

Executive Summary:

Executive Summary December 2016 Meeting

Gateway Superintendent Jen. Nersesian reported that rehabilitation and repair work at Building 102 (designed to accommodate seasonal, partner and volunteer housing) continues toward a planned completion by the end of 2017. Additional projects underway include repairs to beach centers, park service employee housing on the historic post (multiple buildings), History House (bldg #1), the theater (bldg #67); new telecommunications infrastructure; and design work on the revetment behind the chapel. Also, completion of a new sewage treatment plant is anticipated by spring. Lift station improvements, and emergency repairs to water plant roof are ongoing as are restorations to Battery Gunnison/New Peck, contracting for the rehabilitation of the lighthouse, and relocation of maintenance facilities.

Park officials announced that potential lessees should know of the opportunity to obtain liquor licenses associated with proposed uses of some Fort Hancock historic post buildings. The park has independent authority to determine the number of such licenses that can be issued, and they will consider such applications. License fees are standard and are determined by Monmouth County.

The committee was given an opportunity to review information about federal conflict of interest issues. Mr. Glaser noted that soon after the advisory committee was established, members received a summary of ethics considerations typically presented to federal employees. While all such provisions do not necessarily apply to advisory committee members, that presentation was repeated to serve as a general reminder to committee members.

Committee members agreed to park recommendations concerning language changes to published RFP documents that would clarify and ensure greater consistency.

Mr. Scharfenberger introduced a presentation by Mr. Mike Styles, Director of the office of New Jersey Travel and Tourism, who explained the roles and functions of that office. The conversation revealed potential new opportunities to publicize lease opportunities at Fort Hancock.

Ms. Burry introduced a presentation by Mr. Matt Clark, Monmouth County Tax Assessor. Mr. Clark summarized provisions of real property tax assessment processes as they apply to structures at Fort Hancock.

Mr. Glaser provided an update of progress toward efforts that would improve marine access to Sandy Hook. Options that consider development of moorings, docks, and other actions will be discussed by a committee working group.

The committee received information from a working group that was convened to discuss building uses in the context of committee's overall objectives to preserve the historic and cultural resources within the Fort Hancock and Sandy Hook Proving Ground National Historic Landmark district and build a new and vibrant community. Committee members agreed that the park has the expertise, authority and judgment needed to ensure these goals are met and that the park benefits from regular committee and community input as to how proposed uses from potential lessees best meet those goals.

Action Items – Fort Hancock 21st Century Federal Advisory Committee Meeting, December 2, 2016:

Outreach:

- Gateway to provide information to NJTT for publication on website, books, pamphlets, etc.
- Outreach Group to circle back to work with local Destination Marketing Organizations (DMOs) and with Jean DeYoung, Monmouth County's tourism representative.
- Outreach Group to confirm there is a link to the Fort Hancock FACA on the Monmouth County website.

Moorings:

- Mooring and marine access group to convene and meet.
- Lillian recommends a meeting with the County's head engineer would be a good place to start.
- Gerry has professional connections with the Atlantic Highlands Harbor Engineer, who has experience building mooring fields, expanding docks, etc. See if he can come speak at the February or April meeting.
- NPS to confirm whether Gateway or NJ State owns riparian rights.

Committee Housekeeping:

- Co-Chair term expiration and identification of co-chair by consensus

Other:

- NPS to determine whether status to lease non-competitively is limited to 501(c)(3)s?

FACA MEETING NOTES – December 2, 2016

Joshua Laird, Commissioner NPNH, Jennifer T. Nersesian, Gateway Superintendent; Pam McLay, Gateway Chief Business Services (Chief, BSD); Karen Edelman, Gateway BSD; Michal Wisniewski, Gateway BSD; Marilou Ehrler, Gateway Historic Architect; Jim Grant, Gateway Chief of Facilities; Pete McCarthy, Sandy Hook Unit Coordinator, Captain Greg Norman, Chief Law Enforcement Ranger

Gerry Glaser, Shawn Welch, FACA co-chairs;

FACA Committee attendees:, Linda Cohen, Margot Walsh, Lynda Rose, Patrick Collum, John Ekdahl, James Krauss, Dr. Howard Parish, Mike Holenstien, Tony Mercantante, Gerry Scharfenburger, Mary Eileen Fouratt, Dan Saunders, Lillian Burry, Jeff Tyler, Mike Walsh, Guy Hembling

Stacie Smith, Facilitator

Not Present: Timothy Hill, Kate Stevenson

Meeting called to order at 9:11

Superintendent: Welcomes everyone.

Gerry Glaser: Welcomes new members (he missed the last meeting) and is looking forward to speaking with them.

Shawn: Our agenda grew. We have a lot to discuss today. Welcome.

Superintendent introduces Joshua Laird for those who are new or have not met him before.

Stacie: Runs through the agenda and asks for comments/additions before we get started.

Gerry Glaser: Our goals it to have as many action oriented items as possible and I would like to have a list of action items at the end of the meeting. We have a packed agenda.

Stacie: This agenda is a follow up to action items that have come up in previous meetings and as we make decisions and have discussions, the agenda grows.

Sandy Hook Unit Coordinator: Asks that we defer the mooring conversation to the February meeting due to new or missing information from DEP.

Gerry agrees to summarize what he has learned regarding moorings and will report on it later this afternoon.

John Warren: Meeting dates for 2017 : Friday 2/3, Friday 4/28, and Thursday 6/8 – no summer meetings. We will consider dates for the second half of 2017 at a later meeting.

Meeting summary for the last two meetings have gone out and John Warren seeks comments or asks whether the group wants to approve meeting minutes now or agree to approve them by email for next week? Agreed by consensus: September 2016 and October 2016 meeting notes are accepted. Mary Eileen made a motion to approve. Jeff Tyler seconded the motion. Shawn agrees with the caveat that acceptance is contingent on whether we find anything that needs to be changed subsequently. Agreed to by consensus.

John Warren: All committee members have received a zip drive with materials for use, including the park GMP (distributed at the beginning of the meeting).

Superintendent – Park Update: A lot of project work is still going on in the park. Not much has changed since that last meeting but here is a refresher: Projects still underway include rehabilitation of or repairs to Building 102, Beach Centers, Sandy Hook Housing, History House, Theater. Telecom to restore and provide new service at Sandy Hook, design work on the revetment behind the chapel, signs project, completion of a new sewage treatment plant by spring, lift station improvements, emergency repairs to water plant roof are ongoing as are improvements to Battery Gunnison, contracting for the rehabilitation of the lighthouse, and relocation of maintenance facilities. We continue to work with the County to address safety and access to Building #23 (under an LOI with Monmouth County Vocational School District). We are in the process of hiring a Sandy Hook facility manager to oversee the facilities operations. Additionally, we are in the process of hiring at Sandy Hook a new Chief of Operations for

Resource and Visitor Protection – that person will oversee fire, safety, and related operations at Sandy Hook and will report to Captain Greg Norman (who is introduced to the group). Captain Norman has come over from USPP and has been the Chief Ranger for approximately one year now. Regarding tarping buildings, we are working on some roof repairs on Officers Row at Fort Hancock (going beyond tarps). We are working on installation of membranes on three buildings (2, 7, and 17) to get ice water dams on them. We want to make sure we are sealing them and protecting them from further deterioration. This is underway.

Comment [SAW1]: This roof was already repaired.

