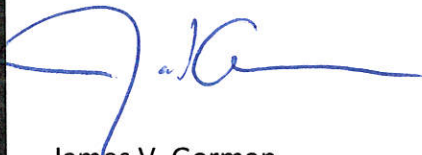


A Message from FMERA Chairman James V. Gorman

In my role as Chairman of the Board of the Fort Monmouth Economic Revitalization Authority (FMERA), I am delighted at the progress FMERA made in 2014 as the Authority worked to restore jobs in the region and engage the impacted communities in the redevelopment process. Last year, FMERA took significant steps to enhance operations and stakeholder outreach; attract investors, developers and employers to the Fort; expand housing opportunities; and enhance community amenities and the quality of life for local residents.

From the closing of the former Patterson Army Health Clinic with AcuteCare Management Services in March to the issuance of nearly a dozen Requests for Proposals and Requests for Offers to Purchase, 2014 was a banner year in our ongoing efforts to redevelop Fort Monmouth. In addition, I welcome CommVault to its new world headquarters on the Fort. The company completed the first phase of construction and welcomed over 900 employees to their new home in December of 2014. This represents a major milestone in the Fort's redevelopment, and a catalyst for continuing success.

I commend and thank the FMERA Board and staff, as well as our partners in Tinton Falls, Oceanport and Eatontown for their hard work and dedication over the last year and their ongoing commitment.



James V. Gorman
Chairman, FMERA

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FMERA 2014 Annual Report

Background

On August 17, 2010, Governor Chris Christie signed into law Senate Bill 917, the "Fort Monmouth Economic Revitalization Authority Act," P.L. 2010, c. 51. The law created the Fort Monmouth Economic Revitalization Authority (FMERA) to provide investment, continuity and economic growth to the communities impacted by the federal government's decision to close Fort Monmouth. FMERA replaced the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) and is charged with advancing that entity's plan for reuse and redevelopment of the 1,126 acres of real estate that span parts of Eatontown, Oceanport and Tinton Falls.



Fort Monmouth had been a key economic driver in Monmouth County and New Jersey since it was established in 1917 as Camp Little Silver. According to a 2008 report completed by the New Jersey Department of Labor and Workforce Development, the closing of Fort Monmouth represented the loss of 5,638 direct jobs and approximately 16,000 indirect jobs in the region. The report also found that more than one-third of the Fort's employees were engineers and scientists.

As such, the 20-year Reuse and Redevelopment Plan (Reuse Plan) for Fort Monmouth, created by FMERPA, emphasizes the expeditious creation of jobs and encourages economic growth in the region. The plan strives to balance development with the protection and enrichment of natural resources, while also honoring the rich history of the Fort.

The mix of land uses proposed in the plan is deliberately broad to help accelerate redevelopment and provide for the creation of a diverse range of jobs and housing types in order to meet the needs of a demographically diverse population, in a competitive and changing marketplace. The inclusion of office, research and development, business services,

light manufacturing, retail, residential housing, homeless accommodations, and civic space reflects the overarching commitment to fulfill the region's short-, medium-, and long-term development goals and provide broad-based economic opportunity.

In June 2011, the U.S. Department of Housing and Urban Development (HUD) approved the Reuse Plan and Housing Assistance Submission, which was completed and approved under the auspices of FMERPA and submitted to HUD in September 2008.

Pursuant to its enabling statute, FMERA is empowered to enter into a designated redevelopment agreement with the New Jersey Economic Development Authority (EDA) and into redevelopment agreements with public or private redevelopers; adopt land use, development and design guidelines in coordination with the impacted communities; provide and maintain utilities, streets, roads and other infrastructure; undertake redevelopment activities; and, implement revenue-raising measures for the benefit of redevelopment.

FMERA is governed by a 13-member board. The board includes nine voting members, consisting of three public members appointed by the Governor; one ex-officio member of the Executive Branch appointed by the Governor; the mayors of Eatontown, Tinton Falls, and Oceanport; one member of the Monmouth County Board of Chosen Freeholders; and the Chair of the EDA. The Commissioners of the New Jersey Departments of Labor and Workforce Development, Environmental Protection, Community Affairs, and Transportation serve as ex-officio, non-voting members of the board.

