

Decisions:

- Committee does not object to allowing applicants to submit proposals for multiple buildings.
- Committee agrees NPS may accept back up proposals for buildings subject to Letters of Intent (LOI) OF INTENT, and NPS/Committee may encourage interested parties to submit proposals for buildings already subject to an LOI..
- Committee determines no financial template need be developed by the Committee for use in connection with the REQUEST FOR PROPOSALS.

Action Items:

- Gateway National Recreation Area (GATE) will compile a list of leasing and taxation issues and provide examples to Janice Fuller, Representative Pallone's Chief of staff, so below identified considerations can be addressed on a holistic level.
- GATE will share more information about LETTERS OF INTENT, what the process is, and will encourage interested parties to submit proposals for buildings already subject to a LETTER OF INTENT .
- GATE will update FAQs to include the following information:
 - Why Middletown Township has jurisdiction
 - Why Middletown Township is assessing Real Estate Taxes
 - Notify the public that we are taking back up proposals.
 - Financial Feasibility slide will be included and will advise members of the public to rely on the advice of their own professionals.
- Development of a Mooring Field
 - Identify proposed location of mooring field
 - Identify location of present clam beds and fish habitat and any impact to same.
 - Determine whether NPS has underwater land rights to the proposed location
 - Contact NJ Department of Environmental Protection (DEP) Community Relations POC (Tony Mercantante).
 - Schedule informal coordination meeting with DEP. They meet monthly and can provide potential applicants with a sense of what might be allowed, what might be required, and where US Army Corps of Engineers (USACE) and Fish and Wildlife Services (FWS) might stand on tentatively proposed projects.
 - Determine whether an ENVIRONMENTAL IMPACT STUDY (EIS) is required
 - Identify whether there is grant funding available in connection with this project (Karolyn Wray).
 - Outreach to communities across the bay for insight/support.
 - Draft a Request for Proposal (RFP) for NPS review once NPS consults with Solicitor about building associated with lease of marina/mooring field related lands.
 - Work with NPS to determine whether an EIS could be made a requirement of any RFP.

FACA MEETING NOTES – April 28, 2017**Meeting #28**

Jennifer T. Nersesian, GATE Superintendent; Pam McLay, GATE Chief Business Services (Chief, BSD); Karen Edelman, GATE BSD; Jim Grant, GATE Chief of Facilities; Pete McCarthy, Sandy Hook Unit Manager; Michal Wisniewski, GATE Business Services; Daphne Yun, GATE Acting Public Affairs Officer

Gerry Glaser and Shawn Welch, FACA co-chairs
Stacie Smith, Facilitator

FACA Committee attendees:, Kate Stevenson, Margot Walsh, Mike Holenstein, Tony Mercantante, Gerry Scharfenberger, Mary Eileen Fouratt, Dan Saunders, Michael Walsh, John Ekdahl, Linda Cohen, Jim Krauss, Karolyn Wray, Lynda Rose, Late: Margot Walsh, Howard Parish, Lillian Burry joined after lunch.

Park Service Staff: Jen Nersesian, Gateway Superintendent, Pam McLay Chief of Gateway Business Management Division (BMD), Pete McCarthy, Sandy Hook Unit Manager, Karen Edelman, BMD, Daphne Yun, Public Affairs Officer

Not Present: Jeff Tyler, Tim Hill, Patrick Collum

Meeting called to order at 9:14 am and opened with the Pledge of Allegence.

Superintendent welcomes everyone.

Gerry Glaser welcomes everyone

Shawn Welch welcomes everyone

Pledge of Allegiance

Facilitator reviews agenda and asks for any suggestions regarding topics that may need to be included or for revisions to the current agenda.

Draft summary of last meeting went out to the Committee yesterday, 4/27 and contain Action Items and Decisions from last meeting.

Action Items include:

- Summer meeting date (in progress)
- Ensuring the meeting is hosted somewhere on the Fort Hancock Historic Post.
- Next Steps regarding Taxes = Pro Forma
- Moorings
- Signage at the Fort Hancock Historic Post to show leasing opportunity. Superintendent indicates we have ordered signs and they should be up by the next meeting.

Decisions made at last meeting:

- We agreed to keep tracking open action items to ensure they are completed. Action items and Decisions must be identified in the beginning of the notes for each meeting.
- Decision to try to point each item on the agenda to a decision point, next step, or closure.
- Decisions about public comment period – Committee will not engage in discussion or conversation. It will revert back to being the sound board for the community where they can comment and provide input. If there are questions asked by the speakers, the committee may answer them at the end of the public comment period.
- Decision to use tent cards and take turns speaking as we used to in past meetings.

Gerry Glaser: We do have an opportunity to comment on the agenda right now and determining whether we have anything to add or adjust. Putting together the agenda is harder than you might think. If you have questions, comments, or input, we need to hear from you.