Also, we have new folks on the Committee, some of whom may not be familiar with the General Management Plan (GMP) so the Superintendent wants to provide a brief summary: The GMP was completed in 2014 (six year process). It is the overarching vision as to where we want to get to as a park. The main theme is about the visitor experience. We will remain good stewards of our natural and cultural resources but want to provide good experiences for those who come and visit the park. Of course, Sandy Hook will remain a very popular beach destination but Sandy Hook is zoned (GMP zoning map is displayed on the screen) and it shows which areas are slated for what. Red = Historic and covers the historic post area of Fort Hancock. We are hoping to provide expanded trails, boating launches, and to build out connections with neighboring communities for linkages and transportation. We would like to focus on increased protection of natural resources and maritime heritage. We want to expand the Multi-use path (MUP), connect with off-site bike trails and parking lots. Batteries Kingman and Mills will become hubs for camping and outdoor recreation (bikes, trails, boating). Fort Hancock (NPS Portion of Sandy Hook in total) will become a premier NJ area for outdoor recreation and interpretive experience with the widest variety of adaptive reuse of Fort Hancock post facilities for lodging, restaurants, and conference centers. The GMP required an Environmental Assessment (EA) which is a deeper analysis about the alternatives by which we can accomplish our goal. This was completed over a six year period despite the major hurricane which occurred during this time period. One area we evaluated was our cultural resources. It was not possible to restore all of our cultural resources to their original historic condition. Neither would that be desirable. We wanted to maximize where we would dedicate our time and money so we considered over 400 structures and considered whether they were fundamental resources, had National Register status, some other level of significance, the current condition of structure, uniqueness to Gateway, visibility to public, potential use, vulnerability to potential storms, and related investment. After evaluating, we determined where buildings would fall in terms of being place in the *preserved*, *stabilized*, or *ruin* band. The greatest share of park resources would be devoted to buildings designated as those in the Preserved bands. In terms of buildings slated for stabilization, we plan to use resources to maintain them as is or do what it takes to keep them from becoming a safety hazard. For those buildings designated a “Ruin,” we will leave them as is or demolish them if required/safety hazard. We worked closely with the State Historic Preservation Office (SHPO) on banding and this is an ongoing dialogue as the programmatic agreement requires each structure to undergo National Historic Preservation Act Section 106 consultation prior to initiation of any adverse impact. We have consultation actions ongoing for several discrete actions. I wanted to give you a sense of the process, what our vision is, and how we are prioritizing our resources. All of the buildings in the park are listed in the GMP and identified in one band or another.

That sums up the overall vision for the GMP and what we are seeking to accomplish.

Shawn: As you look at the GMP, the most important document to look at is the Record of Decision (ROD), which outlines the final decision. The Programmatic Agreement between Gateway and SHPO is attached and identifies the deliberative thought about the decisions made by the park.

Linda Cohen: I've never heard reference to a demolition process? Is that new?

Superintendent: We have discussed demolition previously. Structures considered for demolition in the Fort Hancock Historic Post are 104, 119, and 120, which are historic but on the demolition list due to considerations such as condition, location in a flood plain, comparison to other facilities in the range. We had a group that was interested in all three of those buildings but they have since backed out. We are in consultation with SHPO and the Advisory Council about the demolition of those buildings which is funded as part of our Sandy Recovery.

Lynda Rose: When is that scheduled to happen?

Superintendent: It is not scheduled yet but must move forward due to Sandy funding and corresponding limits on use of those funds. Those buildings are not among the buildings identified as among the resources towards which the FACA Committee actions are geared. That is not to say we cannot discuss them.

The focus on the buildings in the RFPs now is the result of the banding process described above, which identified the structures listed in the RFPs as some of the most significant historic structures at Fort Hancock Historic Post. I want to be very intentional about utilizing our resources and staff time by keeping them focused on the most critical resources.

Lynda Rose: So what about the Sandlass House? Is that one of the buildings we should be considering?

Superintendent: The Sandlass house is not really a decision that involves the Committee, it does not contribute to the National Historic Landmark (NHL) district, it is not of any cultural/historic significance as measured by the NPS or the New Jersey State Historic Preservation Office, it is in a very low lying flood prone area, and there is no parking. However, we understand the value some community members see in the facility and so we have put the brakes on the demolition to allow the community time to move the building should they choose to do so.

Mike Holenstien: So are demolition funds only allowed to be used for demolition? Are those Sandy funds?

Superintendent: All funds have strict criteria placed on them. Sandy funds cannot be used for projects that are not resilient. Demolition funds are slated for demolition only. They do not always come from the same pot of funds.

Shawn: [Shows the group Buildings 119 and 120 on the map]. These buildings are 6' below the 100 year flood plain, and have flooded a number of times since constructed in 1941-42 time period.

Sandy Hook Unit Coordinator: Beyond the outside clapboard, there is very little historic integrity in those buildings.

Shawn: There are no character defining features in those buildings beyond the exterior and there are interior mold issues. Building 104 is a different animal. It is one of two buildings left that served as proving ground housing. This particular building was the Proving Ground Foreman's family residence. This was the senior civilian at the Sandy Hook Proving Ground. Once the Proving Ground moved, the Army used it as senior Non-Commissioned Officer family housing. At one time, US Coast Guard (USCG) put families in that house. It can house approximately 8 people. It could be a quick and easy fix for any group that has the resources to take it on. Army Ground Forces Association (AGFA) is participating in consultation with NPS, NJ SHPO and the Advisory Council on Historic Preservation (ACHP).

In response to the group's questions, Shawn explains that Appendix B of the GMP is where they can find a list of all the historic structures across Gateway considered in the banding.

Stacie: So this is an overview of the GMP and the buildings. If there is further discussion required or desired, we should put it on an agenda for another meeting.

Margot: Building 104 is really cute. Is that building really scheduled for demolition?

Superintendent: Yes.

Stacie asks that we defer further discussion on this matter as we have a packed agenda. Margot clarifies that she understands this building is not within the Committee's purview.

Shawn: Reminds members that all contributing structures within landmark district are within the purview of the committee for evaluation and recommendation purposes. Each time the Federal Register carries an announcement for membership, it states clearly "The purpose of the Committee is to advise the Secretary through the Director of the National Park Service, on the development of a reuse plan and on matters relating to future uses of the Fort Hancock Historic Landmark District of Gateway National Recreation area". Our charter covers advice regarding future uses across the Landmark district – that encompasses the entire peninsula that is within NPS jurisdiction.

Shawn: under what circumstances can Bldg #104 be leased?

Superintendent responds that only non-profit organizations are authorized to directly negotiate with the NPS for this structure. It is not otherwise included in the current leasing program.

Lynda Rose: Can we salvage materials from demolished buildings?

Superintendent: Yes.

Stacie: Encourages the Committee to review the list and let NPS know about further discussion desired in connection with structures at Sandy Hook.

Superintendent reminds the group to review the "Preferred Alternative" (Alternative B) documents.

Gerry Glaser commends the park on its work related to the GMP, which required a very thoughtful and detailed process, we should not lose sight of that as we have this conversation.

Mike Holenstien: In terms of discussing this additional Building as part of the conversation, I am wondering if it is the committee's job to look at and manage other structures – I don't think we need to bring the buildings such as Building 104 and discuss the flood level, clapboard, etc., and tell the park what to do with it. Why would we devote time to a discussion of that building or the merits of the Sandlass house? The recommendations from this board are already in the works. Why would we make more out of it? The park has already undertaken action based on a proscribed process.

Shawn: SHPO has already been consulted on possible demolition of buildings. This committee needs to be aware that consultation is going on. There is a statutory process, it is being used, and members of this committee are involved in some of these processes. Army Ground Forces Association is party to the consultation, as is the Advisory Council on Historic Preservation. .

Mike Holenstien: So there was a period of six years during which this was discussed, a decision, made, and funding set aside. We don't need to go back and undo what's been done in the past. It is not a good use of our time.

Agreed that putting this topic back on the agenda for future discussion is not a good use of our time. (Shawn and Mike).

Shawn: This topic is actually working in other venues. Updating the committee on that progress is useful.

Mike Walsh: We are advisory to NPS, so if they bring something before us, it is our mandate to provide advice. So if Superintendent comes to us and explains there is building we want to tear down but a public group has come seeking use of that building, if Superintendent asks, we should respond.

Mike Holenstien: If asked, we should respond, we should not go "looking for trouble."

Mike Walsh: We can't be blind to community input, we are a vehicle for that community input.

Superintendent: We will bring issues to you that we need your advice on. If there are issues we are not aware of, please bring them to our attention. Nothing is set in stone with the banding process but was the result of a very long, very strict, vetting process. If there are lessees that come forward and want to invest a couple million dollars in those facilities, we are not going to close the door on it. But neither are those buildings identified in the RFP. When AGFA requested Section 106 consultation status, we put the brakes on demolition and offered to negotiate a non-profit lease. Ultimately, AGFA was not able to move forward. Neither was the other group (Tri-State interested in Buildings 119, 120) . If these buildings were a light lift, we would be doing it ourselves. We are trying to keep our focus on what is most important, and where we can make the biggest difference. If demolition is the solution, we want to move forward with that without staying in stasis forever. These buildings were not approved for inclusion in the leasing program. The only way they can be leased is direct negotiation with a non-profit entity that is capable of undertaking and completing the project.

