Index” and “Residential Building Reuse Index” as indicated in Tables 1 through 3 below.

Table 1: Reuse & Redevelopment Program

	Tinton Falls 10 Year Plan	Tinton Falls 20 Year Plan	Total Tinton Falls	Fort Total 10 Year Plan	Fort Total 20 Year Plan	Grand Fort Total
Existing <i>Reuse Plan</i>						
Total Residential Units	288	--	288	885	720	1,605
Total Non-Residential Square Footage	802,568	207,000	1,009,568	2,523,407	858,072	3,381,479
If Amendment #1 is Pursued						
Total Residential Units	288	--	288	885	720	1,605
Total Non-Residential Square Footage	1,436,812	207,000	1,643,812	3,157,651	858,072	4,015,723

¹ Removal of Buildings 2539 and 2540 included in the *Reuse Plan* as buildings for reuse totaling 15,756 square feet.

Table 2: Non-Residential Building Reuse Index if Amendment #1 Pursued

	Gross Square Feet to be Re-used	Office	Lab/Data	Homeless	Retail	Educ.	Other
Existing Reuse Plan							
Total Tinton Falls Excluding Residential	954,586	423,489	426,594	---	1,335	39,236	63,932
Fort Total Excluding Residential	2,079,061	816,168	635,637	31,322	108,089	73,460	237,509
if Amendment #1 is Pursued							
Total Tinton Falls Excluding Residential	938,830	423,489	410,838	---	1,335	39,236	64,932
Fort Total Excluding Residential	2,063,305	816,168	619,881	31,322	108,089	73,460	237,509

Table 3: Residential Building Reuse Index if Amendment #1 Pursued

Tinton Falls Residential Square Footage to be Reused	Total Fort Residential Square Footage to be Reused	Tinton Falls Total Residential Buildings to be Reused	Tinton Falls Total Residential Units to be Reused	Fort Total Residential Buildings to be Reused	Fort Total Residential Units to be Reused
Existing Reuse Plan					
40,700	790,000	11	22	83	267
if Amendment #1 is Pursued					
---	750,000	---	---	72	245

Compatibility with Surrounding Land Uses

The area surrounding Parcel E is developed for largely residential, educational and recreational purposes. Three single-family detached homes are located at the southwest corner of Hope Road and Tinton Avenue. To the north across Tinton Avenue are both single-family attached and single-family detached homes. The Sunaegles Golf Course lies directly to the east across Hope Road. To the south, within the former Fort boundaries is Building 2290 (the former Child Development Center), Building 2566 (which was used as the Youth and School Age Services Building), and Building 2569 (which was used as the Charles Wood Swimming Pool). The *Reuse Plan* envisions all three of these buildings being reused.

The *Reuse Plan* envisions a mixed-income residential development on Parcel E—in the form of garden apartments, townhouses, and detached residences—for the following reasons cited in Section 3.2: the area was historically a residential zone at Fort Monmouth (however, all of the units have already been removed with the exception of the Hemphill Housing along Hope Road); and it would include the reuse of the 22 unit Hemphill Housing, thereby taking advantage of existing housing. The Plan

places detached housing along Tinton Avenue and recommends a 30-foot landscape buffer between the roadway and proposed development. The Plan envisions higher-density residential dwellings for the remainder of Parcel E so as to allow for a more cost effective means of providing mixed-income housing.

As an alternative to residential use, office/R&D space would also be compatible with surrounding land uses on Parcel E. Access can be provided from both Tinton Avenue and Hope Road. In addition, the improvements to the Garden State Parkway will provide more direct access to Tinton Avenue from both the northbound and southbound lanes of the Garden State Parkway. Access to this location will also be enhanced by improvements to the Hope Road/Route 36 intersection. Furthermore, with the advantage of having convenient access to the regional highway network, the site should be well positioned in terms of attracting new corporate office/research users.

In addition, because a reconfigured Bataan Avenue² and Corregidor Road bound Parcel E within the former Fort's boundaries, this would serve to buffer the parcel from adjoining development. Moreover, in order to suitably accommodate office/research use at this location, imposition of appropriate regulatory controls, including large setbacks and generous landscaped buffers along Tinton Avenue, Hope Road, Bataan Avenue, and Corregidor Road should assure that both existing and future residences are protected from new development. Any office/R&D buildings constructed should remain in the central portion of the parcel, and building heights and development intensities should be sensitive to surrounding development patterns.

The redistribution of residential units to the locations shown in Figure 1 would be generally compatible with existing and future development envisioned in the *Reuse Plan*. Not only were apartments above ground-floor commercial space already contemplated in the *Reuse Plan* as part of the mixed-use town center, but the addition of an even larger number of such dwellings would enliven what is anticipated to be the focal point of the Tinton Falls Reuse Area. This area would be within close walking distance of the existing municipal complex, the retail establishments and office uses in the town center, and the civic green and library. The mixed-income apartments and the small-lot detached homes and townhouse units proposed to the east of the town center would also be in close proximity to all of the town center's amenities. Meanwhile, with appropriate regulatory safeguards in place, including adequate setbacks and buffering, additional low-density units fronting Tinton Avenue would be compatible with the established single-family properties neighboring the Reuse Area.

Finally, detached single-family homes and townhouses located along Laboratory Road would be compatible with largely undeveloped lands to the south (as depicted

² The *Reuse Plan* locates Bataan Avenue to the east of its current location so that it intersects Tinton Avenue to the east of Pond View Drive.

in the *Reuse Plan*) and would provide an appropriate transition to the more intensive office and commercial uses contemplated in the northern and western sections of the Reuse Area. Land use regulations for these residential units should insure that adequate setbacks and buffers be provided in locations where the units adjoin non-residential uses, specifically north of Laboratory Road.

Circulation

The amendment is consistent with and would not otherwise compromise any of the "Transportation Circulation Improvement Goals" established in the *Reuse Plan*. The proposed improvements to surrounding roadways, specifically Hope Road, Tinton Avenue and the intersection of Tinton Avenue and Route 36, would further support the alternative development scenario contemplated as part of this amendment.

The only difference is in relation to the Street Phasing Plans, as two proposed residential streets within Parcel E would not be built and two driveways would be added to the street phasing plan: one from Tinton Avenue and one from Hope Road (i.e., to provide access to Parcel E under the office/R&D use alternative). All other planned streets, pedestrian, and transit plans would remain unchanged.

Open Space

The amendment would involve the removal of one ball field and three pocket parks envisioned in the *Reuse Plan* for Parcel E. However, these parks could likely be accommodated elsewhere in the Tinton Falls Reuse Area, particularly as part of new (i.e., alternative) residential development.

Sustainability

The amendment would not preclude incorporation of any of the sustainability measures outlined in the *Reuse Plan*, consistent with all other development contemplated on the former Fort properties.

Infrastructure

As indicated in the Reuse Plan, impacts on the existing gas, electric, water, wastewater and telephone utilities servicing Fort Monmouth will have to be evaluated at site plan review for a specific project. This assessment is unaffected by the amendment.

Traffic

The *Reuse Plan* includes a *Technical Memorandum: Traffic and Transportation* ("the Technical Memorandum" and "the Study") which was prepared by STV, Inc. and dated April 10, 2008, modified June 25, 2008. It should be noted that the Technical

Memorandum was completed before the New Jersey Turnpike Authority (NJTA) announced in 2011 its intention to make improvements to Interchange 105 of the Garden State Parkway in Tinton Falls and the intersection of Route 36 at Hope Road.

The Technical Memorandum concludes that the current configurations of the following intersections in the vicinity of Parcel E are expected to be inadequate to process the expected traffic overlays generated by the *Reuse Plan*: Route 36/Hope Road; Tinton Avenue/Route 35; and Hope Road/Tinton Avenue. These intersections are among those which the Study anticipated to become main traffic focal points at full build-out of the *Reuse Plan*.

The Garden State Parkway Southern Interchange Study: Interchange 105 ("the GSP Study") dated January 2011 was prepared by Stantec for NJTA. The GSP Study notes that the *Reuse Plan* is expected at full build-out (i.e., 20 years out) to add up to 3,500 and 4,600 trips to the regional roadway network during the AM and PM peak hours over existing use which has capacity constraints under existing conditions. The GSP Study provides an analysis of potential roadway improvements to the intersection of Hope Road and Route 36 and Interchange 105, which is a full parkway interchange providing access to and from Route 36, Route 18 and Hope Road. The improvements are intended to provide congestion relief to vehicles utilizing the study area roadways and improve safety.

As a result of the analysis, the GSP Study concluded that the proposed improvements to Interchange 105 would not only address existing issues at the interchange and the Route 36 / Hope Road intersection, but also accommodate future traffic volumes generated by the *Reuse Plan*. In 2011, NJTA announced its plans to reconfigure the Parkway in Tinton Falls which will include improvements to the southbound Interchange 105, the northbound outer roadway, and the intersection of Hope Road and Route 36 as contemplated in the GSP Study. Construction could start in 2013.

Notwithstanding the above improvements to the adjacent roadway network, a detailed traffic analysis would be prepared as part of any site plan review related to development on Parcel E and any traffic mitigation necessary would be addressed at that time.

Environmental Issues

The land permitted to be developed by this amendment is not environmentally constrained per Geographic Information System (GIS) layers provided by the New Jersey Department of Environment Protection (NJDEP). Based on review of this data, it is evident that those portions of the Reuse Area where this amendment permits residential development are suitable for housing, provided the plans within such areas conform to the applicable requirements of NJDEP.

The Department of Defense (DoD) is working with the New Jersey Department of Environmental Protection (NJDEP) on the ongoing environmental investigation and remediation of the former fort properties. The DoD developed the Installation Restoration Program (IRP) to comply with federal guidelines for managing and controlling past hazardous waste disposal actions on Fort lands. Among the IRP sites identified is FTMM-26 (former pistol range), which is located on vacant land on the northern side of the intersection of Radiac Way and Laboratory Road. This amendment would permit the development of townhouses adjacent to this site, however the U.S. Army has indicated that it is considered a site of No Further Action (NFA) because investigation and/or response actions are complete.