Superintendent: Asks the Committee members and park staff to introduce themselves to members of the public who have come to the meeting.

Superintendent's Updates:

- The hiring freeze has been lifted and we have new hiring rules. We will resume hiring actions shortly. NPS is getting ready for potential budget cuts.
- Andy Olexson joins Sandy Hook as new facility manager and is introduced to the Committee.
- Chris Jones has retired effective today.
- We are developing a plan to patch, repair or replace roofs on Officers Row homes. It will be a long process and we are starting with Building 16. We want to prevent further deterioration of the buildings and we hope a little investment in the facilities will go a long way in addressing their marketability.
- Paving is ongoing at the park and we hope it will be completed within the next three weeks.
- We expect Building 102 to be complete by late summer early fall.
- Beach centers, expect for Area D, are being worked on.
- History House porch was reconstructed and we are looking at upgrading interior wiring, the kitchen (which is being tackled with partnership from Sandy Hook Foundation), and the second and third floors.
- Telecom: new fiber optic service within the Historic Post area is nearing completion and is to be activated soon. Wastewater treatment plant still underway and we are hoping to have it up and running by Memorial Day even though additional work will still be required. The wastewater treatment plant work is expected to be complete by fall.
- Separate project: Fresh (potable) water plant needs a new roof which we are working on.
- Building 23 is under a Letter of Intent (LOI) with County. In the meantime we have our own Architectural and Engineering (A&E) team undertaking assessments that will help inform that process.
- NPS is having A&E assess Building 24 (SOW to be developed week of May 8th in 24th).
- New maintenance facility at Sandy Hook is going out to contracting in June.
- Lighthouse is expected to undergo a full rehab soon.
- Contracting for Ferry Dock is underway.
- And we are working on new roofs for Buildings 64 and 73, park buildings. We are full steam ahead on many fronts.
- May 21 is Ocean Fun Day at SAHO with all our partners with NJ Sea Grant Consortium, American Littoral Society, and Army Ground Forces Association.
- June 14th will be the first summer concert in partnership with SHF
- And we are preparing for summer season and getting beaches open for the 2M+ visitors we are expecting at SAHO this season.

Shawn Welch asks about vegetation management. Superintendent will try to provide an update on that topic.

Superintendent continues:

- Access to buildings on the leasing list presents concerns in some which are in deteriorated shape. We have been looking at how to address access to those buildings and balance safety considerations with access and need. In the meantime, we are considering obtaining a portable stairway that we can move between buildings until the entries are shored up. We will also try

to shore up some of the easier fixes that might allow for access. We are considering use of drones to photo/video some of the buildings and will ask for a waiver from the prohibition on use of drones in National Parks.

- Contracting is slow but we are working to get an engineering assessment of building 114.

Shawn Welch updates the group about AGFA activities (some specific events on Ocean Fun Day weekend as well as other events through summer and fall).

Facilitator: We can talk more about events this afternoon.

Karolyn Wray asks about NPS booth at Ocean Fun Day. Will there be another?

Facilitator: We will talk about it later this afternoon

Gerry Glaser asks if there is a way interested bidders can get their A&Es into buildings that are in bad shape. It is a catch 22. Is there some compromise that will allow for special access or special equipment?

Pam: Michal has been getting people in to some of those buildings

Micha Wisniewskil: Correct and we have been working with the SAHO Unit Coordinator to access parts of the buildings that have undergone a GAR [safety] analysis and in accordance with safety protocols laid out by UC.

Gerry Glaser: Just to be clear, we are allowing access in certain situations?

Pete McCarthy: Yes

Shawn Welch: Is there a requirement that potential visitors to buildings provide indemnification?

Karen Edelman: No. There is that requirement under the Letter Of Intent but not at any other point prior though we are considering it.

Mike Holstein: We are going on the record to say that you can get in to some of those buildings but note for the record that you must make arrangements with the park ahead of time.

Linda Cohen: You may want to have people look at prototypes such as Building 22 when they ask for tours of similar buildings. The building is open to the public and we can arrange to have people there for access to tours.

Pam McLay: We already do. Sea Grant has been great about making the building available

SH Unit Manager: Update. We have moved furniture into History House and it will be open for Ocean Fun Day.

Superintendent: Building 7 has been selected as our project building. We will provide an update on the status of that project. Building 7 was also the subject of a climate change initiative which explored methods of implementing sustainable infrastructure on historic buildings.

We want to make all the information of what we evaluated available so that can help you inform the process for other buildings.

Brian Forseth presents the updates for Building 7.

Tony Mercanante had a question about the size of the first floor bedroom and accessibility. Brian Forseth talks about costs and impacts to functional use of first floor bedroom and removal of the DR. The cost was not so significant as to render the possibility fruitless, but the point is to provide access to the first floor in its entirety.