Local input on the Board makeup results in a broad representation of town, county and state interests. Further, the FMERA law requires that five of the nine voting members be residents of Monmouth County. The general public and relevant New Jersey departments and agencies round out the collaborative effort, ensuring a process that balances the needs and interests of all affected stakeholders.

In May 2012, FMERA took a historic step in the Fort's redevelopment with the signing of a Phase 1 Economic Development Conveyance Agreement (EDC Agreement) outlining the transfer process for the first 500+ acres of the property from the U.S. Army to the Authority. The EDC Agreement, approved by the FMERA Board in April 2012, is the overarching agreement between the Army and FMERA and lays out the process by which the property will be transferred.

FMERA engaged in an extensive negotiation process with the Army to establish the terms of the EDC Agreement, which encompasses the first phase of a two-phased process for the property transfer. Phase 1 consists of Charles Wood, and three parcels on the Main Post, which were transferred to FMERA in 2014. Phase 1 parcels include the Golf Course, Howard Commons, Marina, Clinic parcel, Parcel E, Parcel F, Parcel C, Parcel C1 and Parcel B, totaling just over 500 acres. Phase 2 will include the balance of the Main Post. FMERA continues to work aggressively to complete negotiations on the Phase 2 Economic Development Conveyance agreement with the Army and receive a deed to the property.

2014 Highlights

A New Role for FMERA

In June of 2014, FMERA reached a major milestone in its redevelopment, becoming a landowner with receipt of the deed for the Phase 1 properties. This marked the conclusion of several years of negotiations with the Army, as well as the beginning of a new set of significant responsibilities and obligations for FMERA. The Army continues to partner with FMERA in the sale of Phase 1 properties. At its July 2014 meeting, the FMERA Board authorized staff to hire Chenega Operations Services, LLC (COS), for on-call property maintenance services. FMERA and COS work diligently to maintain and secure the Phase 1 property.

As the Phase 1 properties move through the redevelopment process, significant infrastructure and utility improvements are required. FMERA has worked extensively with the County and Tinton Falls to make major improvements in the Charles Wood Area of the Fort. Several streets in the Charles Wood Area are now open to the public, and a new, lighted intersection at Corregidor and Hope Roads was installed in October 2014 to address traffic needs related to CommVault's new headquarters as well as future redevelopment in the Tinton Falls area.

Laying the Foundation for Redevelopment at Fort Monmouth

With two major companies building in Fort Monmouth, and a flurry of activity taking place throughout the year, FMERA made substantial strides in 2014 as it works to implement the Reuse Plan and attract investment and jobs to the region.



CommVault's new world headquarters, as of November 2014

After formally purchasing a 55-acre parcel of land from FMERA in 2013, technology-giant CommVault spent 2014 focusing on Phase 1 of its three-phase project. Phase 1 involved the construction of an approximately 275,000-square-foot facility to serve as its worldwide corporate headquarters. At full build-out, the company anticipates up to 650,000 square feet of new high-tech office/research space in one or more buildings on the site. Once the three phases of the project are completed, CommVault could create a total of up to 1,500 or more new jobs in the State. By December of 2014, CommVault had moved approximately 900 of its employees into its new headquarters. Plans are underway to begin Phase 2 of construction.

CommVault's Senior VP of Marketing and Business Development David West spoke at the Monmouth-Ocean Development Council's October meeting, held at Gibbs Hall in the Eatontown Reuse Area of the Fort. West discussed why the company chose to stay in New Jersey. Citing its easy access to New York City, Philadelphia and Washington DC, and, of course, the beach, West said Monmouth County is conducive to having a good quality of life. He noted that bringing jobs to the former Fort means that people will buy homes in the area and hotels will be occupied when people visit the company for meetings and other events. West also reiterated that CommVault is proud to be an anchor company in what is expected to be a technology hub in the region.