Michael Walsh: When we talk about investment, we talk about money that needs to be investment in a building. If someone wants to rehabilitate another facility, that is an investment in man hours that has to be allocated to something other than what we are focusing on. It is an investment of the Superintendent's resources in something other and we should be very cognizant of resources spent and keep that in mind.

Superintendent: Thank you. Every time we respond to a request/interest in another building, I have to pull staff off focus from our yellow brick buildings. It is important to keep our focus.

Ethics Presentation - Summary: Gerry Glaser provides the introduction with a disclaimer that he is not an ethics professional. He noted that soon after the advisory committee was established, members received a summary of ethics considerations that federal employees are generally made aware of. While all such provisions do not necessarily apply to advisory committee members, that presentation is repeated as a general reminder to committee members. Though we were not able to get an NPS or OEM representative out here to make the presentation or answer questions, he recommends you review the ethics presentation given at one of the Committee's earliest meetings (from which slides are presented). If you have questions, we have included phone numbers of the folks authorized to answer these questions. We are bringing this forward in order to refresh – not for any particular reason.

Points made by the original presenter in 2013:

- Ethics liaisons are there to be thoughtful and helpful.
- The Regulations that apply to government employees do not apply to the FACA Committee Members.
- There are often conflicts that must clearly be avoided. Gerry asks the group to consider that while those conflicts or lack thereof may be clear to the group, there are appearances we must also be aware of.

Gerry Glaser urges the group to go through the slides. He reminds the group that he is not here to answer technical questions. Gateway is trying to arrange a presentation from the ethics officer for the April 2017 meeting. In the meantime, Jeff Davies, ethics officer, is prepared to take calls from the Committee members. The phone numbers are included in the slide presentation up on the screen (and corresponding handouts).

Next Topic – Corrections required for the education and non-profit RFPs.

Gateway BSD- Michal Wisniewski: Many interested parties we tour with expressed some concerns about conflicting information in the RFPs - specifically with respect to Buildings 23, 24, 25, 55-57, 60, and 70. There is not-for-profit or non-profit language included with respect to specific buildings which leads to confusion. We will consider revising the language. The cover states that the RFP is for use of non-profit or education facilities. We need to amend it to read "commercial and educational." Agreed – the RFP will be renamed "**Leases for educational uses or other compatible uses.**" It is meant to alleviate the impression that these buildings are only available for use by non-profit organizations or that interested parties must be non-profit entities to submit a proposal for specific facilities.

Agreed, we will add this as a footnote : ***Commercial and Education use includes non-profit or not-for-profit entities.**

We will revise the language so that it is not confusing. It seems a number of interested parties were under the impression that they had to be non-profit organizations to submit proposals for use of those particular buildings. The three basic zones referenced in the RFP will be modified to commercial/educational (without reference to non-profit).

Mike Walsh is confused about the meaning of compatible use. Mike was not part of the Committee when the use zones were established.

Pam McLay explains that “compatible use” is fluid and we will be discussing compatible use a bit later today.

Michal Wisniewski: We had to revise language addressing the five use zones (in the original RFP which included residential and residential/office, and which were subsequently changed to “compatible use.”

Jeff Tyler: There should be a sentence that states the RFP does not require the tenant to be a non-profit. Additionally, why do we need to list all the different types of uses? If we receive a proposal, wouldn't we consider that use? Why do have to make it complicated?

Michal Wisniewski: We want to simplify, that is why we have three zones. Compatible means anything compatible with our mission and values. Education/Community requires us to consider the uses underway in those zones, and Commercial considers area where we would allow those uses based on what exists or is proposed.

Pam McLay: It seems that the newer members have not been briefed on the use maps, which were developed by the Committee, and have been refined over time. We will discuss this in greater detail later this afternoon, when we talk about uses in the areas.

Tony Mercantante: I was going to suggest that we have this discussion along with the use discussion scheduled for later this afternoon, they are topics that would be covered well together.

Michal Wisniewski: Pages 7 and 8 of the RFP will be revised in accordance with discussion. References to not-for-profit will be removed so as to avoid confusion throughout the RFPs. Similarly, on pages 12 and 14, there is conflicting language that needs to be corrected to “one or more” or “any building or combinations of buildings is available.”

John Ekdahl: Would it make sense to clarify that for profit business are allowed?

Michal Wisniewski: There are references in the RFP that identify for profit use as allowed in these zones.

Shawn: So we understand that the revision will address the confusion about the references to not-for-profit.

Michal Wisniewski: We will make a similar change to page 31 of the RFP (and any references to required proof of non-profit status will be removed). This page addresses financial criteria – the requirement to provide non-profit status is confusing to any for profit organization interested in these facilities.

Mike Walsh: Are we muddying the waters by making the distinction?

Pam McLay: The 501 c 3 distinction is what allows us to negotiate non-competitively.

Mike Walsh: You have to distinguish between the two if this is a process page that addresses that distinction.

Groups members ask if it is limited to 501(c)(3)s? NPS will check.

Michal Wisniewski: When meeting with prospective Lessees, I make it clear that they are not required to be not-for-profit organizations to submit proposals. We are concerned there are some folks out there who are getting the impression that they are excluded because they are not not-for-profit entities.

The Committee has no objection to the proposed changes.

Liquor license discussion is moved to later this afternoon (12:30) in the interest of time

Also, requests for updates on Leases/proposals made by Committee members will be addressed in the 12:30-ish time range

Next Topic – NJ Travel and Tourism (NJTT), Mike Styles

Introduced by Gerry Scharfenberger, Mayor of Middletown Township

Mike Styles: NJTT looks to draw tourists from other states and works to encourage NJ residents to vacation at home. The Tourism Tax Receipts come through hotel taxes and that is how the NJ TT gets funded. Mike is the State's Tourism representative. He has a colleague who administers state grants for tourism.

The Tourism sector generates \$37 Billion of State GDP. Only Atlantic City has exhibited some decline. Every county in the state has experienced tourism growth. Tourism is expected to grow through 2020. There is an extensive economic analysis done for the State every year. NJTT is the marketing and advertising group for the state direct to consumer and through the trade. The Market is the tristate area. Our two key markets are NYC and Philadelphia. NJTT does significant cable and radio advertising and some travel trade publishing. www.Visitnj.org is the website.

NJTT is about to kick off marketing plan for next year and the years beyond. They are in the process of refreshing their website. Mr. Styles takes us through the website. There are listings of free events. Their advertising changes depending on the season. They publish a Business (annual) and Events (quarterly) Guide every year (magazine). They distribute approximately 400K copies of the guides in hard copy format.

The NJTT is driven by local and regional marketing. Many local and regional organizations partner with Destination Marketing Organizations (DMOs) and they feed the NJTT. Mr. Styles shares a marketing map that breaks the state up into regions and identifies the marketing DMOs that drive each area. The Monmouth and Ocean combined DMO has disbanded so NJTT is working directly with the counties – each has a Tourism representative. NJTT distributes promotional materials throughout the state.

Encourage localities to promote tourism and working with NJTT:

- List your event on NJTT's site and it will also be included in the hard copy publications
- Work with NJTT to promote on social media platforms
- Work with DMOs
- Explore Opportunities with Grant Programs (two types):
 1. Work with DMOs to fund activities

2. Cooperative Grant Programs – up to \$25K for local business to provide travel and tourism marketing. Grants are competitive. You do not have to be a non-profit or even a business to compete for a grant (ex: Quick Check Festival of Ballooning, NJ Wine Growers Festivals, etc.).

MaryEileen points out that they Monmouth County Arts (MOCA) were able to do a lot of promotion in Philadelphia and NY through an NJTT grant they received two years ago.

Gerry Scharfenberger asks if a B&B owner can compete for a grant for his business?

