



MONTHLY UPDATE

UPDATES FROM FMERA EXECUTIVE DIRECTOR BRUCE STEADMAN

On the heels of the exciting CommVault announcement, I wanted to take an opportunity to update community residents and all FMERA stakeholders on additional progress made to support the redevelopment effort:

FMERA's New Offices

As renovation continues at the former Fort Library in Oceanport, FMERA anticipates moving its offices in the spring. All business and public meetings will be held at the new location, and an access plan is currently being developed with the Army. More details will be provided as we get closer to the move.

AcuteCare

In fall 2012, the Board approved terms for FMERA's sale of the 16-acre former Clinic Parcel in Oceanport to AcuteCare. The Board subsequently revised the sale terms in January 2013 to facilitate project financing. FMERA expects to execute a Purchase and Sale Agreement in the coming weeks, with closing anticipated for this summer. AcuteCare will make a minimum \$5 million investment and create at least 50 jobs in its first three years.

Small Business Initiative

FMERA has met with approximately 25 small businesses interested in relocating to the former Fort, with strong interest from the light manufacturing industry. FMERA's master broker, Cushman & Wakefield, has been providing ongoing assistance to support FMERA's goal of attracting small businesses to the property.

RFOTPs/RFPs

Howard Commons

FMERA issued an RFOTP for the Howard Commons Area last December. The approximately 64-acre parcel

is intended to be developed into housing, as shown in the Fort Monmouth Reuse and Redevelopment Plan. Six proposals were submitted on January 28, 2013, and FMERA expects to have a recommendation to share with the Board at the June or July Board meeting.

Professional Management and Maintenance Services – Suneagles Golf Course

FMERA issued an RFP for the professional management and maintenance of Suneagles Golf Course and the associated banquet and restaurant facilities on January 11, 2013. A mandatory pre-proposal conference was held on January 18, 2013 at Gibbs Hall. Two proposals were received on February 11, 2013 and FMERA's recommendation of Atlantic Golf Management was considered and approved by the Board at the February meeting.

Officers Housing

FMERA staff issued an RFOTP for the Officers Housing in the Historic District in Oceanport on January 16, 2013. The Officers Housing is intended for residential reuse as envisioned by the Fort Monmouth Reuse and Redevelopment Plan. Proposals for the Officers Housing are due by 3:00 pm on April 1, 2013.

Upcoming RFOTPs

In the coming weeks, FMERA intends to issue RFOTPs for Parcel B in Eatontown and C and CI in Tinton Falls, along with an RFP for a lease of the Marina in Oceanport.

Updates on all RFOTPs and RFPs can be found at www.fortmonmouthredevelopment.com.

CUSHMAN & WAKFIELD LAUNCH WEBSITE TO ATTRACT BUSINESSES & INVESTORS

Master broker Cushman & Wakefield continues to market the former Fort Monmouth property to attract businesses and investors. To support this effort, the Cushman & Wakefield team established www.fort-monmouth-marketing.com to showcase the property. A one-time registration is required. The site includes information that will assist prospective purchasers in evaluating Fort Monmouth properties as they are brought to market.

A NOTE FROM EDA PRESIDENT AND COO TIM LIZURA

In light of Council President Joe Irace's recent letter published in the Little Silver-Oceanport Patch concerning CommVault, I felt compelled to set the record straight on the state's financial incentive programs and provide information on the built-in safeguards the New Jersey Economic Development Authority (EDA) utilizes to protect the public interest.

Misstatement #1: "CommVault is receiving \$7.2 million under the Business Employment Incentive Program to create 225 jobs, according to the New Jersey Economic Development Authority. That is \$32,000 per job to be created. In the event that CommVault does not create 225 jobs, however, it must pay a penalty of \$3,000 per job. So, by my calculations, even if CommVault fails to create ANY jobs, it will pay a penalty of only \$675,000 out of the original \$7.2 million provided to it. (Nice odds if you can get them.)"

Fact: CommVault was approved for a Business Employment Incentive Program (BEIP) grant of up to \$7.2 million over ten years. This award is based on the company creating 250 new jobs in the state. The \$3,000 penalty the Council President cites is entirely unrelated to BEIP; it is a separate requirement imposed by FMERA.