The redevelopment of Fort Monmouth reached a major milestone in March 2014 when FMERA closed with AcuteCare Health Systems, LLC on the 16-acre former Patterson Army Health Clinic parcel. The Clinic, also known as Building 1075, is a 98,000-square-foot medical facility located on Main Street in the Oceanport Reuse Area of the Main Post. Constructed in 1961 and expanded several times in the following decades, the Clinic served as an outpatient hospital and dental clinic at the time of the Fort's closure.

AcuteCare has undertaken multi-million dollar renovations to reuse the former Patterson Army Health Clinic as a state-of-the-art healthcare facility to improve access to health and wellness services for the region. Expected to open in early 2015, AcuteCare plans to create up to 200 new jobs.



Interior renovations at the former Patterson Army Clinic

Enhancing Operations & Outreach at Fort Monmouth

Throughout 2014, FMERA's master broker, Cushman & Wakefield, continued to market the former Fort Monmouth property to attract businesses and investors. To support this effort, the Cushman & Wakefield team showcased available properties via its website at www.fort-monmouth-marketing.com, which launched in early 2013. The site includes information that assists prospective purchasers in evaluating Fort Monmouth properties as they are brought to market.

In addition, FMERA staff and Cushman & Wakefield continued to reach out to real estate developers, investors and employers to set up presentations and familiarization tours in order to maximize interest in the property. Over 200 tours and meetings took place in 2014.

Through FMERA's small business initiative, the Authority has met with over 100 small businesses interested in relocating to the former Fort, with strong interest from the light manufacturing and technology sectors. Cushman & Wakefield has also provided ongoing assistance to FMERA's small business attraction efforts.

At its November 2014 meeting, the FMERA Board approved a contract renewal for Phillips Preiss Grygiel, LLC (PPG) as FMERA's professional planning consultant following an RFP selection process. Since beginning as FMERA's planning consultant in 2011, PPG has been instrumental in helping to shape FMERA's vision for the redevelopment of Fort Monmouth. Under the new contract, PPG will work with FMERA to finalize the Historic District Guidelines, prepare new Plan Amendments as needed and provide guidance for open space considerations. PPG will also assist in the development of a transportation, infrastructure and/or special improvement district on the former Fort and in the development of a public arts plan.

In July 2014, FMERA engaged Weblinx, Inc., to provide Marketing Consultant/Creative Agency Services for brand development and website design. FMERA staff worked with Weblinx to create a new logo and tagline that captures both the history and potential present at Fort Monmouth. The logo, tagline and new website was set to be launched in March or April 2015.



FMERA's newly unveiled branding

As new property owners, FMERA also undertook the maintenance and repurposing of a significant amount of personal property associated with the land and buildings comprising Phase 1. FMERA staff engaged The Auctioneers Group, which was selected through an RFP process for Professional Auctioneering Services in July 2014, to run auctions of the Phase 1 personal property. The Auctioneers Group conducted a series of five auction events throughout

October and December to sell off personal property contained within the former FBI Building, Military Prep School, Buildings 1201-1203, and the Myer Center, as well as the 20,000-square-foot sports dome in Eatontown. More than \$855,000 was raised through the auctions in 2014. Net proceeds from the auctions will be invested in the Fort's redevelopment, per federal requirements. FMERA and The Auctioneers Group have begun planning for Phase 2 auctions, as well as a community-focused, small-lot auction that will allow the general public to bid on single items and bring home a bit of history from the Fort.

Driving Job Creation and Reinvestment

With a central focus on attracting investors, developers and employers to the Fort, FMERA issued eight RFPs and Requests for Offers to Purchase (RFOTPs) in 2014, paving the way for job creation and economic growth in the region.

FMERA adheres to adopted and published Sales and Lease Rules, previously approved by the FMERA Board. These regulations establish strict procedures for the competitive sale and lease of real property within the former Fort Monmouth, and accompanying personal property, and require publically advertised RFOTPs, Requests for Sealed Bids or RFPs on any real property within Fort Monmouth before a sale or lease may take place. The regulations have been reviewed by the Army, and have been accepted as satisfying the requirement for competitive bidding and transparency related to the sale and lease of any Fort Monmouth real property.

