

Fort Monmouth Economic Revitalization Authority  
Board Meeting  
August 17, 2011  
Eatontown Municipal Building, Eatontown, New Jersey

**EXECUTIVE SESSION MINUTES**

**Members of the Authority present:**

- James Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) -V
- Michael Pane, Esq., Vice-Chairman, FMERA -V
- Alfred Koeppe, Chairman, New Jersey Economic Development Authority (NJEDA) - V
- Dr. Robert Lucky, Public Member - V
- Lillian Burry, Monmouth County Freeholder - V
- Gerald Tarantolo, Mayor of Eatontown - V
- Michael Mahon, Mayor of Oceanport - V
- Michael Skudera, Mayor of Tinton Falls - V
- Charles Richman, Assistant Commissioner, NJ Department of Community Affairs
- Jonathan Lowy, Director of Community and Constituent Relations, NJ Department of Transportation
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor & Workforce Development
- Michele Siekerka, Assistant Commissioner, NJ Department of Environmental Protection

**V- Denotes Voting Member**

**Not Present:**

- Brandon Minde, Assistant Counsel, Office of the Governor, Authorities Unit - V

**Also present:**

- Bruce Steadman, Executive Director, FMERA
- Tim Lizura, Senior Vice President, NJEDA
- Gabriel Chacon, Deputy Attorney General
- NJEDA Staff: Eatontown Office
- Nicole Crifo, Assistant Counsel, Office of the Governor, Authorities Unit – via telephone

**Executive Session – OPMA EXEMPTION N.J.S.A 10:4-12b(5) and (7): Pending Real Estate & Contract Negotiations with the Army**

Bruce Steadman, Executive Director of FMERA, began the Executive Session at 9:00 pm. Mr. Steadman began by saying FMERA Staff received word late in the afternoon from the Army's General Counsel that changed the negotiations.

Mr. Steadman went on to state that he would like to go through the key points of the deal in order to get the Board's feedback to determine how best to move forward in negotiations with the Army. Mr. Steadman explained that it is the FMERA Staff's hope to bring the Memorandum of Agreement (MOA) with the Army to the Board for its consideration in September.

Mr. Steadman continued by asking board members to review FMERA's proposed language for Article 14: Phase 2 Parcel Considerations of the MOA. The proposed language seeks to better define phase 2 and its disposition process. However, the Army, on Wednesday late in the afternoon, did not accept FMERA's proposed language for Article 14 and instead proposed less definitive language.

Mr. Steadman went on to speak about the splits for phase 1 – 63% Army and 37% FMERA with the possibility of FMERA gaining 100% of the proceeds from Parcel E and the Army gaining 100% of the proceeds from Howard Commons.

Charles Richman asked if the Army will be responsible for Howard Commons. Bruce Steadman responded by saying that FMERA will be involved in the process of who will purchase Howard Commons and the redevelopment requirements. It is proposed that the Army receive 100% of the proceeds from that parcel.

Chairman Gorman noted that he is concerned that a 37% split is not enough to cover FMERA's costs. Mr. Steadman noted that there is an \$11 million safety margin in FMERA's pro forma. In addition, Mr. Steadman went on to state that it is FMERA's position that if parcels from phase 2 can be moved to phase 1, the splits for those in job creating areas would be 80% FMERA and 20% Army. The parcels moved from phase 2 to phase 1 could provide monies for upfront costs.

Alfred Koeppel stated that he has some skepticism about the assumptions used in the pro forma and that FMERA needs to ensure that the numbers used accurately reflect the real estate market.

Mayor Gerald Tarantolo stated that he had his staff look at the pro forma and that the assumptions are sufficient. Mayor Tarantolo went on to ask how parcels moved into phase 1 from phase 2. Bruce Steadman let the Mayor know that the parcels being proposed to move from phase 2 to phase 1 have seen a high degree of interest.

Michele Siekerka noted that the parcels being proposed to be moved from phase 2 to phase 1 have not had an environmental review.

Mayor Michael Mahon asked why the Army would like to retain a real estate broker. Bruce Steadman responded by saying that the Army would like to ensure that the Fort property is marketed at the highest level. Mr. Koeppel suggested that the FMERA Real Estate Committee look at the broker issue.

Mr. Koeppel asked about the timing of the project.

Bruce Steadman stated that buyers have been extremely motivated until the financial markets recently fluctuated.

Odis Jones, FMERA's Director of Real Estate, stated that FMERA needs to control the pace, nature and value of the phase 2 parcels.

The Board turned its discussion to the golf course and the Army's possible desire to not keep it as a golf course. Mr. Koeppe stated that the golf course is not a tradable piece. Michael Pane stated that the golf course is in the Redevelopment Plan as a golf course.

The discussion of the Board turned back to the Article 14 language in the MOA. Bruce Steadman explained that in phase 2 it is FMERA's hope to achieve a 80% FMERA and 20% Army split in job creating areas and that the Army wants as a minimum 80% Army – 20% FMERA split in non-job creating areas. Mr. Steadman went on to state that that Army softened their language around the phase 2 splits. Mr. Koeppe asked if a value analysis has been done on the phase 2 parcels. Bruce Steadman responded by saying it is being worked on by the Matrix Design Group.

Mr. Steadman stated that the Army's new language in the MOA related to phase 2 is unacceptable to the Staff.

Mayor Mahon asked about the proposed Army control of the non-job creating areas because they are in Oceanport. The Mayor was assured that FMERA will still be in control of the process and the Army will just receive a larger percentage of the proceeds for those areas.

Alfred Koeppe asked about the proposed \$20 million set aside for environmental clean-up and why the Army rejected it. Bruce Steadman explained that pursuant to BRAC law the Army is not required to set aside funds for environmental clean-up. Mr. Steadman explained that an Environmental Services Cooperative Agreement (ESCA) may work for environmental clean-up and give FMERA adequate protection.

Mr. Koeppe asked what the plan is going forward.

Mr. Steadman stated that he will go back to the Army and present the Board's position. Mr. Steadman also noted that the FMERA Staff will review the numbers for phase 2 to ensure that they work. In addition, that he hopes to come back to the Board in September with an MOA for the Board's consideration.

Tim Lizura raised that possibility of creating a trust to hold funds that could be used as leverage for environmental clean-up. Mr. Koeppe stated that Mr. Lizura's suggestion should be looked in to.

Beverlee Akerblom, FMERA's Senior Financial Officer, noted the availability of environmental insurance and that it is reimbursable through the Office of Economic Adjustment.

Chairman Gorman stated that the Board should reject the current deal terms as unsatisfactory. By motion of Alfred Koeppe, seconded by Lillian Burry, the Board unanimously voted to reject the substance of the Army's currently proposed deal terms.

On a motion by Mayor Gerald Tarantolo, seconded by Mayor Michael Mahon, and unanimously approved by all voting members present, 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.

A handwritten signature in black ink, appearing to read "B. Steadman", is written over a horizontal line.

Bruce Steadman, Secretary