BEIP is essentially a "rebate" program, providing businesses with annual cash grants based on a percentage of the state income taxes withheld from employees who fill the newly created jobs. Businesses must submit this information to the New Jersey Division of Taxation annually; once the new jobs are verified, the EDA then provides the grant based only on the actual number of jobs created in that year. If CommVault fails to create any new jobs, it simply will not receive the incentive.

Misstatement #2: CommVault is currently located in Oceanport, only two miles away from the proposed new site in Tinton Falls. As such, FMERA didn't attract business from outside the area to come to Monmouth County. Instead, it poached a local business from one Fort Monmouth community (Oceanport) and put it in another Fort Monmouth community (Tinton Falls.)

Fact: New Jersey is proud to be home to a number of top-notch, global companies that can choose to locate anywhere in the world. To help retain these important job creators in an increasingly competitive market, the state offers the Business Retention and Relocation Assistance Grant (BRRAG), which is an award of corporation

business tax credits or insurance premiums tax credits based on the number of actual jobs retained in the state. In order to receive an award under BRRAG, a CEO must certify that existing New Jersey jobs are at risk of being relocated out of state.

While we cannot dictate where a company decides to locate its business, we can help to ensure that the jobs and economic activity these companies generate remain in the region, rather than another state or country.

Informed and engaged stakeholders continue to be essential to the successful implementation of the Fort Monmouth Reuse and Redevelopment Plan. As we move forward with the process, it is imperative that we get the facts right. It is equally important that we assure the community that their interests are being taken seriously. That is precisely why the EDA oversees all of our programs with the utmost due diligence, integrity and accountability.

Consistent with the statutes creating BEIP and BRRAG, and reflective of the EDA's overarching commitment to protect the investment of public funds, these programs include vigorous protections for taxpayers; one of the most critical being that these incentives provide no funding upfront. If a company does not uphold its commitment to create or retain the jobs it has agreed to, it doesn't receive the incentive.

To ensure that projects supported through these programs will result in a net positive impact to New Jersey, EDA conducts a comprehensive net benefit analysis to verify that the revenues the state receives will be greater than the incentive being provided. Based on this analysis, the CommVault project will result in a net benefit to the state of \$72.5 million over the next seven years.

Another important fiduciary control that has been instituted by the EDA requires a CEO Certification that the incentive is a material factor in the company's decision to undertake the project. Finally, all projects are subject to a comprehensive legal review and are fully vetted by the EDA Board at a public meeting held each month.

We encourage you to view the Incentive Activity Reports available at www.njeda.com to see firsthand how these programs have translated into tangible results that strengthen our economy and our local communities.

BOARD ACTION PAVES WAY FOR ENHANCED COMMUNITY AMENITIES

At its February meeting, the FMERA Board took action to support the reopening of the teen center and pool, and also a homeless shelter, for Monmouth County.

The Board approved FMERA's lease of the teen center and pool from the Army, and its sublease of the property to Monmouth County. The two buildings total 22,636 square feet and sit on approximately 6.5 acres in the Tinton Falls Area of Charles Wood. The property includes a youth center, outdoor pool and a shower/restroom building, and will be managed by the County Parks Department as a public recreational facility. The outdoor pool will operate on a seasonal basis, while the teen center will be used year-round. The County hopes to occupy the property this spring in order to open the pool for the 2013 season.

The Board also approved FMERA's lease of Buildings 410 and 418 from the Army, and its sublease of the property to Monmouth County. The two buildings, which total 9,440 square feet, are located on 1.5 acres in the Oceanport Reuse Area on the Main Post and include parking areas, as well as open space. The property will serve as a homeless shelter for the County. Buildings 417 and 421, which were previously used for a homeless shelter, were damaged by floodwaters from Hurricane Sandy and are unusable.

FMERA's Monthly Newsletter is available online at www.fortmonmouthredevelopment.com following each Board meeting. To be added to the email distribution list, please send a request, with contact information, to Rachel Hartman at rhartman@njeda.com.

FMERA's Mission:
To create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property.

Note: FMERA Board action is subject to a ten (10) day veto period by the Governor.