In August, FMERA issued an RFOTP for Satellite Road Parcel 1, a 1.5-acre parcel in the Tinton Falls Tech/Office Campus development district. The Reuse Plan reflects the area as open space; however, in an effort to attract more businesses, FMERA is considering an amendment to the Reuse Plan to also allow for commercial or institutional uses or to allow this parcel to be used for off-street parking in connection with an adjacent commercial use.

FMERA issued an RFOTP in November for the Charles Wood Fire Station, which is situated on a 2.25 acre parcel of land in the Tinton Falls Tech/Office Campus development district. According to FMERA's Reuse Plan, this property can be used for office, research, institutional, civic or recreational uses.



Charles Wood Fire Station in Tinton Falls

FMERA closed out the year by issuing three RFOTPs in December: Parcel F-1 and Parcel F-2, both located in Tinton Falls, and Howard Commons in Eatontown.

Parcel F-1 holds several prominent buildings, including the 673,000-square-foot Myer Center and the 47,000-square-foot former Night Vision Lab. It is anticipated that both of these buildings will be demolished to make way for new development. Although no responses were received by the March RFOTP deadline, FMERA is optimistic that either research and development, or an entertainment, retail, or related use will be developed, given the site's excellent Garden State Parkway access and the neighboring development projects.

The FMERA Board showed its continued support for veterans at its September Board meeting, approving the issuance of an RFOTP for Parcel F-2, with the goal of developing a residential community for veterans. At the meeting, FMERA Executive Director Bruce Steadman emphasized that including a veterans community in the redevelopment of the Fort is a top priority for the Board, staff and Veterans Staff Advisory Committee. Parcel F-2 consists of approximately 15 acres along Satellite Drive in the Tinton Falls portion of the former Fort. FMERA issued the RFOTP in December, and received one response in March 2015. An evaluation of the response is underway, and FMERA hopes to begin negotiations for a veterans' project in 2015.

Located a half-mile from Exit 105 on the Garden State Parkway, Howard Commons is a 63.67-acre tract on Pinebrook Road in the Fort's Charles Wood Area. FMERA worked diligently to reissue an RFOTP for this property after the prospective purchaser under contract as of February 2014 exercised its rights under the Purchase and Sale and Redevelopment Agreement to terminate its contract. In just a few short months, FMERA ended its negotiations with the contracted purchaser, terminated the original RFOTP and reissued an updated RFOTP for Howard Commons. Plans call for the demolition of the 486 existing townhomes on the site due to their age, condition, density and design. According to the Reuse Plan, the demolished townhomes will be replaced with 275 new residential units, 20 percent of which would be designated for affordable housing, and an additional 12,530 square feet of retail/commercial space. Proposals are due in April 2015.

In addition to issuing RFOTPs, FMERA also furthered redevelopment efforts by entering into exclusive negotiations with developers for multiple parcels.



Historic Officer Housing in Oceanport

In October 2014, FMERA entered into exclusive negotiations with RPM Development, LLC for the Officer Housing in Oceanport's Historic District. The Officer Housing property surrounds the Parade Grounds with 117 historic residential units in single, duplex and four-plex configurations. Including Gosselin, Russel, Carty and Allen Avenues, the property consists of two parcels of 26.5 and nine acres. The Reuse Plan calls for the buildings to be reused as residential housing, and redevelopment is restricted according to the property's historic designation. Negotiations between FMERA and RPM remain ongoing.

FMERA entered into exclusive negotiations with Lennar Corporation for Parcels C and C1 following the April Board meeting. The areas under negotiations total 51 acres, representing a significant redevelopment for Tinton Falls. Lennar's proposals call for a total of 288 residential units with 20 percent set aside for affordable housing, emphasizing connectivity through the site to the existing roads while encouraging pedestrian activity to link the neighborhoods with retail and commercial areas. Parcel C includes a community green to support civic activity, and both parcels will include tree-lined streets and sidewalks to create a vibrant "town center" environment throughout the community.