Mike Styles explains that grants are awarded if you can show that your event will draw tourism and keep visitors overnight. The intention is to motivate local business and chambers of commerce to bring tourism in.

Superintendent asks if we could develop a packet for potential Lessees that will advise as to participating in local marketing efforts with help from the State? Also, does Sandy Hook appear in the State Tourism promotional materials? What can we do to facilitate partnering with NJTT?

Mike Styles: It is very important to get in touch with Jean DeYoung, Monmouth County's tourism representative. Also, we need you to provide us with the information so we can promote it. If you want something identified, let us know. The business or locality must contact NJTT.

Action Item: Gateway to provide information to NJTT.

Superintendent: We'd love to be able to highlight any information that would let people know that there are opportunities at Gateway.

Lillian: I can assure you that our County Representative, Jeannie DeYoung is very active with the State. We have recently received a grant from the State to "grow Monmouth." There is a large agri-tourism component receiving a lot of interest and growth.

Mike Styles, in response to a Q from a FACA member: Grants are available for county and local governments.

Tony has questions about limitations on grants. Mike Styles recommends that Tony contact Colleen in the NJTT office.

Lynda Rose: Recommends that NJTT reach out to some of the larger chambers. If you want help with Destination Marketing, take advantage of those larger chambers. We already work with the County tourism liaison but in terms of promotion, we do not have a relationship with NJTT.

Shawn: As you are updating the tourism book, it is important to get more information about Fort Hancock in there.

Currently, any links to Sandy Hook on the NJTT site are provided through the National Parks of New York Harbor Conservancy Site-.

Pam McLay: We have a marketing working group that might consider ways to get marketing going with NJTT.

Superintendent: And I know that Daphne's [Public Affairs] wheels are spinning.

Stacie: Making the link back, how to get more materials to the NJTT, get more information on the website. What should the marketing group be doing?

Margot: Is not sure whether a Federal Government property would be eligible for a grant.

Gerry Glaser: I heard you say that an important part of this is getting visitors to spend the night. Maybe we need to get the marketing group working on visiting Sandy Hook, spending the night in Highlands, and taking a building while they are at it. Maybe we need to market tours of the buildings while visitors are here, much like people market timeshares.

Mike Styles: Agrees.

Pam McLay: At the very least, we should have the correct links on the NJTT site and corresponding materials.

Action Item: Outreach Group to circle back with NJTT on website and other.

Lynda Rose: Is there funding available for advertising?

Mike Styles recommends reaching out to his office. The listings in the Event Guide is free. Mike recommends we do that to start.

Margot Walsh: Your group does a fantastic job on a very slim budget. I'm always amazed at what you turn out, the quality that you produce, especially since your budget keeps decreasing.

Mike Styles: Thanks Margot for the compliment and points out that he has a very small staff.

Mike Styles responds to a question from John Ekdahl: The State GDP is skewed towards the summer though over the past few years, you have seen growth. The shoulder season is expanding. People are looking for things to do on weekends. Some of the feedback we have received is that there is a lot more activity available and growing. When you see more activities, you see the impact on tourism growth across the state. Even the southeastern counties, which are not hot tourist destinations, have tourism growth. There is a lot of epicurean type growth (wineries, breweries) but it is the events happening in the shoulder season that are the primary drivers. We've seen growth 6 years in a row, it is projected to continue and we want to keep the growth in the state, and grow it from the outside.

Mike Holenstien asks if the County has a link to the FACA site on its website?

Public Comment – 11:30

Katherine Carton, Carton Breweries: Was looking a possible rehabilitation project at Sandy Hook. One of her concerns is the budget and how to go about budgeting without any ascertainable data about tax liability. She has her rehabilitation costs figured out but does not know how to account for taxes. She lives in Middletown. She understands how the tax structure works but does not know whether she will be

taxed on improvements based on a rate applied to structures located Navesink River Road or in northern Middletown.

Tony Mercantante: I recommend you stay for the 1:00 pm discussion with the tax assessor. When you approach a building, there will be an assessed value (which will be low given the current condition). The municipal tax assessors will revise those figures based on improvements but will also account for the limitations on the property – that will be discussed today and you should be able to have a good picture of what taxes will be and how they are expected to grow during the course of the year.

Lynda Rose: I've never heard of a tenant paying the taxes before.

Tony Mercantante: Tenants pay taxes all the time. They are responsible for the triple net lease costs and the taxes are passed through the lease or billed directly to the tenant. Most leases have a percentage set aside for the taxes.

Mike Holenstien: Is it correct to say that Middletown Township is set up for assessing purposes?

Tony Mercantante: Yes, Middletown Township and the County.

Mike Holenstien: If the applicant wishes to determine what the taxes are going to be, they should make an appointment with the local assessor and have a discussion. It is very simple, straightforward, and calculated in accordance with the law. There is no question about it. If you want to know, make an appointment with the city tax assessor and they will provide that info.

Mike Holenstien makes the distinction between the Federal Government's status as an exempt entity. The lessees are required to pay taxes because the state of NJ law requires payment of property taxes if you are not otherwise exempt.

Lynda Rose asks if the former concessioner paid taxes all this time.

Pam McLay explains that HSC (the former concessioner) did not have a Real Estate interest. He had authority to operate a business.

Tony Mercantante explains that rest stop businesses do not pay Real Estate taxes due to exemptions under NJ highway authority law.

John Warren thanks the group for these answers.

John Schneider – Keyport resident (also Sea Bright, Highlands previously)

He has a television/cable show that is broadcast from a local university. He runs 30 Facebook groups with 35k+ members and is the self-proclaimed Rick Steves of NJ bay shore travel. He has more footage of Sandy Hook than anyone alive and just finished a 14 program series on Sandy Hook. He worked with AGFA and the park Superintendent to put it together. He wants to talk to some members of the Committee or staff to talk about the future. He is about to edit the final episode which is expected to air prior to Christmas – Restoring the Past.

You can see the show on youtube, vimeo, fb. Jersey Bayshore Country or <http://www.newjerseybayshore.com/>

He does not get paid. He spends his own money. “I am trying to get people from NJ and NY to visit us and to notice us.”

Public Comment is closed at 11:44.

Short Break –

Presentation liquor licenses:

Sandy Hook is not subject to limitations on number of liquor licenses. NPS will work directly with the State to address licensing at Sandy Hook.

State of NJ Requirements to obtain a liquor license at Sandy Hook:

- Proof of exclusive possessory interest (such as a lease)
- Completed application
- Park approval
- \$2000 application fee
- Ongoing annual fee of \$2,000 if the license is granted.

There is no limit on the number of liquor licenses the State will issue at Sandy Hook. This area is not subject to the ratios limiting the amount of licenses that would typically be issued in a municipality. It is up to NPS to determine the number of **liquor licenses** it wishes to make available at Sandy Hook.

Discussion about whether there is the ability to produce liquor on site for tasting and sale. Yes, according to Tony Mercantante, but that is a different type of license.

Updates on Leasing:

1. NPS extended the MAST LOI for six months (Buildings #23 and #56)
2. NPS extended Affordable Housing Alliance LOI (Building #27) for another sixty days. They have funding in place and NPS will be meeting with them to address next steps, deliverables, etc.
3. NPS is close to executing another LOI, the details of which will be shared after execution. We have evaluations the Panel has determined are responsive.

In response to a question from the Committee, NPS notes there are approximately five buildings considered for future use/responsive proposals.

Mike Holenstien: If you are able to offer liquor licenses that significantly impacts the type of response you draw. You should consider the ability to make money off the sale of **liquor licenses** to proposed Lessee’s and you should be aware of that.

Pam McLay: I agree that it is a business opportunity and that we would not want to leave that revenue on the table, we’ve heard from Katie Carton today about some of the challenges Lessee’s face with respect to these projects and we should consider this an incentive.

Mike Holenstien: As a member of the Committee charged with advising you, I recommend you find a way to capitalize on this business opportunity. Also, if you are able to provide the opportunity for a store such as a 7-11, the value of having a captive audience is part of the business opportunity that you should not ignore. This is not a one size fits all.