Historic Preservation

The amendment would necessitate the removal of the remaining units of the Hemphill Housing. The Hemphill Housing area includes 22 duplex units (Buildings 2231 through 2240 and Building 2260) located along Hemphill Road on the western side of Hope Road, east of Guam Lane and north of Corregidor Road. The structures were built in 1955 and used as officer housing. The Hemphill Houses are in generally sound condition, but are in need of updating. The *Reuse Plan* refers to these structures as "historic" but does not list them among the historic resources listed in Chapter 7.0 Historic Preservation Guidelines of the *Plan*. In addition, they have not been identified by the State Historic Preservation Office (SHPO) as worthy of listing on the State or National Registers of Historic Places. Therefore, the amendment will not impact historic resources required for preservation according to the Programmatic Agreement between the SHPO and FMERA.³

Community Impacts and Affordable Housing

As noted in the *Reuse Plan*, the host communities, including Tinton Falls, rely on taxation for the largest portion of their municipal revenues. The Fort's closure, and the resulting loss of Defense contractor jobs is expected to result in a larger share of the tax burden falling to residential property owners. The potential offered by this amendment to increase non-residential tax rates would therefore lessen the burden on local residents.

Corporate headquarters, offices, research facilities, retail and other commercial uses typically generate more positive fiscal impacts on a municipality, i.e., generate more tax revenues than incur municipal costs, than do other land uses, including residential development. Additional office/R&D use permitted by this amendment can be expected to have a positive fiscal impact on the tax base of Tinton Falls. The of-

³ If this alternative development scenario is pursued, Buildings 2539 and 2540 would also be removed. These buildings are not described as historic in the *Reuse Plan* and are not included in the Programmatic Agreement between SHPO and FMERA.

fice/R&D use would not generate any school children and the municipal costs associated per new employee, as indicated in the *Reuse Plan*, is about 20 percent less than municipal costs associated per new resident in Tinton Falls.

The number of residential units in the Tinton Falls Reuse Area would remain the same whether Parcel E is developed for residential or non-residential use. However, the redistributed residential units would be in a somewhat different form than anticipated in the *Reuse Plan* (see Table 4). The change in housing type has some implications in terms of the population and number of schoolchildren anticipated from development. The amendment contemplates 172 housing units in the form of apartments (i.e., either in apartment buildings or above ground-floor commercial uses) as opposed to 130 apartment units anticipated in the *Reuse Plan* –an increase of 42 units. These 42 units are drawn from the following housing units identified in the *Reuse Plan*: the 22-unit duplex Hemphill Housing, 14 units of townhouse/rowhouses, and six single-family large lot units. The New Jersey Demographic Multipliers prepared by the Center for Urban Policy Research at Rutgers University (November 2006), indicates that the projected household size and number of school children generated by single-family detached homes is only slightly higher than apartment units and both are only slightly higher than single-family attached homes. Furthermore, the number of small lot single-family, i.e., 39 units, remains constant whether the amendment is pursued or not, and the amendment still contemplates eight units of single-family large lot homes. Single-family detached homes typically have larger household sizes than either single-family attached homes (i.e., the Hemphill Houses and townhouses/rowhouses) or multi-family homes. Therefore, the amendment still affords opportunities for family housing in the Reuse Area. Finally, as the *Reuse Plan* also notes, higher-density residential dwellings allow for a more cost-effective means of providing mixed-income housing. Therefore, although the overall population may be reduced slightly if the amendment is pursued, it would still advance the *Reuse Plan* goal of providing a variety of housing types and creating mixed-income neighborhoods.

The amendment also anticipates fewer single-lot residential units and fewer townhouses/rowhouses. Therefore, despite the fact that there would be 288 residential units within the Tinton Falls Reuse Area regardless of how Parcel E is developed, the larger number of multi-family units to be built if the amendment is pursued would produce fewer schoolchildren and fewer residents, thereby reducing potential municipal costs as estimated in accordance with the *Reuse Plan*.

Table 4: Breakdown of Housing Types in Tinton Falls

Hemphill Housing	1-Family Small Lot	1-Family Large Lot	Townhouse/ Rowhouse	Upper-Story Residential In Mixed-Use Building	Apartments	Total
Existing Reuse Plan						
22	39	14	83	---	130	288
If Amendment #1 is Pursued						
---	39	8	69	82	90	288

Relationship to Objectives and Principles of the Reuse Plan

The amendment will fulfill the objectives and planning principles outlined in the *Reuse Plan*. Those planning objectives articulated in the *Reuse Plan* include the following:

- *Promote the Technology Corridor Initiative.* When the *Reuse Plan* was adopted, the governor touted the Fort’s potential to become a “high-tech corridor.” The amendment would allow for the development of additional office/R&D facilities within the Tinton Falls Reuse Area.
- *Be consistent with State, County, and Municipal planning policies.* The amendment is consistent with State, County, and Municipal planning policies, as set forth in the ensuing chapter.
- *Focus on business retention and attraction, job replacement, and employee training.* This amendment will provide for increased flexibility in relation to those locations where office/R&D use may be located within the Tinton Falls Reuse Area. This flexibility will aid FMERA in its efforts to attract suitable users who wish to develop new/expanded facilities, or who desire to relocate to Fort Monmouth from locations outside the region.
- *Be founded on market and economic analysis.* By permitting additional office/R&D space to be created within the Tinton Falls Reuse Area, the amendment responds to the current needs of the marketplace. In particular, the planned improvements to the Garden State Parkway are likely to render portions of the Reuse Area, including Parcel E, as more valuable for non-residential use, and, therefore, be more attractive to potential corporate office/research users.
- *Address homeless, COAH, and workforce housing needs.* The amendment does not change the total number of residential units planned for the Tinton Falls Reuse Area, however it does change the type of residential units. There will be fewer attached single-family homes and large-lot single family homes, which will most likely result in a slightly lower household size and school-age population.

However, the amendment contemplates only six fewer single-family detached homes (where household sizes are highest) than the *Reuse Plan*. Furthermore the wide variety of housing types, including more apartments, will advance the principle of creating mixed-income neighborhoods.

- *Leverage Fort assets (people, infrastructure, location)*. The amendment affords FMERA with an opportunity to leverage the locational assets of the Tinton Falls Reuse Use, i.e., proximity to the Garden State Parkway, together with improvements to the Parkway and ancillary roads servicing the area, to attract new office/R&D users that generate much-needed local employment and tax ratables.
- *Be a green community model*. This amendment does not in any way preclude the Tinton Falls Reuse Area from becoming a green community model.

The amendment further advances a number of key planning principles from which the overall concepts in the *Reuse Plan* were devised:

Principle #1: Decreasing Density West to East & Create Mixed-Use Live/Work/Leisure Centers. The *Reuse Plan* affirmatively states that the roadway capacity and infrastructure serving Fort Monmouth best supports higher density reuse and redevelopment in locations adjacent to the Garden State Parkway. Greater density in the Tinton Falls Reuse Area was also supported in the Plan because there were fewer environmentally constrained parcels in this area than elsewhere on the Fort.

Principle #2: Link centers & increase mobility with connected transit infrastructure serving the region and the Fort. The amendment would allow a redevelopment pattern that takes advantage of its close proximity to the Garden State Parkway. The amendment does not impact the *Reuse Plan's* vision for an extensive system of bikeways, pedestrian trails and sidewalks.

Principle #3: Enhance auto mobility and redevelopment capacity with targeted roadway infrastructure improvements. The *Reuse Plan* acknowledges that redevelopment of the Fort will require improvements to the roadway system. Specifically, the *Plan* identifies the potential need to widen Tinton Avenue to provide added roadway capacity into the general area; and the potential need to widen Hope Road to provide added capacity between Route 36 and the Fort area.

Principle #4: Combine open space, habitat, and water resources to establish a continuous Blue – Green belt. The amendment, and specifically the potential redistribution of residential units within the Tinton Falls Reuse Area, does not preclude the creation of an open space network consisting of envi-

ronmentally sensitive areas, including wetlands, watercourses, and habitats.

Principle #5: Utilize the Blue – Green belt as an armature for enhanced bicycle and pedestrian mobility throughout the Fort. The amendment would not impact the proposed bike path, or trails envisioned as part of the Reuse Plan.

Principle #6: Remove Fort boundaries & extend existing land uses to reconnect the Fort to the communities. The amendment would not prevent the opening of any gates into the Fort, nor inhibit public access to the Fort's amenities.

Principle #7: Leverage existing Fort Monmouth assets (People, Buildings, Technology, and Infrastructure). Although some existing Fort buildings would be demolished if the amendment were pursued, the alternative development scenario would not involve the removal of any buildings identified in the Reuse Plan as being required for preservation.

In summary, the amendment is consistent with the *Reuse Plan* elements, objectives and planning principles.

Relationship to FMERA Directive

To implement the *Fort Monmouth Reuse and Redevelopment Plan*, the New Jersey State legislature empowered the Fort Monmouth Economic Revitalization Authority (FMERA) to adopt any modifications or amendments to the *Reuse Plan* and adopt development and design guidelines and land use regulations to implement the plan.

Pursuant to P.L.2010, c. 10 (N.J.S.A. 52:271-18 et. seq.), FMERA's purpose is the following:

to oversee, administer, and implement the [Reuse Plan] as provided in this act, in a manner that will promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare; to conserve the natural resources of the State; to provide housing, including housing to address identified needs related to homelessness; and to advance the general prosperity and economic welfare of the people in the host municipalities, the county, and the entire State by cooperating and acting in conjunction with other organizations, public and private, to promote and advance the economic use of the facilities located at Fort Monmouth.

The *Reuse Plan* amendment would advance both its stated purpose and the public welfare, by promoting, developing, encouraging and maintaining employment, commerce and economic development, as well as providing new housing.

IV. Relationship to State, County and Municipal Planning Objectives

State Development and Redevelopment Plan (SDRP)

On March 1, 2001, the State Planning Commission readopted the State Development and Redevelopment Plan (SDRP). In the SDRP, the Tinton Falls Reuse Area is classified as Planning Area 1, Metropolitan Planning Area (PA-1). The SDRP defines Metropolitan Planning Areas as areas which "provide for much of the state's future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities." The amendment is well-reconciled with the guiding policies and policy objectives of the adopted SDRP for the Planning Area 1, Metropolitan Planning Area.