At the May meeting, the Board authorized FMERA to enter into exclusive negotiations with Pinebrook Commerce Center LLC (PCC) to finalize a purchase agreement for the Pinebrook Road Commerce Center and with Kiely Realty Group for the Pistol Range. Both of these parcels are located in Tinton Falls, and are potentially significant employment generators on the Fort.

The Pinebrook Road Commerce Center includes five acres of land in the Charles Wood Area. Five of the structures in the Center make up the Fort's former Fabrication Shops, which were identified by FMERA as being suitable for a multi-tenanted business park, with the goal of attracting small businesses to the property. Constructed in 1942, the Fabrication Shops total over 44,000 square feet with industrial/office space in varying single-story building configurations that range in size from 7,680-10,944 square feet. Each building offers adaptable space for up to five small businesses. PCC has a strong record of success owning and operating

similar properties in Long Branch and Port Monmouth, and anticipates the creation of nearly 100 new jobs.

Completed in 2006, the 11,110-square-foot Pistol Range features 10 indoor, wholly enclosed firing lanes, and sits on a one-acre parcel that can be expanded to include an additional 2.5 acres of adjacent land and/or buildings. Consistent with the RFOTP, Kiely intends to use the facility as a commercial firearms range, offering a shooting and educational experience to the public, government entities and private membership. The Long Branch-based company also expects to add a 10,000-square-foot addition to the existing structure, which will expand the educational and training areas of the range. Among other features, Kiely plans to integrate green building concepts, including roof-mounted solar energy and a rain garden. Kiely's proposal also includes plans for an outdoor, lighted display of Fort Monmouth historical artifacts and monuments, including the Dymaxion Deployment Unit and the Huey helicopter and C-130 fuselages. A second phase of the conceptual site plan includes the development of the existing 5,000-square-foot structure located on the 2.5 additional acres into flex office space and parking.



Fort Monmouth Fitness Center in Oceanport

In March 2014, FMERA issued an RFOTP for the Fitness Center. The two-story, 32,250-square-foot facility features a 25-yard pool, a basketball court and racquetball courts with hardwood floors, and various weight and aerobic rooms with rubber tile flooring. FMERA received one proposal in response to the RFOTP and is currently negotiating a purchase agreement with the sole proposer. Because the property is located outside of the Fort's Phase One project area, FMERA's ability to sell the property is tied to execution of a Phase 2 EDC Agreement with the Army.

At its August 2014 meeting, the FMERA Board approved entering into negotiations with AP Development Partners, LLC for the redevelopment of the Marina parcel, which it currently operates. Located at Oceanport and Riverside Avenues in the Oceanport section of the former Fort, the Marina is a 3.9-acre parcel that consists of a 71-slip marina and boat launch ramps on Oceanport Creek, a 2,600 square-foot boat house, two administrative buildings and associated off-street parking.

In addition to successfully completing negotiations, FMERA's execution of contracts to sell properties is subject to the FMERA Board's final approval of the terms and conditions of sale.

Enhancing Community Amenities and Quality of Life

While FMERA works to redevelop Fort Monmouth, local residents continue to benefit from the Fort's many amenities.



Fort Monmouth Marina in Oceanport, under construction while in operation in August 2014

Independence Day revelers had the opportunity to celebrate at the Marina, which opened to boat traffic ahead of the holiday weekend. As FMERA continued to evaluate proposals from an RFOTP issued in October 2013 for the Marina Parcel, a subsequent RFP was issued for an interim marina operator to ensure that the public would have access during the summer. Interim operator AP Development Partners opened the Marina on June 28th so that boaters could celebrate the 4th of July weekend and the rest of the summer season at Fort Monmouth. AP Development Partners is making extensive renovations to the existing marina building and the company hopes to open the location as a full service bar and 100-seat restaurant in early 2015.