Mike Walsh: The value in having the ability to offer a liquor licenses is the ability to put revenue generated from the liquor licenses to investment in the property. That allows them to offset the cost of rehabilitation more quickly, encouraging investment at a quicker pace, and allowing for shorter leases.

Pam McLay: We have to balance that based on the IRS Tax Credit consideration of the 39.5 year lease term required in order to qualify for historic tax credits.

Mike Walsh: You should build in a fee related to the liquor licenses.

Pam McLay: We have the capability to review that issue on an annual basis.

Tony: liquor licenses come with more oversight responsibilities. Responsibility for following those rules imposes more stresses, so there is a very valid reason to charge more additional fees to cover those costs to the park.

Superintendent: This is really good advice and gives us more opportunity to consider what we need at Fort Hancock.

Gerry Glaser: Regarding proposals deemed non-responsive, is there any feedback that can be provided to the non-responsive party? Does NPS provide additional information to the rejected offeror as to why?

Pam McLay: The letters issued in connection with proposals deemed non-responsive are very general but the offerors can ask for a debriefing from the panel.

Committee member (unidentified): So they can't resubmit if they don't know why they were rejected...

Pam McLay: They can request a debriefing to find out why they might have been rejected. The panel is willing to work with any offeror. The panel will reach out to offerors to obtain additional information as necessary. Clarification is often required and that takes time.

Facilitator: So does the park get informed if offerors are deemed non-responsive?

Pam McLay: Yes.

Facilitator: Does the Committee get informed?

Pam McLay: Yes, or they will be at some point after the determination is made.

Mike Walsh: What are the lessons learned from proposals that are being turned down. Will we be finding that out? Is there something the Committee can learn from the rejections that will improve the information going out to the public so that future proposals can be better crafted?

Pam McLay: If there are data gaps, the panel is not going to turn a proposal down. The panel will reach out to obtain that information.

Mike Walsh: Is it being clearly communicated what data is required with a proposal?

Pam McLay: We provided that checklist Kate [Stevenson] put together, and we recently revised the RFPs. WE are always refining the information provided based on the feedback we receive from interested parties.

Facilitator: Can the park ask for a lessons learned review from the Panel?

Pam McLay: We can ask the panel where they see weaknesses. We know they are going back to applicants and asking for additional information and that is why this is taking so much time. We are really still in the first round – the panel is still evaluating August proposals.

Mike Holenstien: We should look at what other types of activities that require licensing we might consider at Sandy Hook. Also, the cost of dealing with the historic structures in their current condition is a pittance compared to the cost of obtaining a liquor license and the parcel of land on which the use will be authorized typically in the State. Mike Holenstien urges the group not to sweep this potential/opportunity under the rug.

Lunch –

Presentation by Monmouth County Tax Assessor, Matt Clark. Introduced by Lillian Burry

Gateway will request the package of materials referenced by Mr. Matt Clark and share it on the website.

Matt Clark - NJ Assessor's Manual on Taxation states: Prior to 1944 NJSA (statutes) provided tax exemptions from real owned property of the US. There is no exemption for federal property under NJ tax law. The doctrine of sovereign immunity precludes taxation on the US but that is based on Fed Law exemption.

There is Supreme Court case law that states if property is for for-profit use, it is not tax exempt.

Shawn Welch: is the tax assessor's handbook available on line?

Matt Clark - (Responses to questions from the Committee): The tax assessor's handbook is available on line. Under current law, unless you want to change current law – a precedent for which I could not find – and which would impact other entities in the State of NJ and worthy of further discussion. Additionally, regarding concerns of the municipality and the roughly 35

properties that are available under the RFP, they are still subject to exemption. If you add a number of school students as a result of this project, there would be an impact to the municipality. I understand that is not the intent but that is something you should be mindful of. If you want to change a long standing law that addresses exception, you can add a caveat about the fiscal concern to Middletown Township, that a per pupil fee be included for the sending district – in lieu of the payment, to address the protection of the other residents of the town.

As we move forward in the discussion of taxation – assuming no law changes, current law states these properties are subject to taxation if used for profit by a party other than the federal government or its contractors.

So we have to figure out how the taxes will be levied/applied. The idea of return on an investment is not applicable if you do not own the property at the end of the lease term. We should consider how an investment of this type is different from another beachfront investment in a similar property. What the tax assessor has concluded is that there are whole bunch of constraints on the property that make it difficult to ascertain. The summary: The properties should be taxed and the discussion as to whether or not the law should be changed is on the table and left for decision makers.

A property value should be identified and should be modified from the normal valuation process based on the constraints in hand. Those considerations include restrictions on:

- Getting into the park during the busy season
- Ability to make modification to the property
- Land utility
- Parking
- Considerations for which the tax assessor could not assign a value to or find an example on which to identify a discount. We need a better understanding of the details of the diminishment of the utility by the constraints in order to make that determination – which is not now clear.

Monmouth County provides annual reassessments and this is unlike the old model where we established a value and expected it to be durable over time. As this evolves, if the number must be altered, the assessor has the legal obligation to do so, based on current market value. So what these leases are going to level off at, and as the data comes in, we will be able to make that determination.

The Tax Assessor understands that it is hard to make an offer on a property with this unknown hanging in the balance. The antidote to that is that the assessor has the power to (and must) make that determination on an annual basis. The autonomy of the assessor is going to stand and the local jurisdiction will set the annual assessments on a practical level. The number put in place, if not an appropriate market of its value, is something that can be appealed in a formal setting, before the county assessor's office.

This is so unique and the Tax Assessor expects that it will evolve in its own way, in spite of any other fix resulting from legislation that may provide a tax fix of a different kind.

Matt Clark does not think there is any great harm done, assuming that school issue is addressed and there is no opposition from other residents of the municipality. This is a unique situation that is not likely to arise again in the county or maybe even the state.

Matt Clark refers to the preliminary tax list summary provided by the Middletown Township Assessor and is interested to hear from the decision makers in this room what data he should be exploring, so that he can assemble the data in support of the decision making process. He asks the Committee to tell him what we need from him in order to make the smartest decision for the Committee and for Middletown Township and for the County.

Pam McLay: My office gets the question: what is the ultimate tax obligation? The land is not going to be included in the valuation. Is the building being considered on a square foot basis? If I make a one million dollar investment, is my assessed value going to be \$1M plus the assessed value.

Matt Clark: Not necessarily, based on the constraints. In a typical residential situation, it is based on market value. In this case we have to make the correlation on the level of investment and the impact on that value. I do not believe that based on the constraints you are going to get that same level.

Pam McLay: How do I help the Lessee understand total value after investment?

Matt Clark: You are in a difficult position. To come out of the gate and say what the remaining value of the investment is, because there is no ownership interest at the end of the lease term, it is hard to answer what happens in exchange for the investment.

Tony Mercantante: The one good example we have is Building #21 – the value is identified at \$238K on the preliminary tax summary. Is anyone shocked by that preliminary value considering it is located on the water and is a duplex? But take as an example two identical Officers Row houses, where one lessee invests \$500K and another invests \$1M. They will be taxed based on the difference but both assessments will account for restrictions and limitations on the property. Additionally, the more examples you have on which to base the evaluation, the better/truer they become – especially based on the fact that Monmouth County is required to assess on an annual basis. We will learn how to hone in on the value as the buildings become occupied. It is a pretty safe process and no one will get blindsided if they sit down with the municipal tax assessor beforehand.

Matt Clark: Based on the data, there is not going to be one format. There are a lot of different flavors. From a leasing standpoint, and an advertising standpoint, reference the 2017 real property tax list (distributed).

Pam McLay: So should we encourage potential Lessees to extrapolate from the current tax list summary?

Tony Mercantante: Yes.

Jeff Tyler: So what does that equal this year?

Tony Mercantante: Approximately \$3,000.

Committee members revisits the taxes re: Building #21 using 2016 tax rates: It was about \$6-7K

Tony Mercantante: Right, for simplification purposes I am only considering the Middletown Township share, not the county share or the Board of Education share.

Matt Clark in response to a question from Jeff Tyler Q: The square footage on the tax list is based on living space.

Jeff Tyler: What are occupants getting from the town or county? Also, is the question of tax separate and apart from services provided by the Municipality? As a tenant, I want to know my cost per square foot.