Consistent with the goals for the PA-1, the amendment promotes the type of redevelopment needed to transform the Tinton Falls Reuse Area, currently unused and unproductive, into a vibrant, mixed-use community with compact development that will ensure efficient utilization of scarce land resources while also carefully protecting the character of surrounding communities. The SDRP further advocates for the provision of a full range of housing choices in PA-1 through redevelopment, new construction and the introduction of new housing in appropriate nonresidential settings. The amendment is consistent with this policy objective as well. Also in accordance with the objectives for PA-1, the amendment allows for redevelopment in a location well served by existing transportation networks, including the Garden State Parkway.

Monmouth County Open Space Plan

The Monmouth County Open Space Plan, adopted by the Monmouth County Planning Board in August 2006 as an element of the Monmouth County Growth Management Guide, specifically advocates the acquisition of a portion of the Fort Monmouth property as a new County park site. To fulfill this acquisition, Monmouth County filed a Notice of Interest for park and recreation lands within Fort Monmouth. The County subsequently filed an application to the National Park Service's Federal Lands to Park Program for a Public Benefit Conveyance, which was endorsed by the three host municipalities of Eatontown, Oceanport and Tinton Falls.

The amendment is not inconsistent with the County's interests with regard to parks and recreation.

Tinton Falls Master Plan

The former fort properties in Tinton Falls are included within the “master plan” for Fort Monmouth, i.e., the *Reuse and Redevelopment Plan*. However, a vision for the redevelopment of the fort is provided in the most recent Master Plan for the Borough of Tinton Falls, adopted by the Borough Planning Board on April 25, 2007. The Borough Master Plan anticipates the imminent redevelopment of Fort Monmouth, stating among its goals to “ensure the most appropriate reuse of Fort Monmouth.” In addition, the Master Plan asserts that “given this piece of property represents the last best opportunity to do something special for the Borough, it is appropriate that Tinton Falls advance its vision for the ultimate development of the site.” To that end, the Plan articulates a vision for the fort’s future as “a vibrant mixed-use development with commercial, residential, entertainment and public uses in a traditional main street setting.”

The amendment is consistent with the vision articulated in the Borough Master Plan. Further, the Land Use Regulations that implement the amendment should adhere to the land use policies outlined in the Master Plan, including those relating to buffering of development along Tinton Avenue from adjacent residential neighborhoods.

Tinton Falls Zoning

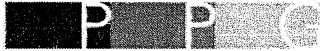
Although the development of the former fort properties in Tinton Falls will be governed by the land use regulations and design guidelines adopted by FMERA, as a point of information, the study area lies within the Borough’s OS/GU: Open Space/ Governmental Use District under the municipality’s current zone plan. This designation represents a new land use category for Tinton Falls and includes the County Park south of Route 33 and the County-owned parcels on the east side of Wayside Road. This category also includes other large, publicly-held parcels, in addition to Fort Monmouth, including Naval Weapons Station Earle and the County Reclamation Center. The intent of this designation is to allow existing activities on the properties as a matter of right while not committing to a specific zone scheme until they become available for development. Permitted uses in the zone include open space and Borough and government uses. Permitted conditional uses include churches and places of religious worship, and schools. There are no bulk regulations for the OS/GU District.

The amendment is generally consistent with the Borough’s intent for the Tinton Falls Reuse Area.

V. Conclusion

The subject amendment, referred to as Amendment #1 to the *Fort Monmouth Reuse and Redevelopment Plan*, maintains the land use concepts and plans articulated in the *Reuse Plan* but also permits an alternative development scenario that, if pursued, would result in development of 650,000 square feet of office/research space within a section of the Tinton Falls Reuse Area designated as Parcel E. Under this alternative scenario, the total number of residential units would remain at 288, however the 126 residential units envisioned for Parcel E under the *Reuse Plan* would be redistributed to other locations within the Tinton Falls Reuse Area.

The amendment is consistent with the objectives and principles in the *Reuse Plan*, as well as State, County and Municipal planning objectives. Furthermore, the amendment advances the public welfare, particularly with regard to promoting, developing, encouraging and maintaining employment, commerce and economic development, as well as providing new housing opportunities. Lastly, the amendment provides flexibility for FMERA to more effectively attract potential corporate office/R&D users to the Tinton Falls Reuse Area, thereby enabling it to fulfill its statutory mandate to create new jobs, regenerate the local tax base and advance the general prosperity and economic welfare of the people most impacted by the Fort's closure.



PHILLIPS PREISS GRYGIEL LLC

Planning & Real Estate Consultants

33-41 Newark Street

Third Floor, Suite D

Hoboken, NJ 07030

201.420.6262

Fax 420.6222

www.ppgplanners.com

May 14, 2012

Bruce Steadman
FMERA
Executive Director
2-12 Corbett Way
Eatontown, NJ 07724

Subject: **Amendment #1 to the Fort Monmouth Reuse and Redevelopment Plan**

Dear Mr. Steadman:

As the preparers of the above referenced amendment to the *Fort Monmouth Reuse and Redevelopment Plan* (the "Reuse Plan") on behalf of the Fort Monmouth Economic Revitalization Authority ("FMERA"), you have requested that Phillips Preiss Grygiel LLC provide a written statement affirming that with Amendment #1 in place the *Reuse Plan* remains a rational and coordinated plan and does not significantly impact areas within the former Fort Monmouth boundaries of the other host municipalities.

Amendment #1 provides for an alternative development scenario that would permit development of 650,000 square feet of office/ research and development (R&D) space on a 55-acre parcel ("Parcel E") located in the northeast section of the former Fort Monmouth property in the Borough of Tinton Falls, New Jersey. The existing *Reuse Plan* envisions Parcel E to be redeveloped with 126 low- and medium-density housing units, together with ball fields and a field house, and three neighborhood parks. The amendment redistributes the 126 residential units to other locations within the Tinton Falls Reuse Area so that the total number of residential units proposed for the Reuse Area, i.e., 288 units, remains unchanged.

The amendment does not purport to delete any provisions of the *Reuse Plan* but rather is intended to supplement the Plan by providing for an alternative development scenario for Parcel E. The amendment would be incorporated into the Land Use Regulations in a manner similar to an "overlay zone," whereby an additional set of requirements are superimposed on the area allowing for such alternative development scenario to be realized. Overlay zoning would provide additional opportunities for development which would not apply unless the land is developed in accordance with the purposes for which the overlay zoning was adopted.

In our professional opinion, with the amendment in place, the *Reuse Plan* remains a rational and coordinated plan that continues to be consistent with the objectives and principles in the *Reuse Plan*, as well as State, County and local planning goals. Moreover, the amendment will not significantly impact the areas within the former Fort Monmouth boundaries of the other host municipalities. The amendment



PHILLIPS PREISS GRYGIEL LLC

Planning & Real Estate Consultants

considers and addresses potential impacts of the alternative development scenario on surrounding land uses, roadway networks, utility infrastructure, traffic patterns, environmental and historic resources, population and affordable housing.

The amendment further advances the public welfare by promoting, developing, encouraging and maintaining employment, commerce and economic development, and by affording FMERA the flexibility necessary to more effectively attract potential corporate office/R&D users to the Tinton Falls Reuse Area, thereby enabling it to fulfill its statutory mandate to create new jobs, regenerate the local tax base and advance the general prosperity and economic welfare of the people most impacted by the Fort's closure.

We trust that the above is responsive to your needs.

Yours sincerely,

Paul A. Phillips, PP, AICP

11238



ATTACHMENT

[The legal opinion from outside counsel and legal opinion from BRAC counsel that the preceding memo refers to have been removed from this full agenda.]

ADOPTED
May 16, 2012

**Resolution Regarding the
Selection of Design-Build Services
Request for Proposals (RFP)**

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (“Act”), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Authority”); and

WHEREAS, section 9 of the Act authorizes the Authority to issue Requests for Proposals and to retain consultants; and

WHEREAS, on March 29, 2012, the Authority issued a publically advertised Request for Proposals (“the RFP”) for design-build services to retrofit and convert the Library (Building #502) to professional administrative space on the Fort Monmouth property with bid submissions due on April 27, 2012; and

WHEREAS, 11 proposals were received and 1 proposal was deemed to be ineligible; and

WHEREAS, on May 3, 2012 an evaluation committee deemed three proposals to be non-compliant and scored the remaining seven proposals; and

WHEREAS, staff conducted interviews with the three highest ranked firms; and

WHEREAS, as a result of the interviews, two proposals were found to be deficient relative to the requirements of the scope of work; and

WHEREAS, the scores were recalculated based on the interviews, and Patock Construction Co. (“Patock”) was selected as the top scoring proposal on a cost and technical basis; and

WHEREAS, The Authority proposes to fund the Library renovation from two sources: A grant from the Office of Economic Adjustment (OEA) approved in the amount of \$214,434 and a loan from the New Jersey Economic Development Authority (EDA) approved by the EDA in the amount of \$300,000; and

WHEREAS, prior to entering into a contract, FMERA staff will work with Patock to come to a mutually agreeable reduction in the scope of work and/or the contract price to complete the project with the funds currently available; and

WHEREAS, the Members of the Board wish to award the design-build contract to Patock pursuant to the RFP subject to certain conditions stated below and to amend the Authority’s budget to reflect the sources and uses of funds for this project.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached Board memorandum, the Authority approves entering into a contract in the amount of \$514,434 with Patock Construction Co. for design-build services to retrofit and convert the former Library (Building #502) in accordance with the terms and conditions set forth in this Resolution, the RFP, and Patock's proposal and subject to the approval of the Attorney General's Office and the Executive Director as well as to the following conditions. Execution of a contract with Patock and commencement of pre-construction work is subject to: 1) completing the loan transaction with EDA; 2) agreeing with Patock to reduce the scope of work and/or contract price to no more than \$514,434; and 3) amending FMERA's budget to include the sources and uses of funds for this project. Construction work for retrofit and conversion of the Library is subject to: 1) Board approval of an interim lease with the Army for the Library; 2) execution of the interim lease; and 3) the Authority obtaining comprehensive hazard and fire insurance, including builders risk coverage, covering the Library.