Gerry Glaser: To what extent does this report serve as guidance or as a requirement for those who plan to rehabilitate buildings?

Brian Forseth: Our goal is to provide whatever information we can to help facilitate rehabilitation of the structure.

Superintendent: It is not prescriptive but is meant to inform

Pam McLay: We are also looking at this from the perspective of a federally utilized/operated space which comes with its own set of requirements – as a B&B for the Chapel.

Gerry Glaser: Does net zero consumption mean no carbon footprint?

Brian Forseth: We are looking to find a way to offset carbon footprint with other projects at SAHO. Not sure we can state this project itself is a net zero result in terms of carbon footprint/.

Gerry Glaser: This is a significant study with broad implications so anything we can do to get the word out serves us well.

Shawn Welch: With the price tag of \$2-5 million to complete this project? Is it funded?

Superintendent: We are partially funded and will have to complete the project in phases.

Shawn: When do you think the facility will be operable?

Superintendent: We do not have that answer at this time

Shawn: So it is a few years away?

Superintendent: Yes.

Shawn: Explains to the public that government contracting is lengthy process even when projects such as this are fast tracked.

Kate Stevenson: When you do a Value Analysis (VA) you have to calculate costs of the projects over the long term and you have to offset the future obligations. Have you done that?

Brian Forseth: Yes.

Superintendent: We choose the best solutions based on parameters on the project and then we consider the costs of those parameters and make our choice based on that.

Kate Stevenson: I am familiar with the process but \$2.5 M is a lot of money for this building so if you can find an offset over the long term, that will make the project viable. Second, how will you protect the lift from water?

Brian Forseth: It will be in the building, it is an electric system, can go above the lift itself, and is contained inside.

Gerry S: You mentioned prevailing wage is applied? How much does that add to the project and is that because it is in NJ?

Brian Forseth: It adds about 40% to the cost of the project and is a federal (not NJ) requirement.

Mike H: Is this project viable on its own? If you can transfer the benefits of this efforts to other buildings, does the cost count/is the cost spread out?

Brian and Superintendent: Yes, project is viable on its own.

Mike H: What portion of a REQUEST FOR PROPOSAL response does this account for (using this information as part of a response)?

Pam McLay: This level of response is typical of a Letter of Intent (LOI). The level of detail provided in a Request for Proposal (RFP) is not as detailed as what you have seen. Nonetheless, this portion of the response only addresses one of six components identified in the RFP and we are not expecting this level of detail in the RFP response.

Mike Walsh: Asks if we have breakdown of costs per element of the building (how much does it cost to repair the roof, the porch, etc.). Is there something he can point to answer this question?

Superintendent: We will make the costs of any work we take on publicly available. In terms of this project, these are estimates and may not be useful to someone undertaking this work on their own. But as an example, we did rehabilitate the porches for Buildings 7 and 17 and can share those costs.

Thought that a youth program was involved which added quite a bit of overhead.

There is further discussion about costs and the value of other considerations that make the projects viable.

Superintendent points out that when we did the porches on 7 and 17, we took one of the worst and one of the best so that we could consider the difference in price and we learned that the difference was not that vast between the condition of the best and worst porches.

Linda Cohen: Can't we ask a historic preservation expert to be available to consult on those costs?
Facilitator recommends we wait to discuss this in the afternoon session.

Short Break

Superintendent wants to note that Building 7 is not limited to consideration as a B&B. We want to consider it for short term rentals.

Officers Row BMD ACTION ITEM: Superintendent asks for a cost analysis on a running a B&B vs making the building available for short term rentals (cleaning personnel vs B&B operator cleaning and cooking). Cape Cod does short term rental and uses a cleaning service and getting their costs may be a good case study for us.

Next Topic: Committee Presentation to Congressional Representatives. Materials prepared by Committee to be posted on the website. Gerry and Shawn provided a history of the Committee's efforts to date.

Janice G. Fuller, Representative Frank Pallone's (D-NJ6) Chief of Staff is here as is Tony Perry, Chief of Staff to NJ Legislator Joe Kyrillos.

Tony Perry asked about Base Flood Elevation of Officers Row buildings. NPS explains they vary. Shawn Welch points out that all buildings survived and have been standing since 1860-90s and that only basements took on water. First floors were generally undisturbed.

FACA co-chairs provide summary of efforts to date with respect to Request for Expressions of Interest (RFEI), Request for Proposals (RFP), Leases, Letters of Intent (LOI), and other efforts undertaken by the NPS and the Committee

Gerry Glaser closes by noting there are over 2 million visitors to Sandy Hook and that this is a huge economic driver. He asks the Congressional representatives to identify how they see what the Committee is presenting and to let the Committee know what the Congressional representatives think we can do to drive this.

Lynda Rose asks Congressional representatives what we can do to facilitate services (restaurants, shows, cocktails) that will draw visitors.

