

Fort Monmouth Economic Revitalization Authority
Board Meeting
March 21, 2012
Eatontown Municipal Building, Eatontown, New Jersey

EXECUTIVE SESSION MINUTES

Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) -V
- Tim Lizura, Senior Vice President, New Jersey Economic Development Authority (NJEDA) – V
- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit – V
- Dr. Robert Lucky, Public Member - V
- Gerald Tarantolo, Mayor of Eatontown - V
- Michael Mahon, Mayor of Oceanport - V
- Gerald Turning, Business Administrator, Tinton Falls – V
- Lillian Burry, Monmouth County Freeholder - V
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor & Workforce Development
- David Sweeney, Assistant Commissioner, NJ Department of Environmental Protection
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation

V- Denotes Voting Member

Also present:

- Bruce Steadman, Executive Director, FMERA
- Edward Pillsbury, Deputy Attorney General (DAG)
- NJEDA Staff: Eatontown Office

Executive Session – OPMA EXEMPTION N.J.S.A 10:4-12b (5) and (7): Pending Real Estate Negotiations and Attorney-Client Privileged Matters

Bruce Steadman, FMERA Executive Director, began the Executive Session at 8:45 pm. Mr. Steadman then provided the Board of Directors with an update on the Memorandum of Agreement (MOA) with the U.S. Army. Mr. Steadman indicated that FMERA staff received a working draft of the MOA on Friday and that David Knisely, FMERA's Base Realignment and Closure (BRAC) attorney, will be sitting down with the U.S. Army's General Counsel to finalize the MOA. Mr. Steadman stated that he expects the final MOA to go before the Board of Directors at the April meeting of the Authority.

Bruce Steadman stated that one of the changes in the MOA will be a two appraisal approach. Mr. Steadman explained that the U.S. Army is generally mistrustful of Local Redevelopment Authorities (LRAs) and is afraid that FMERA will accept an offer on a parcel that is too low. The two appraisal approach would require both the U.S. Army and FMERA to obtain an appraisal for each parcel for sale. An average would be taken of the two appraisals and that would be the lowest acceptable sale price. Mr. Steadman further explained that there will be a 30 day time limit to obtain the appraisals to ensure that the pace of the sale process is not impeded.

Bruce Steadman then indicated that the FMERA staff received a draft Finding Of Suitability to Transfer (FOST) for Parcel E on Friday, and that FMERA staff will be reviewing the document, along with the New Jersey Department of Environmental Protection (NJDEP).

Mayor Mahon inquired about the process for releasing FOSTs. Bruce Steadman indicated that a procedure has been recently established that will allow FMERA staff and the NJDEP to review the document, in its draft form, 7 days prior to the document's public release.

Bruce Steadman also informed the Board of Directors that the U.S. Army has taken a different position than it has had in the past on Notices of Interest (NOIs). Mr. Steadman explained that the U.S. Army is contemplating doing Public Benefit Conveyances (PBCs), which would allow property to be conveyed at no cost from the U.S. Army directly to a qualified public entity for an approved public use parcel. The PBC process would involve a federal sponsor. FMERA has been conducting a different NOI process and has been evaluating requests for low or no cost transfers of property to public entities. The current process would have the U.S. Army transfer title to FMERA and then from FMERA to the public entity. This issue is currently being addressed in the MOA discussions with the U.S. Army.

In response to Bruce Steadman's update, Freeholder Burry inquired about the status of Monmouth County's request for the Teen Center on the Fort. Mr. Turning also inquired about the status of the Borough of Tinton Falls' request for the Early Childhood Center (school) on the Fort. Mr. Steadman stated that the U.S. Army has approved a no cost transfer of the Teen Center and pool to Monmouth County; however, the school transfer has not been determined as of yet.

Chairman Gorman asked what FMERA's BRAC attorney advises regarding the NOIs. Bruce Steadman indicated that he would follow up with BRAC Counsel and report back to the Board of Directors.

Odis Jones, FMERA Director of Real Estate, then provided an update on the exclusive negotiations with CommVault for Parcel E. Mr. Jones stated that FMERA and CommVault have agreed to include a reversionary clause in the purchase/sale agreement, should CommVault fail to meet their targets for ground breaking and completion of construction. This would allow FMERA to re-acquire the property for the purchase price less a portion of the deposit.

Mayor Mahon asked if the reversionary clause was for job creation. Mayor Mahon was told that this clause is for the timing of the project, but there also is a penalty clause regarding the number of NEW jobs created.

Chuck Richman asked what the trigger is for the clause, and was told it is 5 years from closing.

Odis Jones indicated that FMERA's outside counsel, Riker Danzig, advised that a mortgage lien would be the best way to implement the reversionary clause.

Chairman Gorman expressed that CommVault is very successful and might be the target of an acquisition.

Mr. Jones then stated that the negotiations with AcuteCare for the Clinic Parcel are proceeding and that staff expects to have a lease agreement, with an obligation to purchase for the Real Estate Committee's review in April. The AcuteCare update included discussion of a proposed increase in the purchase price to AcuteCare due to the use of the 2-appraisal approach, agreed to by the U.S. Army. Mr. Jones also stated that he anticipates the purchase/sale agreement with CommVault for Parcel E being provided to the Real Estate Committee for review in April as well.

Chairman Gorman asked when the CommVault deal is expected to close. Bruce Steadman indicated that the deal could close as soon as June, and no later than September 1, 2012.

Gerry Turning indicated that Tinton Falls' talks with CommVault have been going well.

Mayor Mahon stated that CommVault has been a pleasure to work with while in Oceanport.

On a motion by Michael Mahon, seconded by Tim Lizura, and unanimously approved by all voting members, the Board adjourned the Executive Session and opened the Public Session.

Certification: The foregoing and any attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its meeting.



Bruce Steadman, Secretary