2. Subject to the separate approval by the Authority of the loan from the EDA, the Authority approves amending its budget to reflect the sources and uses of funds currently available for this project.

3. Subject to the conditions above, the Authority authorizes the expenditure of funds to fulfill the selection of Patock to serve as the design-build firm.

4. Subject to the conditions above, the Authority authorizes the Executive Director to take all necessary actions to effectuate the selection of Patock as the design-build firm.

5. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: May 16, 2012
ATTACHMENT

EXHIBIT 2



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

RE: Award of Design-Build Services Request for Proposals (RFP)

DATE: May 16, 2012

Request

I am requesting Members of the Board of Directors' approval to award a design-build contract to Patock Construction Co. pursuant to a Request for Proposals (RFP) for design-build services to retrofit and convert the Library (Building #502) to professional administrative space on the Fort Monmouth property.

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.

The Authority offices at 2-12 Corbett Way Eatontown are currently leased. As the Local Redevelopment Authority (LRA), FMERA has the opportunity to obtain use of office space on Fort Monmouth at less than fair market value thus resulting in a cost savings to FMERA and the Department of Defense, Office of Economic Adjustment. The Authority office must be available to the general public and could not be located on Fort Monmouth as long as the Army had an active mission there. Now that the Fort has been closed, the general public can have access to the Fort property. The Authority has decided to relocate its office to Building 502, the former Post Library, on Fort Monmouth. In order to accommodate the Authority offices, the building must be refitted and converted from its former use as a library to professional administrative space. In addition, many of the building systems will require updating and/or replacement. The Authority would like to be moved into this building no later than September 30, 2012.

Therefore, on March 29, 2012 FMERA issued a publically advertised RFP for design-build services to retrofit and convert the Library to professional administrative space on the Fort Monmouth property. A mandatory pre-proposal conference for prospective proposers was held at the FMERA Office in Eatontown on April 9, 2012. Proposals were due on April 27, 2012 by noon. FMERA received 11 proposals from the following firms: Benjamin Harvey, Cypreco, Ella Construction, Gilligan & Bubnowski, Jablan General Construction, M&M Construction, NK

Architects, Patock Construction Co., River Drive Construction, R.J. Michaels & Co. Inc., and Ronald Schmidt & Associates. The proposal from River Drive Construction was found to be ineligible for evaluation as they did not submit the required information nor did they submit the required copies of their proposal.

The 10 remaining technical proposals were distributed to the Evaluation Committee. The Committee was made up of 3 FMERA staff members. The Evaluation Committee met on May 3, 2012 to review the technical proposals. The evaluation was based upon a comparative ranking with an emphasis on prior experience and management approach. As a result of the evaluation, three proposals were found to be non-compliant with the RFP due to their failure to include certain required information. The technical ranking of responsive proposals ranged from a high of 245 out of a maximum of 270 points to a low of 190 points. The three top scoring proposers were requested to come in for oral interviews. FMERA conducted these oral interviews on May 10 and 11. As a result of the oral interviews, two proposals were found to be deficient relative to the requirements of the scope of work. The cost proposals for the five remaining responsive proposals were scored. Among the responsible bidders, the range of cost was \$807,700 submitted by Patock Construction Co., to the highest cost submitted of \$1,041,163. Patock Construction Co. was selected as the top scoring proposal on a cost and technical basis. Patock's technical proposal is the highest scoring responsible proposal and the lowest responsible fee proposal.

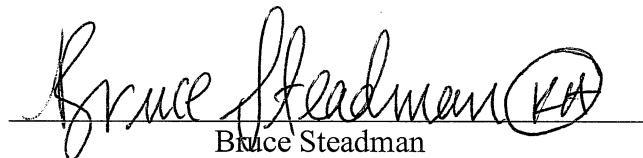
The Authority proposes to fund the Library renovation from two sources: A grant from the Office of Economic Adjustment (OEA) and a loan from the New Jersey Economic Development Authority (EDA). The Authority's grant request was reviewed and approved by OEA in the amount of \$214,434. The EDA Board approved a \$300,000 term loan to the Authority at its May 8, 2012 meeting as part of a larger credit facility. That credit facility is being presented to the Members for consideration at today's meeting. We anticipate that the \$300,000 loan will be repaid from the Authority's share of the proceeds from the sale of Parcel E to CommVault later this year. In the event that the CommVault transaction is not completed, the loan will be repaid from the Authority's share of rent and sales proceeds from various assets, including the golf course, the Health Clinic parcel, the U.S. General Services Administration parcel (i.e. Building 2525), and any other sales or leases that might arise. Prior to entering into a contract, FMERA staff will work with Patock Construction Co. to come to a mutually agreeable reduction in the scope of work and/or the contract price to complete the project with the funds currently available. If, in the future, additional funds become available for retrofit and conversion of the Library, FMERA staff may seek further Board approval to reinstate some of the reduced scope of work and increase the project budget above the currently available \$514,434.

Execution of a contract with the selected design-build firm and commencement of pre-construction work is subject to the following: 1) completing the loan transaction with EDA and 2) agreeing with Patock Construction Co. to reduce the scope of work and/or contract price. Construction work for retrofit and conversion of the Library is subject to the following: 1) Authority Board approval of an interim lease with the Army for the Library; 2) execution of the interim lease; and 3) FMERA obtaining comprehensive hazard and fire insurance, including builders risk coverage, covering the Library.

Subject to the separate approval by the Members of the loan from the EDA, the Members are asked to approve amending the Authority budget to reflect the sources and uses of funds currently available for this project.

Recommendation

In summary, I am requesting the Members' approval to enter into a contract with Patock Construction Co. for design-build services to retrofit and convert the Library (Building #502) to professional administrative space on the Fort Monmouth property. FMERA's contract with Patock Construction Co. is subject to the approval of the Attorney General's Office and the Executive Director, as well as the conditions set forth above. I am further requesting the Members' approval, subject to the subsequent consideration of the loan from EDA, to amend the Authority's budget to reflect the sources and uses of funds currently available for this project.

A handwritten signature in cursive script that reads "Bruce Steadman". To the right of the signature is a circled monogram "KA". The signature is written over a horizontal line.

Bruce Steadman

ATTACHMENT: Design-Build Scoring Synopsis

Prepared by: Rick Harrison

RFP Proposal Scoring Synopsis

Firm	Score	Fee
Cypreco Industries, Inc.	190	\$823,823
NK Architects	218	\$997,160
Benjamin R. Harvey Company, Inc.	225	\$1,041,163
M&M Construction	230	\$1,000,030
Patock Construction	240	\$807,700

**ADOPTED
MAY 16, 2012**

Resolution Regarding the
**Fort Monmouth Economic Revitalization Authority
2011 Comprehensive Annual Report**

WHEREAS, Governor Christie signed the Fort Monmouth Economic Revitalization Authority Act (“Act”), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Authority”); and

WHEREAS, the Authority selected its independent auditors, Schneider & Company pursuant to Executive Order No. 122 (McGreevey); and

WHEREAS, the Authority’s independent auditors, Schneider & Company reviewed and accepted the Authority’s audited financial statement for January 1, 2011 to December 31, 2011; and

WHEREAS, pursuant to Executive Order No. 122 (McGreevey), the Audit Committee reviewed the draft comprehensive Annual Report for January 1, 2011 to December 31, 2011; and

WHEREAS, pursuant to Executive Order No. 37 (Corzine) the Authority is required to submit its comprehensive Annual Report for review from its Members;

NOW, THEREFORE BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority’s 2011 Comprehensive Annual Report and approve submitting the Report to the Governor’s Authorities Unit and posting it on the Authority’s website.

2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

**DATED: May 16, 2012
ATTACHMENT**

EXHIBIT 3



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: May 16, 2012

SUBJECT: 2011 Comprehensive Annual Report

Request

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2011, as required under Executive Order No. 37 (2006).

Background

The Authority distributes the Annual Report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. To meet the requirements of Executive Order No. 37 (2006), the Annual Report is combined with the audited financial statements and serves as FMERA's "comprehensive annual report" for 2011.

The audited financial statements for the year ended December 31, 2011 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Schneider & Company has issued an unqualified opinion with regard to the 2011 financial statements.

Certification accompanying the financial statements has been executed by the Executive Director and the Director - Finance & Administration that the Authority has followed its standards, procedures and internal controls.

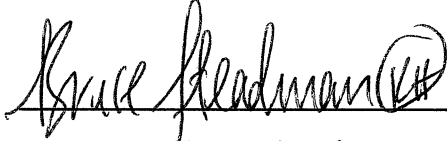
On May 8, 2012, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2011 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies. With regard to the compliance requirements under OMB Circular A-133, the Auditors reported that due to the change in entity from the

Predecessor Authority to the Fort Monmouth Economic Revitalization Authority, submission of certain data collection forms were not timely to the Federal Audit Clearinghouse. The Auditors noted that the Authority has established procedures to insure timely submission of future data forms, and with the submission of this report the Authority will be in compliance with the OMB Circular A-133 requirements. Subsequent to the meeting and its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Authorities' Unit, and the Federal Audit Clearinghouse, posted to the FMERA website, and transmitted electronically to members of the Legislature.

Recommendation:

Staff has prepared the comprehensive annual report for 2011, as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities Unit, and the Federal Audit Clearinghouse, post to Authority website, and transmit to the Legislature.



Bruce Steadman

ATTACHMENT
Prepared by: Beverlee Akerblom



ATTACHMENT

[The comprehensive annual report for 2011 that the preceding memo refers to has been removed from this full agenda.]