Tony Perry points out that he has been speaking with Middletown Township about the tax issue and understands they cannot do a Payment in Lieu of Taxes (PILOT) or PILT. An alternative is having Senator Kyrillos approach the State Legislature and allow the municipality the ability through consent legislation to designate National Park Areas or Federal Lands as areas in need of redevelopment, that way they can address taxes by way of a flat fee so that businesses will invest. They will invest when they know what the taxes are.

Tony Mercantante indicates he will be happy to continue this discussion with NPS by addressing flat tax resulting from designation of Federal Land as an area in need of redevelopment.

Tony Perry volunteers to work with Janice Fuller to see if there is a federal regulatory fix they can rely on to address this issue, or to see if there is a federal prohibition on this issue. He sees this as a problem that is fixable.

Janice Fuller understands that federal contracting is a slow process and hopes that we can find a wholesale solution to all the problems identified here today. Perhaps Pallone can find a way to help streamline issues that hold up progress in the redevelopment efforts.

Kate Stevenson: There are already parks that have relief from the taxation issue. Fort Baker in Golden Gate Recreation Area (GOGA) is one example. GATE is willing to provide [legislative] drafting services if you will ask them.

Janice Fuller: Is there another state we can include in our efforts to address this wholesale?

Kate Stevenson: We have similar issues in our NY Federal Parks.

Pam McLay points out that we are the trailblazers in the effective leasing efforts across the NPS. We are constantly being asked by parks in other states for help with their efforts to implement leasing efforts. Other requests have come from Boston, George Washington Pkwy, Fort Monroe, and Fort Vancouver...

Action Item: GATE will compile a list of leasing issues and provide examples to Janice Fuller so this can be addressed on a holistic level.

Shawn Welch asks if other leases in other states are being taxed? Pam McLay thinks they are at Delaware Water Gap but does not think the requirement to tax is unique to NJ.

Shawn Welch: Taxes pay for service but the majority of services provided here are paid for by the federal government.

Gerry Scharfenberger wants to know if the Presidio is something we can use as a basis for comparison. GATE points out that Fort Baker is probably the prime example as is Fort Mason.

Mike Holstein does not agree that all services provided out here are provided by US Government. When you ride off the base, all the roads and services are connected. We don't just tax on a microscopic level. The services don't just end when you leave. You will be taken to a hospital if you are involved in a crash outside of the park. You can use a county library. The idea that we will not tax lessees in the same way is short sighted because the burdens of those benefits are placed on the public.

Also, it is my understanding the Federal Government does not tax Real Estate in NJ in the form of property taxation. It is handed down to state and municipalities. I don't agree that the Federal Government can say that the state cannot tax for federal property use.

Tony Mercantante: Looking at different examples is fine but you have to look at the legislation for each state. If our property taxes were comparable to California's, our taxes would be low but we would be paying sales tax on everything. There are different taxing structures in every state. But in order to do what we are proposing, we need to look at the tax structure.

Pam McLay: There is a component in Fort Baker that addresses RE taxes. We are not talking about eliminating all taxes.

Lynda Rose asks if the redevelopment at Fort Monmouth has any effect on what is going on here. Tony Perry points out that he is glad our presentation addressed liquor licenses. Formerly, Fort Monmouth had 9 liquor licenses. The proposed redeveloper wants those 9 liquor licenses and Kyrillos's office is working with the State ABC to facilitate it.

Superintendent: It is up to NPS to determine how many liquor licenses we will issue what the fee will be and how many we want.

Tony asks whether we will charge flat fees, how we determined those, etc....

Superintendent: TBD

Tony Perry: Just heard about the sale of a liquor license in the State of NJ for \$1M

Mike Holstein responds to Tony's comment about tax on Real Estate going towards something else (such as gas tax or sales tax). Don't be fooled by the idea that you can eliminate taxes. You might transfer some responsibility or provide a benefit to some individuals, but if you don't understand the combination of taxes levied, and you focus on one area, you are in error.

Janice Fuller: When we ask for examples, it is not because we are taking a cookie cutter approach, we are trying to generate support across the legislature.

Tony Mercantante: The benefit of looking towards other parts of the country is that we may find a piece of a solution in different places. Also, with respect to the liquor licenses, we thank NPS for all their work on this topic.

Tony Perry: It is imperative to know what the taxes are. That is how you will generate business in this area. I will work with Senator Kyrillos's office and reach out to Pallone's office to make sure we can find a way to facilitate a solution to this subject

Public Comment Period - 11:30

Henri Fourie

Interested in leasing a building. Thanks the Committee for their efforts. Has been interested for a number of years. His concerns include investment in rehabilitation of the structures. He can determine how much it will cost to get the building operational, how much it will cost to keep it operational. The areas of uncertainty include the local taxes and what the NPS CAM charges cover and their cost. . Other questions are about legal jurisdiction of Middletown vs Highlands and Atlantic Highlands. How are taxes going to be determined if you are not getting the same underlying services that you would get as a resident of Middletown Township vs as a resident of Sandy Hook. Maybe a table could be developed identifying same. It seems that double taxation is in effect and a lot of prospective Lessees are interested in this issue.