Superintendent: Also, to clarify, it is our intention to charge a CAM fee, which we are waiving for the first five leases. The CAM fee includes, fire, police, road paving, etc. Superintendent's fear is that tenants will refuse to pay the CAM Charges if they have to pay municipal or county taxes. What is your response to that?

Matt Clark: I can only make an analogy to gated communities which charge a CAM. That does not absolve any tax obligation. There is no exception requiring a municipality to bifurcate cost of services. Additionally, when it comes to police or schools, there is not room to make exceptions absent a constitutional amendment. If we agree that taxation is the correct way to go, the avenue is not about changing the tax law, it is about changing the assessment. But if you have duplicative services and coverage – is it superior to what the County provides?

Superintendent: It is not duplicative.

Matt Clark: The municipality showed its cards with respect to the tax rate indicating that it will not... Regardless, the annual reassessment process will help. If in fact you get to that sixth lease, where someone has to pay CAM fees that may end up being a reduction to the assessment when completed on an annual level. It will be reflected in the first of the following year based on evidence provided to the municipality.

Shawn Welch: I see an assessed value but the piece that is missing is the formal recognition of the federal control. There needs to be a structure that is easily understood by laymen. What is the discounting, how is it done, what are the elements? Is the discount implied in here? Or are we not there yet? referring to the tax list and the property card...

Mike Holenstien: You do not get to ask. Every year, the Assessor revisits the books and makes a determination. If you do not like the determination, you can appeal. The assessor does not have to tell you how he comes to that figure. He is not bound to you, does not answer to you in that way. The questions you should be asking then is: If you are to assume a property is worth \$1M, you apply comparisons and apply the limitations. It is just as hard for the assessor to assess as it is for the private individual to overcome the determination. The burden of proof is carried by the property owner who is required to overturn the presumption of correctness. The Municipal Tax Assessor is not obligated to explain his reasoning to the County Tax Assessor. The Municipal Tax Assessor is bound to the State of NJ. Once you appeal, you bring the proofs in. So if we think the burden is so burdensome, we need to appeal after the assessment comes out. Ask if the tax rate is reasonable. Do you think a 75% deduction is appropriate? You are paying 75% less than a property would command outside the park.

Shawn: I am looking for structure.

Mike Holenstien: You don't get structure.

Dan Saunders: There is still an unestablished question as to how the Federal Government decides the state law applies in terms of having the authority to tax.

Matt Clark refers to an older case that identifies how the Federal Government can subject a lessee to local taxes (which he will share).

Mike Holenstien: We can try to understand the Supreme Court case but we should ask the Chief of Business Services (Pam McLay). Do we pay taxes because the lease says we have to?

Pam McLay: Yes. The reason a non-NPS facility occupant must pay taxes is because the lease says so – end of discussion. We do not need to ask what law requires a third party to pay property taxes to the state. It is not like we can remove that provision from the lease. The law dictates the requirement and that is why that provision is in our lease.

Gerry Scharfenberger: Could something be developed (like a range) that accounts for a discount? For example, houses that are located along a railroad corridor are subject to a discounted tax rate. There is range of discount. Could we implement/create something like that here?

Matt Clark: Yes, but we want to create something that the valuation of which can be corrected as we have firmer information (adjusted on an annual basis). We want to create something that is durable over time. What I can expect is that the property record cards will be posted on the county's website so people can see what information is out there. As more assessments are put on the books, that information becomes clearer. There are questions NPS should address with the assessor, such as: does the tax rate go into effect as of 1/1 or does it "hang out" for a year

before it goes into effect. The details of the annual assessments will be shared and addressed as required.

The Matt Clark has all the confidence in the assessment team in Middletown Township. He is confident that assessments will be true and correct on an annual basis, and that if evidence comes in that the rate should go up or down, Middletown Township has a basis on which to take action.

Margot Walsh: NPS provides fire services, clean up, trash, etc. Middletown Township also includes that in their tax rate. How do we address this with potential Lessees?

Matt Clark: Everyone is taxed on the general tax rate which is common to all - not including fire districts or other special districts. You can turn around and show the way NPS provides services or lack thereof and use that to make an argument about the tax rate imposed by the municipality or county rather than asking the municipality or county to revise or exempt that method by which they calculate or provide exemptions.

Superintendent: Would a municipality entertain payment to Sandy Hook/NPS for services provided to our Lessees, the costs of which are also assessed by the municipality under the tax structure?

Matt Clark: It may be considered for discussion.

Tony Mercantante: There is no broad brush approach to this process. We may be able to talk about a special discount. For example, there is a certain value applied to all houses situated on the Navesink River because everyone's view is equal and it is a perk of living there regardless of the type of house you have. You can also argue that the 35 residents of Fort Hancock have enhanced services because there is a fire department that responds to 35 buildings, not to a portion of a township.

Superintendent: But that Fire Department is also serving 2 million visitors.

Tony Mercantante: Another example is a gated community that pays CAM fees. They have added value because their roads are restricted and do not require as much maintenance and upkeep. When you choose to live within a special district, you have to submit to the existing tax structure and also the CAM.

Matt Clark: Monmouth County has created what is known as Taxpayer Informal Tax Review (TIERA). It allows Monmouth County residents to engage in dialogue and memorialize decisions about potential value through public record. Any property owner may submit an application or question to the tax assessor for consideration and this is a method by which the county considers data that might change what the upcoming year's valuation might be. If it is not resolved to the taxpayer's liking, it closes out on an annual basis just prior to the notification by the municipality of taxes, and the taxpayer can automatically appeal that decision. This increases

transparency. All the public records will be located in one place (deeds, mortgages, tax rate/property card, appeals, etc.).

Shawn: Going back to Dan's comment asking where the citation is that requires deference to NJ tax law. .

Matt Clark: NJSA 54:4-1 is the NJ tax law that addresses payment of taxes unless there are noted exceptions in the constitution.

Tony Mercantante: The answer to this question must come from NPS counsel.

Pam McLay: I'm not sure where the confusion is coming from. We cannot convey out our tax exempt status. If a for-profit entity holds the leasehold estate, there is no exemption any longer.

Shawn thinks this is a question worth asking. He will circle back with counsel he has consulted on this issue.

Mike Holenstien: NJSA 54:4.2-3 addresses why property is assessable in the State of NJ.

Pam McLay: Once the rights to the property are conveyed, it is no longer tax exempt.

Dan Saunders: You can argue that an unusual way of addressing the government's obligation to care for and maintain the properties is to allow a Lessee to live there without paying rent if they make improvements.

Mike Holenstien and Chief BSD: The right of use and ownership is conveyed by the lease. It absolves the NPS of ownership of the property.

Facilitator (Stacie): Sounds like some additional discussion offline is required with respect to this topic.

Mike Holenstien: So if properties along the Navesink River are assigned an enhanced value due to location, and we talked about assigning a discount to these properties based on their condition/location/restrictions – those are parts of the assessment. The assessor can give you a discount based on his calculations but you cannot change the basis for the calculations, you can only appeal based on the value.

Shawn: Why is a Lessee not considered a contractor or concessioner (who do not pay property taxes)?

Superintendent: Contractors are standing in the shoes of the government and subject to those protections. Concessioners are operators, they do not have property rights.

Tony Mercantante: Wants us to think about what the scenario would be if someone decided no taxes are required because it is federal land. Think about the public policy implication that would have. I don't think it would be very popular with the taxpayers who would ask who got so

lucky to have their business or residence with views and beauty equal to that of residents on the other side of the bridge who pay a lot of taxes for those privileges?

Mike Holenstien: I have to travel through Middletown Township or Sea Bright to get to and from Fort Hancock. If something happens to me on the highway, I am glad that EMS from either or both respond to me and that is the benefit of taxes.

Tony Mercantante: No one wants a pay as you go system. If you had that, people would pay a lot more money than they do now. It has to be applied fairly to everyone in equal parts. There is a tax implication to everything and you have to be treated fairly within the confines of the state of the law we are in. That's what the State says, that's what the Federal Law says and unless someone from the Federal Government says otherwise, we are required to implement the law.