Fort Monmouth Economic Revitalization Authority

Fort Monmouth Economic Revitalization Authority

Financial and Operational Summary

For the year ended December 31, 2011



FMERA Financial Position

During and for the year ended December 31, 2011

Balance Sheet Highlights

- The Authority's total assets amount to \$2,252,121
- Total liabilities are \$2,425,369 of which \$2,107,713 are current
- The Authority's net assets decreased by \$312,989
- Signed professional management and maintenance agreement for operation of Suneagles Golf Course and Facilities, Authority received \$15,000 in Operation Fees in 2011
- Major funding sources: Federal grants and appropriations from the State of New Jersey



Fort Monmouth Economic Revitalization Authority

FMERA Operational Summary

During and for the year ended December 31, 2011

At \$2,828,586, operating expenses are 5.5% under the \$2,992,550 budget for the period due to:

- Reduced staffing level: actual staffing level of 8, projected staffing level 13;
- Budget deficits for Business and Operations Plan (BOP) and Planning, Engineering, Architectural (PEA) are result of timing differences. 2010 progress billings on these fixed cost consulting contracts lower than projected for the period, shifting the recognition of the costs of these engagements to 2011. 2010 budget surpluses for the BOP and PEA were \$166,667 and \$285,521 respectively ;
- Environmental and Legal costs over budget in 2011 due to acceleration in negotiations with the Army
- Lower staffing level resulted in a reduction of certain general and administrative costs, such as supplies, travel, and communication expense;
- Purchase of equipment was deferred.

Federal Grant Revenue of \$2,236,967 is 5.4% under the budget amount of \$2,364,795 due to reduction in:

- The spending level: Federal Grant Revenue is recognized to the extent that the expenses incurred are for the purpose approved by the Office of Economic Adjustment (OEA).
- The Local Match required under the terms of the Federal Grant was satisfied by the appropriation by the State of New Jersey and for the period amounted to \$248,553, based on Federal Grant expenses of \$2,485,520. This amount differs from the total operating expenses of \$2,828,586 as compensated absences, and Office Support Services and interest, adjustment for regional salary limit, and economic development related expenses do not qualify for reimbursement under the terms of the Federal Grant at this time.



Fort Monmouth Economic Revitalization Authority

Reports:

2011

Actual Revenue, Expenses to Budget
for the year ended December 31, 2011, and

Operating Revenue and Expense and Change in Net Asset Analysis
for the year ended December 31, 2011

2010

Actual Revenue, Expenses to Budget
for the period September 29, 2010 (inception) to December 31, 2010

Operating Revenue and Expense Change in Net Asset Analysis
for the period September 29, 2010 (inception) to December 31, 2010

Fort Monmouth Economic Revitalization Authority
 Actual Revenue and Expenses to Budget
 For the year ended December 31, 2011

	Actual	Percent	Budget	Percent	Over (Under) Budget
Operating Revenues					
Federal Grant Revenue	\$ 2,236,967		\$ 2,364,795		\$ (127,828)
Operating Fees - Golf Course and Facilities	15,000		-		15,000
Total Operating Revenue	\$ 2,251,967		\$ 2,364,795		(112,828)
Administrative Expenses					
Direct Office Support					
Direct Office Support - Personnel	757,947		1,071,350		(313,403)
Direct Office Support - Fringe Benefits	259,245		460,680		(201,435)
Total Direct Office Support	1,017,192	36.0%	1,532,030	51.2%	(514,838)
General & Administrative					
Equipment	7,134		37,155		(30,021)
Insurance	16,585		41,529		(24,944)
Office Rent	162,434		164,025		(1,591)
Legal Notices	5,135		1,800		3,335
Office Supplies and Postage	10,275		44,363		(34,088)
Communication Expense	26,662		40,170		(13,508)
Temporary Office Staff	25,146		-		25,146
Travel	6,338		30,357		(24,019)
Meetings and Seminars	3,726		9,150		(5,424)
Office Support Services	250,000		250,000		-
Total General and Administrative	513,435	18.1%	618,549	20.7%	(105,114)
Total Administrative Expenses	1,530,627	54.1%	2,150,579	71.9%	(619,952)
Costs					
Interest	4,687	0.2%	-	0.0%	4,687
Program Costs					
Golf Course and Facilities Expenses	21,600		-		21,600
Business and Operating Plan Consultant	384,230		256,166		128,064
Planning, Eng. Arch. Consulting Serv.	447,768		216,475		231,293
Environmental Consultant	175,908		90,000		85,908
Planning Consultant	60,816		115,000		(54,184)
Information Technology Contractor	-		14,400		(14,400)
Legal - BRAC Counsel	188,460		130,000		58,460
Audit Expense	14,490		19,930		(5,440)
Total Program Costs	1,293,272	45.7%	841,971	28.1%	451,301
Total Costs	1,297,959	45.9%	841,971	28.1%	455,988
Total Expenses and Costs	2,828,586	100.0%	2,992,550	100.0%	\$ (163,964)
Net Operating Earnings (Loss)	(576,619)		\$ (627,755)		
Non-Operating Revenues (Expenses)					
Appropriation from State of New Jersey	263,000				
Interest Income	630				
Total Non-Operating Revenue	263,630				
Change in Net Assets	\$ (312,989)				

Fort Monmouth Economic Revitalization Authority
Operating Revenue and Expense Analysis by Funding Source
For the year ended December 31, 2011

	Federal Grant	Operator Fee	NonQualifying Expenses	TOTAL
Operating Revenue				
Federal Grants	\$ 2,236,967			\$ 2,236,967
Operator Fees		15,000		15,000
Total Operating Revenue	2,236,967	15,000		2,251,967
Operating Expenses				
Direct Office Support Expense	979,765		37,428	1,017,193
Program Costs	1,262,662	21,600	9,010	1,293,272
General and Administrative	243,093		270,341	513,434
Interest on Indirect Suppt Serv			4,687	4,687
Total Operating Expenses	2,485,520	21,600	321,466	2,828,586
Operating Loss	(248,553)	(6,600)	(321,466)	(576,619)
Non-Operating Revenue				
Appropriations from the State of New Jersey	263,000			263,000
Interest Income	630			630
Total Non-Operating Revenue	263,630			263,630
Change in Net Assets	\$ 15,077	\$ (6,600)	\$ (321,466)	\$ (312,989)
Analysis of Change in Net Assets				
Non-Operating Revenue in excess of Local Match requirement for Federal Grant				\$ 15,077
Operator Expenses in excess of Operator Fee Income				(6,600)
NonQualifying Expenses				(321,466)
Change in Net Assets				\$ (312,989)

Fort Monmouth Economic Revitalization Authority
Actual Revenue and Expenses to Budget
For the period September 29, 2010 (Inception) to December 31, 2010

Operating Revenues	Actual	Percent	Budget	Percent	Over (Under) Budget
Federal Grant Revenue	\$ 592,744		\$ 1,310,887		\$ (718,143)
Expenses					
Direct Office Support Cost - Personnel	182,543	24.5%	241,263	15.9%	(58,720)
Direct Office Support Cost - Fringe Benefits	51,010	6.9%	103,743	6.8%	(52,733)
Travel	1,317	0.2%	5,182	0.3%	(3,865)
Equipment	1,830	0.2%	87,073	5.7%	(85,243)
Supplies	1,476	0.2%	9,194	0.6%	(7,718)
Contractual					
Business and Operating Plans	-				(166,667)
Planning, Eng. Arch. Consulting Serv.	363,904		\$ 166,667		(285,521)
Environmental Consulting Serv.	10,257		649,425		(49,743)
Information Technology Contractor	-		60,000		(1,200)
Legal - BRAC Counsel	17,952		1,200		(37,048)
Audit Expense	5,440		55,000		(13,880)
			19,320		(554,059)
Other					
Advertising	182				(68)
Communication Expense	4,938		250		(2,850)
Insurance	4,686		7,788		(5,507)
Rent	35,954		10,193		(4,287)
			40,241		(12,712)
Indirect Office Support Costs	45,760	6.1%	58,472	3.8%	
Interest Expense	62,500	8.4%	62,500	4.1%	
	469	0.1%	-	-	469
Total Expenses	744,458	100.0%	1,519,039	100.0%	\$ (775,050)
Operating Loss	(151,714)		\$ (208,152)		
Non-Operating Revenue	277				
Interest Income	277				
Change in Net Assets	\$ (151,437)				

Fort Monmouth Economic Revitalization Authority
Operating Revenue and Expense Analysis by Funding Source
For the period September 29, 2010 (inception) to December 31, 2010

	Federal Grant	NonQualifying Expenses	TOTAL
Operating Revenue			
Federal Grants	\$ 592,744		\$ 592,744
Total Operating Revenue	592,744		592,744
Operating Expenses			
Direct Office Support Expense	210,669	\$ 22,884	233,553
Program Costs	397,553		397,553
General and Administrative	50,383	62,500	112,883
Interest on Indirect Suppt Serv		469	469
Total Operating Expenses	658,605	85,853	744,458
Operating Loss	(65,861)	(85,853)	(151,714)
Non-Operating Revenue			
Interest Income	277		277
Change in Net Assets	\$ (65,584)	\$ (85,853)	\$ (151,437)
Analysis of Change in Net Assets			
Local Match requirement for Federal Grant			\$ (65,584)
NonQualifying Expenses			(85,853)
			\$ (151,437)