Also, more information on the condition of the buildings would be useful. It would help determine which buildings he might be interested in. Thank the Committee again for work that has been done. Indicates he feels more comfortable submitting a proposal than he would have two or three years ago. He's also interested in adding a garage or enlarging an existing garage.

Brian Samuelson, Building 21 Lessee

Initially wanted Buildings 12 and 17 but could not submit a proposal since they were off the market for over one year under Letters of Intent. Since then, other buildings are off the market and nothing is happening to those other buildings. Brian is concerned about limitations on rehabilitation of one building at a time he feels the park is imposing on some Lessees. He also thinks the NPS can contribute towards some of the cost of facility rehabilitation to get these projects done faster. Brian appreciated the presentation on Building 7 and the level of open discussion on the taxation issue.

On the topic of Moorings, Brian is a member of the outreach group created by the Committee. He is working with Dave Hoder [presented about possible development of a mooring field at a previous meeting]. They think they can put out a mooring field outside of officers Row which can pay for itself in 18 months and be managed through an app. They have determined they can develop a pyramid style mooring field which does not require dredging of the sea bed. More information on this project to come.

Brian will talk to Gerry about meetings with the County Tax Assessor offline

Tom Jones, Building 21 Tenant

Has been residing in building 21 for the past 9 months. Real world feedback. He feels very safe. The police are responsive and friendly. Tom Jones is in the process of making a film which premiered on Friday night. His organization is trying to base their non-profit at Fort Hancock if possible. If you have questions about what it is like to live in Sandy Hook, feel free to ask him. He has lived out there alone, with visitors, and he encourages you to work it out. It is a fascinating place. The back of the envelope math is not great but it is not cut for all. He is excited to move forward with Building 104. There are ups and downs. If you have questions, he wanted to offer an opportunity to ask. The biggest challenge for him is no internet though in some cases he felt that was fantastic. Though he was the only person out there for most of the winter, he never felt out of touch or as though he could not find help if I needed it. He is bringing his family back in June. He enjoys the history focused activities and has visited Battery Gunnison/New Peck several times.

Gerry Scharfenberger: The questions came up about why Middletown Township has power of taxation, it is because Sandy Hook is a voting district of Middletown Township. If you reside in Sandy Hook, you vote in Middletown Township, and your kids go to school in Middletown Township.

Karen shows the list of structures Middletown Township Taxes identified in connection with efforts at Fort Hancock and points out that information about taxable services is identified in the FAQs.

Superintendent: We provide Fire/EMS/Police, sewer, water, plowing. We have agreed to waive the CAM fees for the first five lessees. Those are much like Homeowners Association costs.

Public Comment Closed.

Action Item for FAQs: Why Middletown Township has jurisdiction and why they are imposing taxes.

Linda: Is there going to be signage along the rocks so that people boating can see?

Superintendent: We will think about that. We have put up smaller signs and will continue.

Leasing Presentation from Pam McLay. In response to comments that buildings are tied up for long periods of time under LETTERS OF INTENT, we have to be nimble. These are huge investments.

Volunteers for Builders Event scheduled for June 6 = Lynda, Margot, Shawn, Karolyn, Mary Eileen.

Daphne will share the invite with the Committee. Otherwise, the event is by invitation only.

Lunch

Leasing discussion continued. It sounds as though the Committee wants to talk more about Letters of Intent (LOI). Should the park be taking back-up proposals for LOIs? Also, do we want to reconsider one developer for all properties? That is something we eliminated in previous meetings.

Mary Eileen Fouratt: We should take back up proposals from anyone.
Is there a way to limit the term of the LOI?

Pam McLay: We typically issue the LOI for 60 days and renew as the proposed Lessees show progress. Also, you should assume that the applicant has demonstrated financial capability if they have been awarded a LOI.

Kate: I think one Lessee for all buildings is ok if they provide a comprehensive plan for use of the buildings.

Mike Holstein: I don't think we eliminated from consideration the concept of one developer. We agreed that we would not pursue the project with an eye towards one developer only. In trying to make rules, we will come against problems.

Jim Krauss: While I am very happy to see activity in the Commercial and Education zone, I am disappointed with what is happening on Officers Row. So if someone comes along with the right qualifications and wants to take multiple or all buildings on Officers Row, we should not turn them away. If a builder comes in with a plan that makes sense, we should try to see if we can make that work.

Gerry Glaser: So when you issue a LOI, does it apply to a single building?