Linda Cohen: So why don't we implement something like what Gerry Scharfenberger talked about with respect to JCPL discount for homes along the railroad? Also, many meetings ago we discussed a five year tax abatement – certainly a great incentive and what we need at this point.

Tony Mercantante: We discussed an assessment at length in the assessor's office. We do not have the authority to implement an abatement absent designation as a redevelopment area/zone. State law does not allow creation of a redevelopment area over lands they do not have jurisdiction over. We could consider a payment in lieu of taxes (PILT) but that will require help from the legislature.

Matt Clark: There are a whole bunch of considerations regarding a PILT, it removes the property from the rateables database. If we determined right now that we were going to implement a PILT, we do not have enough data to establish what that number should be and so a clause would be required in the PILT agreement that states we could revise the figure based on real data. When is that real data good enough to be implemented? In 6 months, 2 years? Why do we want to fight Middletown Township if they have already shown they are prepared to work with NPS and treat it fairly, and that the numbers they have provided to date indicates a steep discount from open market value. That said, the danger is that if this evolved and you have 35 people agree to a PILT, and then a higher number came into play, would the weight of the holding cost be too great and would those 35 people be able to appeal it? And with respect to market value, the holding cost of each property is a consideration that every property owner in the county has to live with. In accordance with existing law, and considering a huge discount, and the position that it can move with the ebb and flow of the market that is a more secure position than we have been able to identify since I was asked to join this discussion. If an exploration of blighting the area, or exploration of an exemption under a different statute is not a better alternative or otherwise permissible, I do not see anything improper or overly burdensome that would impact the success of the efforts to rehabilitate the buildings. This is a creative means to an end. Temporary hand off of the bundle of rights for a benefit brings us to the reality of a reduced taxation for the people who use and occupy the structures.

The idea that the structures are being preserved and it is not through general taxation, that is artful. What we have is absolutely in accordance with law and the current path makes sense. Any future assessment provides multiple opportunities for a Lessee to appeal.

Shawn: I am just now reading the Tax Assessor's handbook from January 2016 for some definitive on the topic we are discussing. On pages 241-243 (section 408.02), there is a good overview of the taxation of federal property when it has a private interest involved. It is worth reading and may help everyone better understand the current taxing authority discussion.

Facilitator: Time check – we are over

Shawn: Thanks Matt and Lillian

Questions: Jeff Tyler: While Mike Holenstien was talking about the tax discounts, Jeff looked at the per square foot (psf) tax of three properties on Zillow which come in at \$3 - \$4.50 vs the rate in effect for B 27 at \$1.15 – so there is a significant discount.

Gerry Glaser: We are churning this topic beyond its usefulness. We should ask any questions before the speaker leaves. Also, the laws that allow NJ to tax, and the federal government to pass on the obligation to lessees can be summarized quickly, probably based on meeting minutes. We should not spend any more time addressing that issue.

Margot Walsh: There are creative opportunities that we can address going forward. With input from Middletown Township and Tax Assessor, we can get help as the process moves along. It is a great learning experience that helps us understand as we build our community. We do not need to continue this discussion.

Gerry Glaser: Mike Holenstien is an incredible resource. There are few who know more about real estate taxes and who have participated in this process. We can continue to rely on that resource once we adjourn this conversation.

Jim Krauss: We should be able to tell prospective Lessees what their CAM charges are going to be, direct them to speak with the municipal Tax Assessor and be done with this.

Mike Holenstien: Thanks the County Tax Assessor for joining us and thanks Tony Mercantante for all the insight he has provided in past meetings. In Mike's opinion, they have provided information that is accurate and within the law. Nothing would be easier than just letting the process take itself/move itself along. This is the best and most equitable way to come up with those figures.

Superintendent: Thanks the Tax Assessor for coming out to speak to the Committee and invites him to tour Fort Hancock buildings.

The group has fallen behind in terms of time and so it is agreed that the next few items on the agenda will be addressed as quickly as possible. If we run out of time, we will move remaining agenda items to February's agenda.

One more park update from Superintendent: Yellow brick issue. There are double layers of brick on all those buildings. There are two layers, one is red (interior) and one is yellow. We were concerned there would be major issues with the structural integrity of the brick facades. We had a group come out and do lots of scans of our buildings, and we are still working on the analysis but we have learned that the bulging is not as bad as we thought. There are still areas of concern will work up plans for. We also learned that we had done some repairs way back in the 1990s and we already have documentation identifying the most viable method of repair. So the recent reports just reconfirm that we have been able to address these repairs in a satisfactory manner and will continue to do so. Once more thing, the Superintendent has the Historic Structures Report for the NIKE Radar sites. We can post those on the website. She has a hard copy.

Next topic – Moorings

Gerry Glaser: We talked about identifying Sandy Hook as a marine access point and agreed to discuss the topic of moorings. Marine access and moorings are being considered as part of the GMP and are an important ingredient in what is being considered at Fort Hancock Historic Post. Shawn pointed out that at one time, marine access was an important consideration here. So since the last meeting we have been trying to identify methods of pursuing this. Gerry has professional connections with the Atlantic Highlands Harbor Engineer, who has experience building mooring fields, expanding docks, etc., and is happy to come talk to this group about developing marine access.

Harbor Engineer told Gerry to consider a few things in preparation for discussion at an upcoming meeting:

1. Get a navigational chart and identify where you want to start
2. Informal inquiry to DEP and ask them if we think what we propose will work
3. Identify whether anyone has riparian rights to the waters surrounding Sandy Hook.
Clearly the USCG has to weigh in. Superintendent explains that our ownership goes out ¼ from the submerged mean high tide line. Lillian thinks the state has the riparian rights. GATE will consult the deeds to determine who owns what.

Action Item: Lillian recommends a meeting with the County's head engineer would be a good place to start.

Action Item: Mooring and marine access group to convene and meet.

Working group dedicated to the marine access issue will have to get this moving.

Tony: The State usurped riparian rights in NJ. Not sure that they have usurped the Federal rights so looking for a deed is best. I think it is very doable to set up a mooring field out here.

Gerry Glaser: The Harbor Engineer asked why you wouldn't want to set up a mooring field here.

Jim Krauss: The mooring field in Highlands harbor is owned by the state and authorized for use by a local entity. There is a state body that manages water use.

Facilitator: Do you think we can get the Harbor Engineer onto agenda for the February meeting?

Gerry Glaser: Certainly by the April meeting.

Next Topic – Co-chair discussion

Superintendent: According to the process we established, Gerry's term as co-chair is coming up for renewal. We are looking for interested parties. We do not have formal voting but we will discuss this at the next meeting and identify who will be the co-chair at the next meeting by consensus.

Facilitator: The process is that we identify who is interested in the position for the next term.

Gerry Glaser is nominated by members of the committee (Lynda Rose and Margot Walsh)

No one else volunteers for the position.

Next Topic – Use Map

Facilitator: A working group was convened to discuss the types of uses considered compatible for Fort Hancock Historic Post and compatible with one another. The working group tried to identify what compatible uses might be and what uses should be prohibited entirely. There was some confusion about where that was leading. The Facilitator recommends we revisit what we are trying to achieve and not mix it up with how we are trying to achieve that. Instead of just debating whether we should just create a list, we should consider whether we are clear enough about what we mean by compatible use.

Shawn: Over the last two meetings we've had discussions about the use map and whether we need to revisit it. A group came together and met twice at Middletown Township (Tony, Howard, Margot, Michal, Pam McLay [Chief BSD], Karen Edelman [BSD], Howard, Dan, John Warren [NPS] and myself) and a list was generated that looked a lot like permitted/prohibited use list. We produced a document that was many pages long. We've extracted out three categories that we feel we must discuss. What are we trying to achieve, do we want a lot of detail?

Three categories:

- Overall Redevelopment Considerations
- Uses to Avoid
- Compatible Uses and Limitations or Restrictions

Shawn: Gerry Glaser's response to the eight page document generated by the working group was that it was too much in the weeds considering the purpose of the group. He and I discussed this list and the process behind generating it at great length. The Committee created a use map early in the process and really should consider whether that use map still makes sense. Gerry felt the work group was moving too much in the direction of crafting zoning ordinances and he is not sure this committee is qualified or competent to writing zoning laws.