Fort Monmouth Economic Revitalization Authority

Update on FMERA Status and Activities



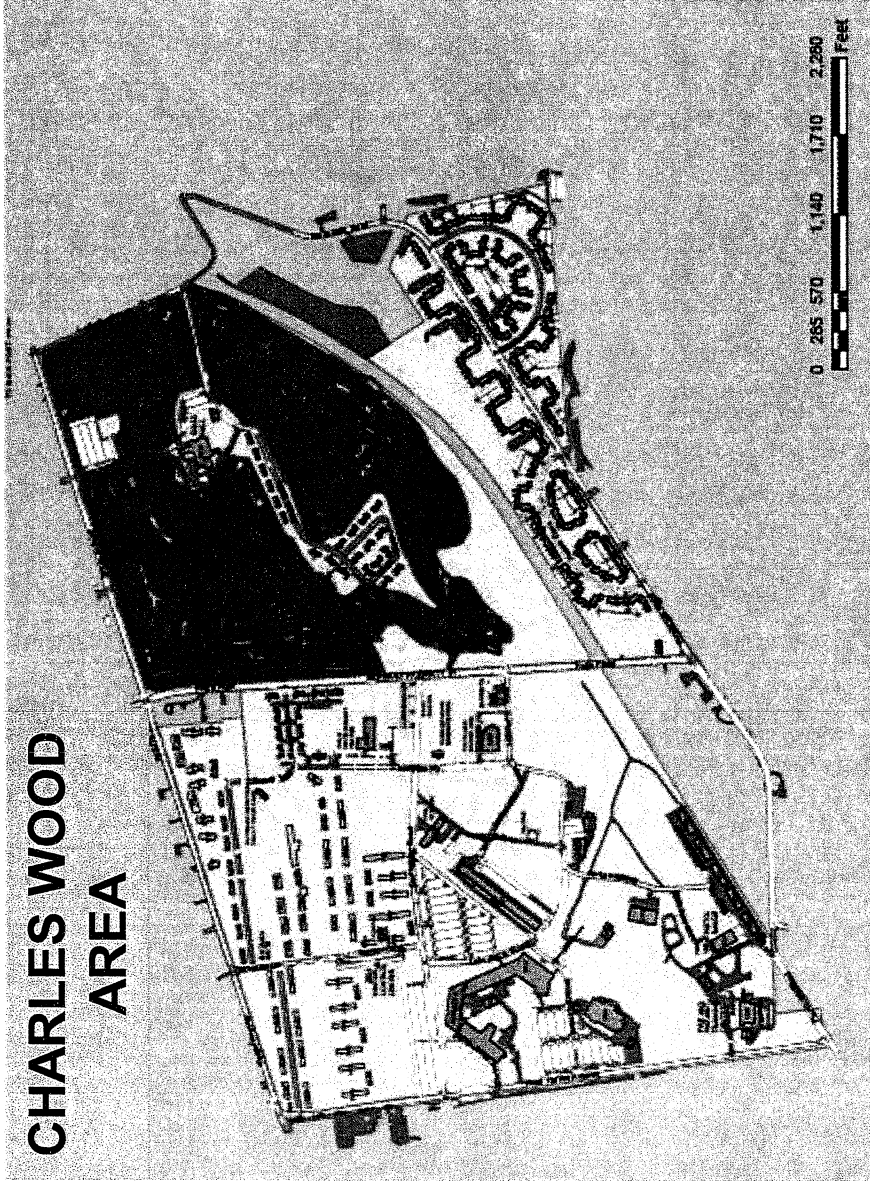
Fort Monmouth Economic Revitalization Authority

STATUS:

- Army vacated 9/15/2011
- FMERA negotiating transition plan
- Army working on environmental responsibilities
- FMERA attracting investors/employers
- Experienced, assertive, FMERA team in place



**CHARLES WOOD
AREA**



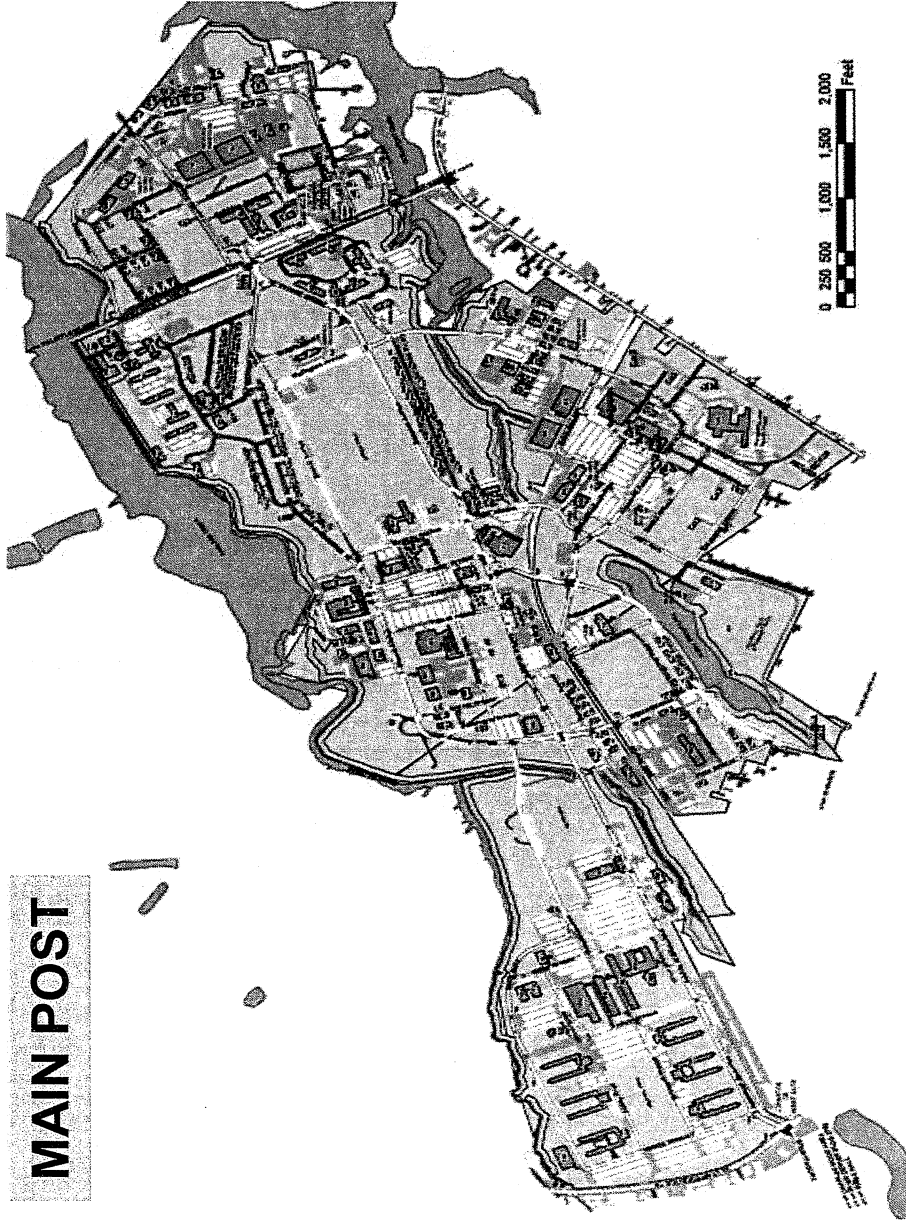
GOOD NEWS:

- 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



Fort Monmouth Economic Revitalization Authority

MAIN POST

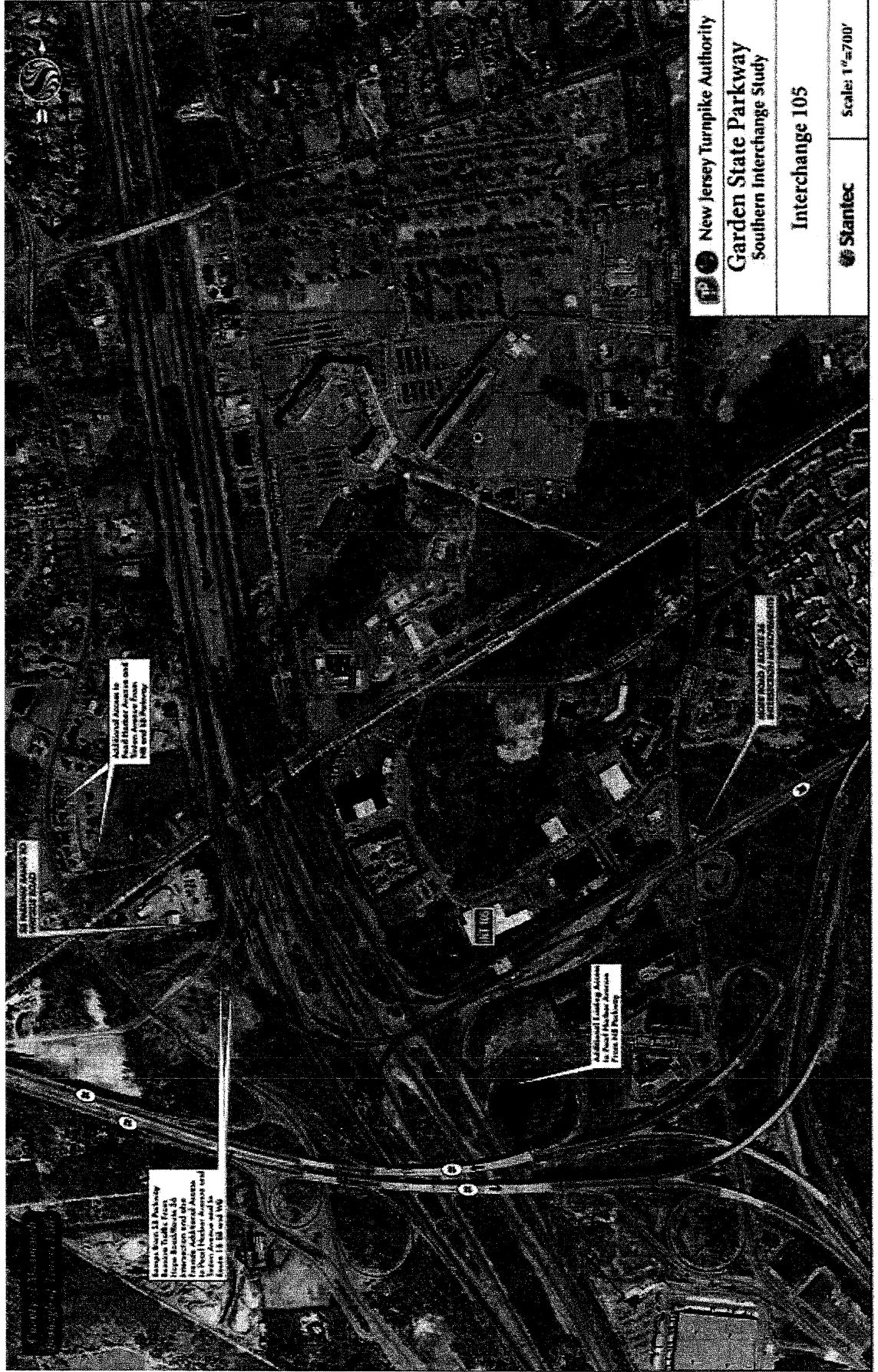


GOOD NEWS cont'd:

- 800,000 SF of R&D/Hi-Tech space and labs
- 1.5 M SF of offices
- 1.5 M SF of housing and lodging
- Fiber ring, excellent voice and data infrastructure
- Golf course and Marina



Fort Monmouth Economic Revitalization Authority
GOOD NEWS cont'd:



New Jersey Turnpike Authority
Garden State Parkway
Southern Interchange Study
Interchange 105
Stanfec
Scale: 1"=700'



FMERA Goals

- 1. Job Creation**
- 2. Re-investment of sale proceeds**
- 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/Job Retention

Strong Interest coming from prospective
employers, investors, developers



2. Re-investment of Sales Proceeds

- Redevelopment costs expected to be \$100M
- FMERA and Army will share proceeds
- FMERA's share 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 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:
 - If “standards” satisfy our redevelopment needs
 - If Army data has gaps
 - If unknown contamination areas may exist
- Coordination with NJ DEP



4. Satisfied Stakeholders

- **Help 3 towns and county overcome additional service costs**
- **Frequent updates to elected officials, media, public, businesses**
- **Safety, convenience, and amenities for new tenants**
- **Create an environment where employers will employ and investors will invest**



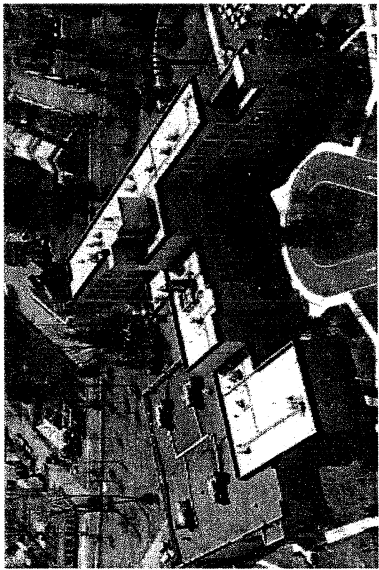
Fort Monmouth Economic Revitalization Authority

FMERA Challenges - \$\$

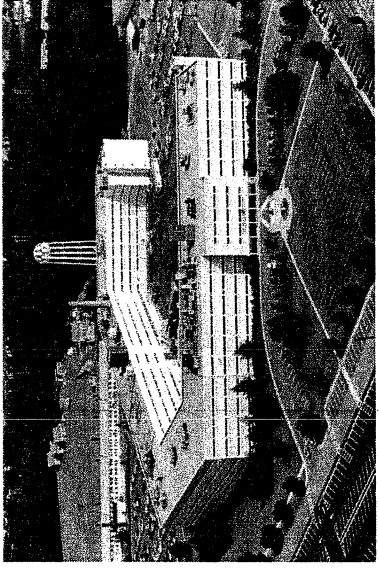
- Minimize outdated buildings & utilities

- Maximize high-value properties

- Jobs
- Ratables



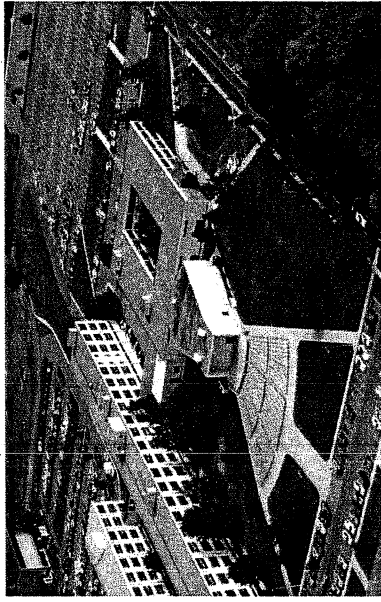
Former Hospital



Myer Center



McAfee Center



Mallette Hall



Opportunities

- Job Creation Projects
- Early Sales of Selected Parcels
- Early lease opportunities for selected reuse