Pam McLay: No. One LOI addresses all buildings in the proposal. When we issue an LOI, the applicant's proposal has to be determined to have met the criteria and have passed the evaluation process with the panel at the Regional level. The level of detail received in proposals is not what you saw in the earlier presentation about building 7 which includes site specs and detailed costs.

The LOI is a "hold" with a number of requirements and milestones. When the LOI is for more than one building, it is a "bundled" business opportunity.

Gerry Glaser is worried that proposals for multiple buildings can hold up buildings for up to one year and we did not consider this sort of impact.

Superintendent: What we are seeing from the LOIs we currently have is that 60 days is not enough time to provide the materials and meet the milestones necessary to execute a lease. 60 days may be enough to show that a project is not viable. For all the projects we are working on subject to LOI, all of them have required extensions.

Pam McLAY: We are having pretty regular and extensive conversations and progress but the lease negotiations can't move ahead until we resolve the milestones identified in the LOI.

Tony: It is premature to have these conversations. How would we identify the number of buildings that we might limit any applicant to? Also, if a project requires multiple buildings for economy of scale, any limitation will inhibit the development of a project that calls for multiple building use.

Gerry: Can the burden of proof for a request for more buildings be higher during the evaluation process because the stakes are higher? It is no one's interest to stretch out the period for a year. You might require more of someone who puts in a proposal for multiple buildings.

Tony Mercantante: If you have an applicant with more than one building under an LOI, the NPS can manage the timelines and require evidence of progress within a specified period of time.

Pam McLay: We are not bashful about requiring selected applicants to show progress and those that are interested are asking the right questions and acting on it.

Mike Holstein: I think we need to trust the park and let them do their job.

Margot Walsh: We are looking at a different clientele when you are talking about leasing 5 buildings for example. It is a different approach. It is professionals rather than individuals who want a larger project.

Pam McLay: I heard Brian loud and clear that he was disappointed other buildings he was interested in were off the market. But we can't tell an investor what works for him or doesn't work. Due diligence is required for the proposed Lessees to make those determinations.

Facilitator: Sounds like it is a balancing act and that we want to do as much as we can with people who are deemed responsive while holding on to backups. No one seems to be saying that we can't allow for more than one building under a LOI. Is there more that the Committee can say about the balancing?

Pam McLay: We are balancing and things will change. When they change it is because of a matter unique to each investor. We have to account for the balance.

Gerry Glaser: The FAQs should account for what it takes to get through the process

Mike Tyler: You need to address the misunderstanding that a LOI prevents any other person from pursuing an interest in any particular building,

Shawn Welch: So we should continue to accept proposals as they come in, and we should let everyone know that even though you may have an LOI, we are continuing to evaluate what comes in. That sort of competition forces progress.

At what point and what are the rules about telling someone subject to a LOI that you are moving on to the next qualified interested party? It puts all offerors on notice that this truly is a competitive process and it requires the NPS to review and resolve submissions.

Pam McLay: Maybe we need to include this in an email blast.

Michal Wisniewski: We do advise everyone that comes out here that proposals are evaluated in the order received and that nothing is off the table until a lease is signed. It is often that people who come out to look at buildings often lose interest in buildings that are "spoken for."

Lillian Burry is concerned that there is no contract up front. She thinks that we should have a contract with an end date, with an identified spending plan, and a due diligence period.

Pam McLay explains that we are not allowed to issue Real Estate Options or Rights of First Refusal. That is why we have Letters of Intent. That is what we are using with the County for Building 23.

Lillian Burry: But you know the county is capable.

Pam McLay: The LOIs are issued to parties that have been deemed responsive and capable. They have demonstrated their ability to manage the expectations and to move ahead with the necessary due diligence.

Facilitator: Should we identify a more rigorous process with milestones a proposed Lessee must meet with respect to deliverables or per building?

Superintendent: We don't want to back out of a LOI because we have someone waiting in the wings. They have to pass an initial evaluation to even get to the LOI phase. The proposals won't get to that phase if there is not sufficient capability to meet the criteria.

Tony Mercantante: We are just like any other landowner where we can require milestones

Pam McLay: I think we will be clearer and notify the public that we are taking back up proposals and ensure that our future email blasts contain this information.

Superintendent: I think what I am hearing though is that no one objects to allowing one applicant to put in for multiple buildings.

Shawn Welch: If there are rules governing that, that sounds good but it doesn't sound like you have that in place.

Agreed: Action items = More communication about Letters of Intent (LOI), What the process is, and encouraging people to submit even if buildings are under a LOI .

Next Topic – Committee Working Groups and Tasks

Marine Access and Moorings: Should we include people who are not on the FACA committee in this decision making and planning process? The overwhelming response was that yes, we should. We can use all the expertise we can gather. Donna Sayers and Dave Hoder are joining the Mooring Committee. Other members of the mooring outreach group include Karolyn Wray, Lynda Rose, and Pete McCarthy, Sandy Hook Unit Manager.