FMERA's selection of Atlantic Golf Management to provide professional management and maintenance services at the Suneagles Golf Course and associated banquet and restaurant facilities was approved by the Board at its February Board Meeting. Under the 12-month agreement, which started in April 2014, AGM pays a monthly operator fee. AGM leased a new golf cart fleet, and will make select repairs of tee boxes and sand traps. The Golf Club is open seven days a week all year round, weather permitting, and had 168 members in 2014, with a total of 28,306 rounds of golf played on the course.

Continuing a nearly century-long tradition at Fort Monmouth, FMERA joined with the U.S. Army to celebrate National Flag Day on June 14th, a day set aside to recognize the rich history of Fort Monmouth and to honor all those who have so valiantly served in the U.S. Army. A ceremony, which was open to the public, also commemorated the 239th birthday of the U.S. Army.



Flag Day event at Fort Monmouth, June 14, 2014

The Monmouth-Ocean Development Council (MODC) held its October meeting at Gibbs Hall on Fort Monmouth's picturesque Suneagles Golf Course. Attendees learned about New Jersey's rich history of shaping technology to date. In addition to hearing from David West from CommVault, FMERA Board Member Dr. Robert Lucky and NJIT's Dr. Donald H. Sebastian, the President and CEO of New Jersey Innovation Institute, walked the audience through New Jersey's deep roots in technology and innovations over the years. Dr. Lucky pointed out that the concept of the cellular network was conceived in Holmdel in 1947. He also noted that radio astronomy was launched in New Jersey, and that the first signal to a satellite was sent from the state. Dr. Sebastian talked about the transformation of the telecommunication, petrochemicals, pharmaceutical, and light manufacturing industries, all of whose origins have ties to New Jersey. Over lunch, attendees heard all about the benefits of driverless car technology from Dr. Alain Kornhauser, research professor at Princeton University.



Gibbs Hall on Fort Monmouth's Suneagles Golf Course in Eatontown

In the fall of 2014, FMERA worked with the Oceanport Police Department (OPD) to relocate their police station to the Main Post Fire House in Oceanport, which is located in the Fort Monmouth Historic District. Following Superstorm Sandy, OPD and the Borough were seeking locations to move their operations, and the Fire House was determined as a preferred location. As the Fire House is located in the Phase 2 property that is still owned by the Army, FMERA secured a one-year lease with the Army in October 2014, with options for two 6-month extensions. FMERA prepared a sublease of the property for the OPD, mirroring the conditions and stipulations included in the Army lease. The OPD performed extensive renovations to the building and moved in throughout the fall of 2014. This is a beneficial arrangement for the local residents and the Borough, as well as FMERA, and the Authority welcomes its new neighbors to the Fort.

Looking Ahead

FMERA anticipates finalizing the terms of the Phase 2 EDC Agreement with the Army and executing the agreement by summer 2015, setting the stage for FMERA to launch a full-scale effort to market and redevelop the balance of the Main Post. Finalizing the Phase 2 EDC Agreement will enable FMERA and its master broker, Cushman and Wakefield, in cooperation with the New Jersey Partnership for Action, to launch a comprehensive effort to attract employers to the Main Post.

With CommVault opening its doors and AcuteCare expected to soon open, FMERA looks to build upon the momentum these anchor companies provide in attracting businesses – both large and small – to the region.

FMERA reaffirms its commitment to its goal of recognizing the sacrifices of our nation's veterans by pursuing projects and programs through developers and outside providers that show our gratitude for their service to our country, and honor the history of Fort Monmouth and its important contributions to the national defense. As one step in that process, FMERA plans to establish Design Guidelines for the Fort Monmouth Historic District in early 2015.

Lastly, FMERA will continue its outreach to the local community and work to reintegrate the Fort into the host municipalities. Staff will continue to work toward enhanced public access, provide new bus tours and public events, including the community-focused public auction and additional large-lot auctions for Phase 2 property. FMERA staff is working with PPG to finalize an Open Space Inventory plan for the Fort, and incorporate the open space analysis into planning for new RFOTPs. In addition, FMERA will work with the local communities and artists to bring a public arts component to the Fort.

FMERA looks forward to its fifth full year with optimism, invigorated by 2014's successes and the confidence that 2015 will be a pivotal year in the Fort's redevelopment.