Likely Property Transfer or Lease Scenario

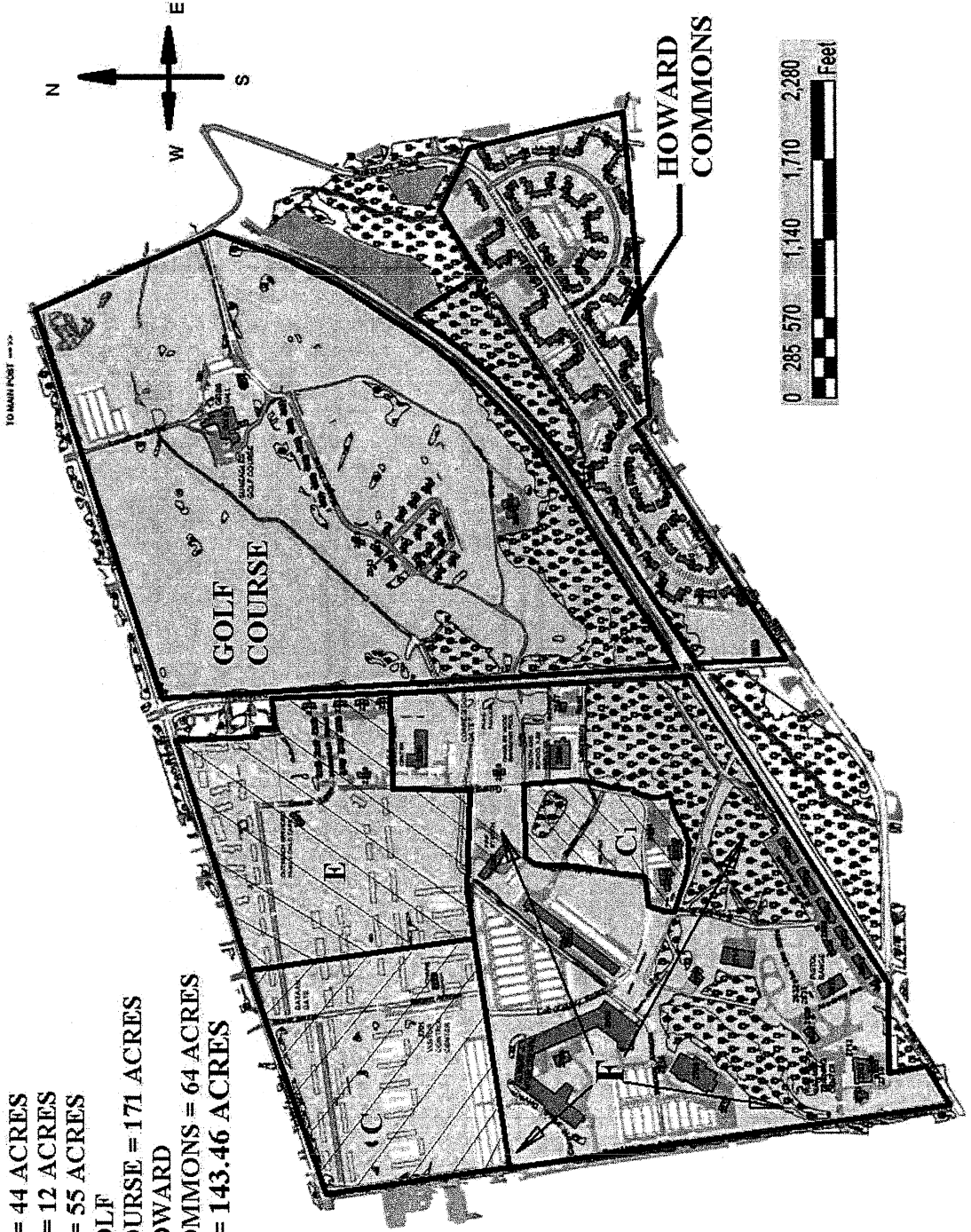




Fort Monmouth Economic Revitalization Authority

EDC Phase One Parcels Charles Wood

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

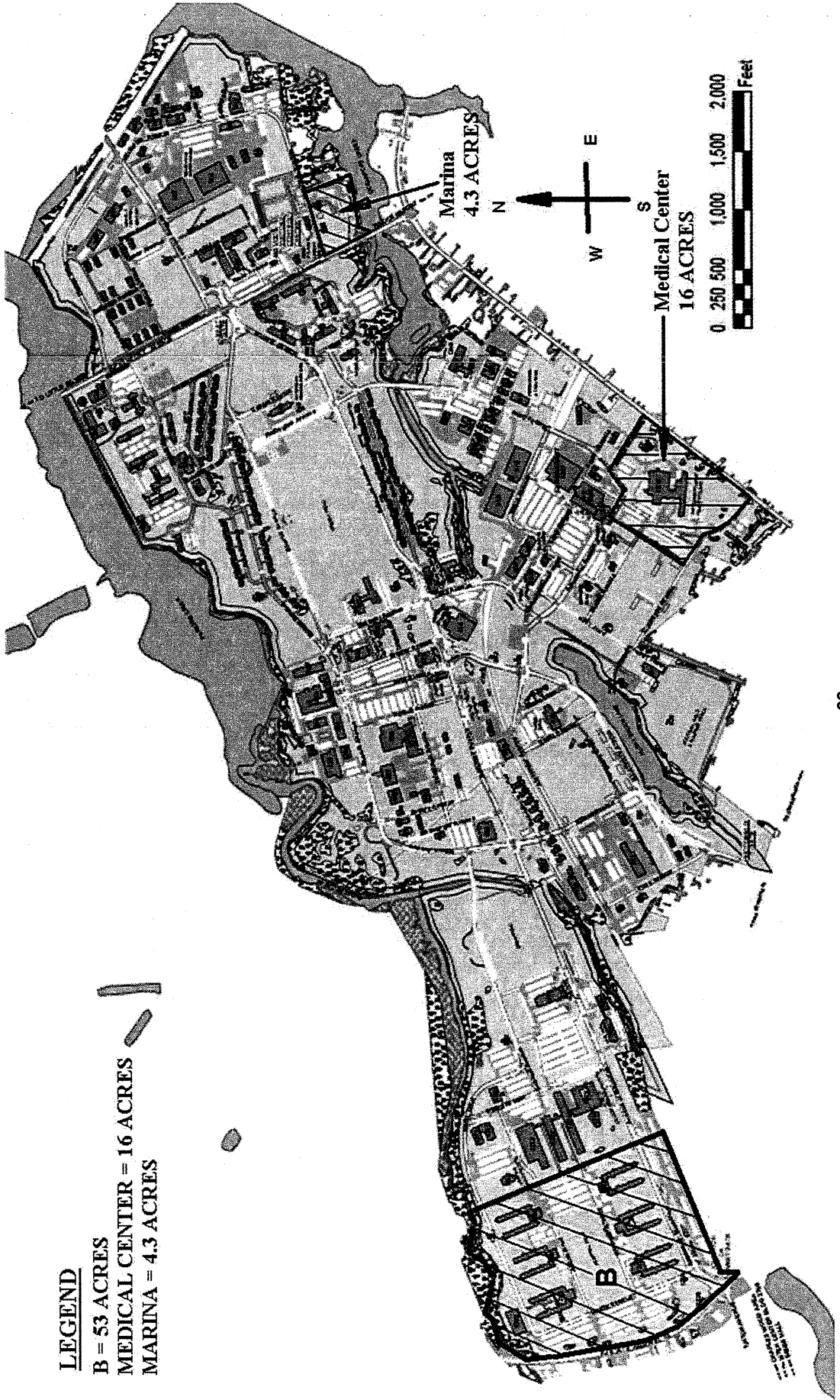
EDC Phase One Parcels - Main Post

LEGEND

B = 53 ACRES

MEDICAL CENTER = 16 ACRES

MARINA = 4.3 ACRES





Fort Monmouth Redevelopment

Key Strategies to Accelerate Redevelopment

- Hit the ground running
- Identify target industries to match buildings and people
- Utilize NJ incentives to attract best and brightest employers and employees
- Emphasize our outstanding location
- Professional, fast, accurate responses from the FMERA team
- Commitment to excellence in all aspects
- Create branding strategy and promote nationally/internationally



Potential Services (RFP) Opportunities

- Appraisal Services
- Surveying Services
- Master Broker
- Title Agent
- Design/Build for tenant improvements
- Design/Build for infrastructure improvements





Sales and Lease Regulations

- **Require publicly advertised Requests for Offer to Purchase (RFOTP) on all property to be sold**
- **Require all lease opportunities (RFPs) to be publically advertised**
- **Allow for exclusive negotiations or negotiation with some or all of the responders post receipt of proposals**
- **Selection criteria included in the RFOTP/RFPs**

<http://www.nj.gov/fmera/regulations/adopted.html>



Status of Transfer Process with Army

- **Memorandum of Agreement scheduled for signing ceremony May 16, 2012**
- **Economic Development Conveyance (Phase 1) Application Submitted to Army on April 23, 2012**
- **FOSL for Clinic Parcel Completed**
- **FOST for Parcel E due May 6, 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.***



**ADOPTED
MAY 16, 2012**

Resolution Regarding
**Loan from the
New Jersey Economic Development Authority
to Advance the Fort Monmouth Redevelopment Effort**

WHEREAS, Governor Christie signed the Fort Monmouth Economic Revitalization Authority Act (“Act”), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (“FMERA” or “Authority”); and

WHEREAS, under the FMERA Act, N.J.S.A. 52:27I-26.jj, the New Jersey Economic Development Authority (EDA) may assist the Authority by providing loans to fund approved budgets; and

WHEREAS, FMERA needs working capital to further its redevelopment efforts, and create jobs, prior to Economic Development Conveyance (EDC) revenue being generated, for professional fees, for the conversion of the Post Library for Authority offices, and for renovation of a building in accordance with a possible lease with US General Services Administration (“GSA”); and

WHEREAS, the EDA Board approved the \$4.5 million credit facility for FMERA at the EDA Board’s May 8, 2012 meeting; and

WHEREAS, FMERA is expected to repay the credit facility in full, once EDC proceeds are received, on terms agreed with the EDA; and

WHEREAS, the FMERA Audit Committee has reviewed and agreed to recommend the amended EDC budget for the projected professional fees and the credit facility to the full board for approval.

NOW, THEREFORE BE IT RESOLVED THAT:

1. As expressed in the attached board memorandum, the Members of the Authority approve the amended FMERA budget for the projected professional fees and the Authority’s \$4.5 million credit facility from the EDA.

2. The Executive Director is authorized to execute documents and perform all acts necessary to effectuate the above.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless

during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: May 16, 2012
ATTACHMENT

EXHIBIT 4



MEMORANDUM

TO: Members of the Board of Directors

FROM: Bruce Steadman
Executive Director

DATE: May 16, 2012

SUBJECT: Loans from New Jersey Economic Development Authority to advance the Fort Monmouth redevelopment efforts

Request:

Consideration and approval are requested of a credit facility totaling \$4.5 million from the New Jersey Economic Development Authority (EDA) for economic development conveyance working capital purposes and renovation costs associated with two construction projects. The credit facility has three components:

- Facility A - \$500,000 working capital term loan at Prime plus 100 basis points (floor of 3%) fixed at closing with a 12 month term. No payments will be required as interest will be accrued and capitalized with all outstanding principal and interest due upon maturity. Proceeds from this loan will be used to fund economic development conveyance (EDC) expenses prior to receipt of EDC funds, and not day-to-day operating costs of the Authority.
- Facility B - \$300,000 term loan at Prime plus 100 basis points (floor of 3%) with a 12-month draw period where interest will be accrued and capitalized followed by a 5-year term and 10-year amortization. The Authority will have 24 months to close on the facility and commence the 12-month draw period. Proceeds from this loan will be used to partially fund the conversion of a 10,650 square-foot building that formerly served as the Post Library (Building 502) to a professional office building that will be occupied by the Authority.
- Facility C - \$3,700,000 term loan at Prime plus 100 basis points (floor of 3%) with a 12-month draw period where interest will be accrued and capitalized followed by a 5-year term and 10-year amortization. The Authority will have 24 months to close on the facility and commence the 12-month draw period. Facility C will be used to fund the renovation of an 86,719 square foot building that will be leased by GSA.

Facilities A, B and C would be secured by an assignment of the Authority's interest in the pending US General Services Administration ("GSA") lease (if obtained) and a lien on the project property/leasehold improvements should ownership be transferred to the Authority.

All three loans will be due in full upon sale of the proposed GSA property should that occur prior to the maturities of the loans.

Background:

The New Jersey Economic Development Authority (EDA) is an independent State agency that serves as the State's "bank for business" by financing small and mid-sized businesses, administering tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development by providing access to training and mentoring programs. Under the FMERA Act, the EDA may assist the Authority by providing loans to fund approved budgets. The EDA Board approved the \$4.5 credit facility at their May 8, 2012 meeting, subject to the FMERA Board's approval.

Facility A will be used to fund economic development conveyance (EDC) expenses prior to receipt of EDC funds, and not day-to-day operating costs of the Authority. This funding will allow for certain tasks to occur on a parallel track with the negotiation and execution of the Memorandum of Agreement with the Army and approval of the Economic Development Conveyance Application. The professional fees were not included in the EDC budget presented to the Board with the Consolidated Fiscal Plan in December. Accordingly, the Board is asked to review the projected professional fees and approve amending the EDC budget to include the Appraisal fees of \$60,750, Legal fees of \$125,000, Survey of \$32,724 and Engineering of \$20,000 for an EDC professional fee budget of \$238,474.

Facility B will be used to partially fund the conversion of a 10,650 square-foot building that formerly served as the Post Library (Building 502) to a professional office building that will be occupied by the Authority. The loan is to be fully advanced at closing. It is expected that this facility will be repaid from the Authority's interest in the proceeds from the sale of Parcel E (a 55 acre parcel) to CommVault (a publically-traded software and data management company). In the event that this transaction is not completed, the loan will be repaid from the Authority's share of rent and sales proceeds from various assets including the golf course, the Health Clinic Parcel, the GSA Parcel and any other sales and leases that might arise.

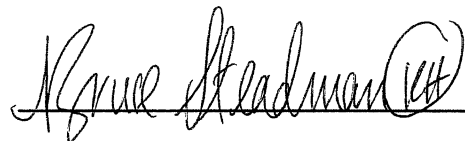
The Authority has submitted a grant request to the Office of Economic Adjustment in support of funding for a minimum of \$150,000 for the project. The grant is scheduled for review by the Office of Economic Adjustment the week of May 7, 2012. A Request for Proposals has been issued requesting bids for the renovations and the project was expected to have a total cost of \$450,000. The loan will be advanced upon the Authority's selection of a bidder and amendment to the FMERA budget to reflect the conversion of the Post Library. It is projected that this facility will be repaid from the Authority's share of the proceeds from the sale of Parcel E to CommVault. In the event that this transaction is not completed, the loan will be repaid from the Authority's share of rent and sales proceeds from various assets including the golf course, the Health Clinic Parcel, the GSA Parcel and any other sales or leases that might arise.

Facility C will be used to fund the renovation of an 86,719 square foot building that will be leased by GSA. The project is expected to have a total cost of \$3.7 million and will be funded entirely with the proposed loan. The loan is expected to be repaid from the Authority's portion of the rental income from the GSA lease. The Authority's proposal is currently under review by GSA, and the lease is expected to be finalized by September of 2012. Funding the proposed loan will be contingent upon obtaining an executed lease with the GSA that generates sufficient rental income to the Authority to service the annual debt payments plus operating expenses as measured by a minimum debt service coverage ratio of 1.10x and upon the Authority's approval of an amendment to the FMERA budget to reflect the conversion of the building renovation.

On May 8, 2012, the Audit Committee reviewed the three credit facilities totaling \$4.5 million. Subsequent to the meeting and its review of the provisions of the credit facility, the Committee recommended that the three credit facilities be presented to the Board for approval.

Recommendation:

Accordingly, I recommend the Board's approval to submit a loan application to the New Jersey Economic Development Authority for the \$4.5 million credit facility and the amendment of the EDC budget for professional fees totaling \$238,474.



Bruce Steadman

Prepared by: Beverlee Akerblom