What do we need to do first? Brian Samuelson has already figured out one location where the Moorings could go. The Pete McCarthy points out that we need to undertake an Environmental Assessment. Gerry Glaser recommends the Committee put together something about where we would like to have a mooring field so the park can weigh in and determine whether it has underwater land rights to the proposed location. He would like to present something to NJ Department of Environmental Protection (DEP_ so that they can weigh in. Perhaps we should start collecting information that we can share informally to see what we are up against. He is not sure we understand all the issues we may have to address. If we need an Environmental Impact Statement (EIS), we will have to figure out a way to pay for it.

Superintendent: If we put it out as a Response for Proposal and a proposed developer has a financial stake in an opportunity, they might pay for an Environmental Impact Study (EIS).

Karolyn Wray points out that she recently met with a local sea captain who remembered when there was a local water taxi that went from Highlands to Sea Bright. Karolyn learned that when they started the water taxi, there was grant funding to do that project. Maybe there can be a repeat. Karolyn will continue looking into this.

Kate Stevenson: If someone stands to benefit from a proposed project, it may be harder to allow them to provide the EIS.

Gerry Glaser: There is the balance between obtaining required expertise and finding the funds necessary to procure the required EIS.

Kate Stevenson: Anyone can come forward and provide expert advice. As a chair, you represent the Committee and you have all the power of the Committee, so you can make a decision to advise the Committee. Then the Committee can make a recommendation.

Facilitator: Rather than debate this further, maybe there is a source you can consult such as the ethics office.

Superintendent: Our ethics office may not be the most helpful source because the Committee members are not employees. Therefore it is the Charter that controls the actions of the Committee.

Kate Stevenson recommends we pursue actions on the side of caution.

Mike Holstein rejoices in the opportunity to join on the side of his esteemed colleague Kate.

That said, we should add it to the Request for Proposal (RFP) as a leasing opportunity. The goal will be accomplished this way.

Superintendent: We can explore this as an option though this is a great oversimplification.

Dan Saunders: There is a non-profit Baykeepers organization which may be a resource this Committee can rely on.

Tony Mercantante: So the tricky question is who is going to pay for the Environmental Assessment (EA) or an Environmental Impact Study (EIS)

Superintendent: We may need to do that.

Tony Mercantante : Maybe you can have an entity post an escrow so that we can hire an independent entity to undertake the analysis. Maybe that way you can find the funds to do the EA/EIS independently.

Superintendent: That is a chicken egg thing. You may learn that there are impacts that prohibit the project.

Tony Mercantante : But a professional is not likely to put in a proposal unless they know the likelihood of success in terms of an EA or EIS

Pam McLay: We need a building to go with it for leasing authority purposes.

We will have to pick a building

Gerry Glaser: This is a phenomenal idea. It takes us to a working solution. Can the working group find things to consider for the RFP?

Pam McLay: We could use your help in drafting a RFP. Please provide us with considerations to account for in developing a draft. We do need to consult with the SOL about a building to allow for a lease for associated land.

Gerry: We can consult with communities across the bay.

Superintendent: We also need to consult with a number of other agencies such as US Army Corps of Engineers (USACE) and NJ Department of Environmental Protection (NJ DEP).

Pete McCarthy: We need a nationwide permit

Kate? Carolyn? Maybe Atlantic Highlands can provide someone who can consult on this issue.

Facilitator: Should we ask a proposed Lessee to help develop a RFP for such a process?

Kate Stevenson does not think so. Neither does Gerry.

Dan Saunders: Dave Hoder mentioned that DEP holds coordination meetings with USACE and from that you can get a pretty good sense of what might be required.

Superintendent: Thinks that would be an excellent next step and we should get a meeting with them.

Dan: Once a month, DEP holds meetings attended by USACE, F&W come, and people present ideas and all the regulators tell you what you need to get in order to move such a project ahead.

Facilitator: The work group could help prepare for such a meeting

Gerry Glaser: That sounds like a critical next step

Pete McCarthy: But before you move ahead, you really need to narrow down the location. We have run into problems with this in the past. We need to identify locations of present clam beds and fish habitat before we go to the state.

Tony Mercantante : The DEP has a community relations person that Middletown Township relies on. We can share the contact info. They do all the work and you just show up to the meeting.

Next Topic to report out on – Pro Forma/Financial Feasibility. Group includes Jeff Tyler and Mike Holstein. Discuss “What are the basic considerations as you move ahead in evaluating whether you can afford to undertake a proposal?” Mike Holstein provided a power point presentation that he thinks provides a sense of what is useful to the average person. Mike H seeks recommendations from the Committee as to edits to the presentation, which will be posted upon completion (after review of the presentation which was shared only with only the Pam McLay and must be posted with this meeting’s materials).