Gerry Glaser: I understand that this occurred because we took good examples from municipalities facing similar concerns even though I am not comfortable with this approach. It is my feeling that it is the park that has the ultimate decision as to who uses the buildings and for what. However, they have asked us to help inform those decisions and I am comfortable leaving that judgement with the individuals at the park. We do not know all the considerations the park must take into account. I worry that we could have some unintended consequences by drafting restrictions or prohibitions that while well intended ignore what might be in the pipeline. Other considerations - what is the process for making this right? When you put a building plan or use plan in place, the municipality looks at it and makes a determination – we need to make sure that whatever we determine does not preclude a well-intentioned use of any building.

Mike Holenstien: My recollection is that the use map was meant to address guideline of general uses and that the park would make the decision based on what is consistent with the park, and that this would allow the park to make a decision about what would be good for the park. I think we need to consider the use map to address the news about liquor licenses. Also, I will ask Mike Walsh to address inclusion by exception, which works on the assumption that if it is not excluded, it is allowed. I think we need to allow the park to make that decision as it comes up rather than requiring the park to identify why they do not want "go-go bars" in a public forum.

Facilitator: I hear there is a need for flexibility but I also hear people saying that they want the community to have sustainability, that there is a mix that grows a viable community, while ensuring there is appropriateness of the types of uses. Could you articulate a set of values or principals that could identify what you want to see here.

Mike Holenstien: The park should tell us or guide us to what they want to see. We could put it in the form of a recommendation. If there is a question, we can look to the RFPs or look to the park mission.

Tony Mercantante: Let's think about how this came up. Two meetings ago, there was excitement about an announcement that proposals for use of ten buildings came in. The park could not tell us what those proposals were for and the discussion was lively. Do people think

this is going to be a little Norman Rockwell vision? There can be all sorts of uses that are really the result of what's viable and financially feasible from the perspective of the offeror. What if you lease to one entity and later discover that the neighboring building has been leased to an entity that the adjoining lessee would have an objection to? Also, we discussed consideration and sensitivity for the MAST community and uses that might impact the students, parents, and, faculty. This resulted in discussion of possible drug and alcohol rehabilitation facilities and overnight use of buildings by medical or treatment facilities. This resulted from a frustration that we have no idea about the types of uses that were being proposed and we are not sure the parties evaluating the proposals are sensitive to it.

Margot Walsh: The discussion started with consideration of an Letter of Intent for a building adjacent to MAST.

Pam McLay: Yes, and also the discussion about the Letter of Intent that was signed with the Affordable Housing Alliance and the Committee's comments related to the types of use in specified locations.

Margot Walsh: I know I suggested we take a look at this to address what type of long term implications this might have and to address the visual concept of how we see the use map being used. Tony was helpful in providing the uses Middletown Township considers. Yes, it is meant to be a guide for the park but it is also meant to be a guide for us to determine what uses we might consider.

Pam McLay: Yes, and it is a guide for Lessees so they can consider what uses are viable. Do we really want five pizza parlors on site?

Shawn: The MAST parents are a primary consideration in discussing what we think we want to see or to prohibit. We are here to provide guidance to NPS and a level of solidarity to the community so there is not another Save Sandy Hook debacle that brought Jim Wassel down. We also want to be careful not produce a list that results in opposition from the community, or to create an inclusion by exception as mentioned above.

Margot Walsh asks if this was meant to be policy or guidelines. She did not think this was something that was meant to be incorporated formally.

Pam McLay: It was meant to be used as guidelines

Superintendent: I do not think producing a list for the park and public leads to the perception that this is akin to a zoning process. I do not want to create false expectations that there are rights or obligations on which a Lessee can rely when addressing a type of use. Having a conversation within a committee forum allows us to move forward with a general idea of what we would accept or what we could not live with. I do not think anything formal needs to come out of this evaluation but we need to have something to rely on when we have to say no to a particular use.

Tony Mercantante: I would think we would want to disclose any use that might not be compatible with another. I am not sure what the federal government responsibility is to disclose contrary uses.

Superintendent: What we are now doing is signing Letter of Intent with proposed Lessees. This gives us a window for addressing the consideration of different uses that may be in development at any one particular time.

Pam McLay: This allows potential Lessees to learn about what types of use are proposed for the area. We will have more information to share with the Committee in the February meeting.

John Warren: I sat in on the work group meetings and it was great to have Tony's expertise. The discussions were valuable whether or not they are codified into something we rely on. John cites as an example how codifying discussions may have the opposite result of what is intended.

Facilitator: So our discussions as a Committee are reflected in the minutes. Do we need something more formal with respect to this issue?

Superintendent: I think this is a good starting point for discussions with potential Lessees. We can learn from the working group's discussions in considering proposed uses. If that does not work out we can revisit this discussion.

Dan Saunders: The biggest black box is who is reviewing the proposals. Do they know about MAST?

Pam McLay: Yes.

Mike Walsh: There is no way this Committee should be zoning The Hook. We should not be identifying a list of uses/prohibited uses. I adamantly oppose publishing a list and making it part of the public record. I think the park has a goal, and we can help advise them – the way Mike Holenstien articulated it. This conversation came out of frustration that we did not know what was going on and would be handed a done deal but going forward with a list, without knowing is not any better.

Shawn: Do we want to go on record as a group stating that we do not want to produce a list?

Tony Mercantante: At this stage of the process we do not feel it is necessary to generate a list of uses that are approved or prohibited.

Facilitator (Stacie Smith): Does anyone disagree? (No)

Shawn: Do we agree that we can put this to rest?

Patrick Collum: I agree we should put this to rest. We are experiencing growing pains. As the uses grow, they will self regulate. No one thinks a child care center should be next to a drug

rehab center. Until that happens we have to put our faith in NPS that they will make good decisions regarding same.

Mike Holenstien: Agrees with the last two statements and recommends that NPS get a list of detrimental conditions and consider those in its decision.

Tony Mercantante: We (Middletown) have a list of prohibited uses which we've shared.

Gerry Glaser: Appreciates what Mike Holenstien said about giving NPS a vote of confidence. We should be grateful the park is making those calls.

Closing out the Agenda:

The February agenda will include outreach and state grant opportunities:

Mike Holenstien suggests an Action Item: Modify the RFP to address liquor license Considerations. Superintendent asks him to chair this. Mike recommends inserting something having to do with the potential for liquor licenses. Facilitator recommends this be an agenda item for further discussion.

Mike Walsh wants to know if we can broadcast this info. He points out that the owner of Tommy's in Sea Bright and another location at the Galleria are experts at rehabilitating buildings for pub-like use.

Superintendent: This does warrant further discussion. We have unlimited state issued licenses – do we want to limit the number for practical purposes and to make them more valuable? I would love to talk through some of those options and how much should we charge. Is it a straight fee or percentage? Let's discuss those.

Facilitator: Let's put that on the February agenda and put them out ahead of time.

Mike Holenstien wants to know why we do not do the pledge of allegiance (we can at the next meeting).

Mike Holenstien: We talked about buildings on the list. We talked about buildings not on the list for various reasons. Over time, various buildings have been questioned. If we could spend a few minutes talking about the buildings that are on not on the list...

Superintendent explains that if there is a non-profit interested in a building not on the list, we can consider proposed uses for those buildings. The buildings in the RFP were chosen for their historic and other values – I do not want to dilute focus on the RFP package by reopening its contents with Washington. Superintendent: Further food for thought – the buildings we consider for demolition, we will consider use of those buildings. In some cases they did not pan out but we cannot postpone demolition because we will lose our funding to do so.

Comment [SAW2]: I do not believe this is accurate though it may have been said. The only way (according to Jen) that this can be considered is when NPS is approached by a formal not-for-profit entity with whom the park can negotiate directly.

Shawn: Are we saying if it works we will encourage it, if it doesn't make sense, do what you have to? If you have an opportunity, will you go forward and conduct negotiations (regarding buildings not on the list)?

Superintendent: To the extent we can or does not interfere with the primary purpose and the buildings slated for lease in the RFP.

Adjourned 3:46