Shawn Welch - Question: Is there consensus that the Committee will not provide a pro-forma or financial spreadsheet that can be populated for use by proposed Lessees/interested parties? Mike Holstein and Kate Stevenson agree. Both are of the opinion that if you not sophisticated enough to manage the financial feasibility calculations of a project, you should not be undertaking it. Mike H: Is of the belief you should use a professional if you do not have the savvy to address it on your own.

Shawn Welch: Any spreadsheet provided needs to be devoid of numbers. There are plenty of templates people can use to play with the numbers. If we produce something with numbers, people will take it at face value and that is not helpful to any one situation because each is unique.

Facilitator: It sounds like we can’t figure out what the boxes to fill out are.

John Ekdahl: What kind of liability do you pick up for providing any kind of spreadsheet numbers or not?

Dan Saunders: A professional developer will know what to do in terms of project financial feasibility. A full blown example is not worth the trouble.

Pete McCarthy: Each building presents its own unique opportunity. They are all in different conditions, they all have different levels of historic fabric remaining. Using a general template where you can plug in numbers does not really address the complexities of the structures themselves and the corresponding efforts required to complete the project.

Gerry Glaser: Thinks that with this presentation, we have produced an extraordinary amount of information that the average person can make use of though he is not ready to vote for consensus on the issue of a pro forma template/spreadsheet.

Mike Walsh: People should be doing their own calculations. The presentation is a good piece of work but it needs a disclaimer that states it is not the opinion of the NPS, nor is it the opinion of the FACA. It is provided to the Committee as a courtesy.

Tony Mercantante: I agree and I don’t think we should provide a spreadsheet. We should point out that the opportunity is unique because it is not up for ownership but is available for a 60 year lease, that it is historic, that questions are addressed by the FAQs.

Jim Krauss: Thinks we need a one page executive summary identifying the information provided regarding Building 7 is based on government rates, that taxes, insurance, and other financial information is provided as a courtesy and that there should be a warning that you **do** need to hire a professional to look at the buildings you are interested in.

Mike Holstein points out that he tried hard to make a presentation that could be utilized by the average person.

Pam McLay: We will add a slide to the FAQ addressing Financial Feasibility which will advise members of the public to rely on the advice of their own professionals. Shawn Welch and Mike Holstein will develop the executive summary just discussed.

Gerry Glaserdoes not think we need an executive summary and that documents provided for this meeting standing alone are fine. Gerry is more comfortable having this presentation on the record as part of the discussion of this agenda idea.

Jim Krauss: My idea of an executive summary is hire your own professional. I think people are overreacting to the future costs considerations.

Next Topic: Upcoming Events

- Brookdale Community College students' final project presentations will be given on May 8. NPS will attend. Students have been working on Buildings 26, 40, and 70.
- NPS will man a booth at the Eastern Monmouth County Chamber of Commerce Biz Connect on May 17th
- Ocean Fun Day will take place at Sandy Hook on May 22nd
- Shore Builders Association Event at Sandy Hook on June 6th by invitation only
- Next FACA Meeting is TBD but will be held at Fort Hancock

Closing Remarks:

Margot Walsh: Missed the first half of the meeting but thinks this afternoons' session was very informative and invites everyone to the Jersey Shore Partnership summer celebration on June 6th.

Superintendent: We got a lot of useful input and a sense of what the Committee is feeling on some key issues. This is useful as we move forward. There is a lot of activity. We are turning a corner on the work we have been putting into this over the last couple of years and people are responding. We have a lot of work ahead of us still but glad to be where we are at.

Shawn Welch: Good meeting

Mary Eileen Fouratt: Amazed at all the work that is ongoing at the park which will make things go better in terms of leasing. Great presentation on financial aspects.

Mike Walsh: Amazing work by the Park Service. Great presentation on financials.

Lillian Burry: Annually, Monmouth County Historic Commission gives out awards recognizing historic preservation. One of them is going to be Brian Samuelson's efforts (notify NPS DRM). This will take place in June – time and place coming. Freeholder Burry is happy about the progress being made between MAST and NPS regarding Buildings 23 and 56.

Dan Saunders: Fruition of efforts is great to see. Long effort to get there

Jim Krauss: Pleased to see activity connected to buildings in commercial and education zones and hopes for same on Officers Row. Looking forward to June 6th

Mike H: There are *only* 35 buildings. Thanks to staff.

Linda Cohen: Is very impressed. In the five years she has been attending, she feels most positive and uplifted today

Gerry Scharfenberger: It will be nice if we get legislative help from State and Federal Government. It will entice prospective developers. Janice Fuller indicated that Congressman Pallone will attend the June 8th meeting.

John Ehkdal: Glad to see the project has turned the corner and that there is a lot of positive momentum

Tony Mercantante: Everything's been said

Kate: Agrees with Michael Holstein. He agreed with her twice today.

Meeting adjourned 2:48