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January 7, 2016

VIA FED-EX DELIVERY

New Jersey Department of Environmental Protection
401 E. State Street
Mail Code 401-03B
Trenton, New Jersey 08625
Attn: Jane Herndon, Assistant Commissioner
Environmental Management

New Jersey Department of Environmental Protection
501 E. State Street
Mail Code 501-03A
Trenton, New Jersey 08625
Attn: Richard Boornazian, Assistant Commissioner
Natural and Historic Resources

Re: Borough of South Toms River – Municipal Landfill Project

Dear Ms. Herndon and Mr. Boornazian:

My firm represents the Borough of South Toms River (“Borough”) as special redevelopment counsel. The Borough is presently seeking to redevelop the area surrounding its former municipal landfill with new residential development through a partnership with a private developer. As you are aware, such development will require certain approvals from the New Jersey Department of Environmental Protection (“Department”). I am writing to offer some initial background on the project and request a meeting with you both to discuss in further detail the preliminary concept plan and pending transactions.

The subject site consists of the property known as Block 20, Lots 1.02, 1.03, 1.04 and 1.05 on the tax maps of the Borough (“Project Site”). Lots 1.04 and 1.05 consist of 28+/- acres of vacant, unimproved land. The former municipal landfill is situated primarily on Lot 1.04. Lot 1.02 is improved with athletic fields and a municipal building in disrepair. Lot 1.03 is largely unimproved other than a small municipal building and its ancillary parking/storage area. The Project Site measures 42.15+/- acres in total and is owned in fee simple by the Borough.

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The Borough is utilizing certain tools afforded under the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (“Act”) to redevelop the Project Site. On April 27, 2015, the Borough designated all of the property within its bounds as an “area in need of rehabilitation” (as defined in the Act), inclusive of the Project Site. On September 28, 2015, after careful study, the Borough designated Lots 1.04 and 1.05 as an “area in need of redevelopment” (as defined in the Act). Thus, the entirety of the Project Site lies within an area in need of rehabilitation and/or redevelopment.

As you know, the Act vests municipalities with enhanced powers to combat blight and revitalize dormant and decayed property. Such powers include the ability to craft a site specific redevelopment plan (*i.e.* zoning program) for the comprehensive redevelopment of an entire area; contract with private entities with lessened restriction; grant financial incentives to attract investment; and do anything necessary and proper to advance redevelopment. Here, the Borough has been trying to close the landfill for many years, but it lacks the resources to accomplish same alone; however, through partnership with a private developer, the Borough shall be able to accomplish its foremost goal of closing the landfill, while concurrently fostering new investment and upgrading and enhancing certain community resources (as further detailed below).

The Borough is currently negotiating with a private developer (“Developer”) for the prospective closure of the landfill and redevelopment of same with residential development (“Project”). There are several components to the Project. Developer owns a vacant commercial building in the Borough which Developer will outfit for the Borough’s use as its new municipal building. The parties will swap said commercial building for the Project Site, with the Developer to pay any difference in value. (The actual purchase price for the Project Site is yet to be determined pending environmental studies and government approvals). In exchange for the Project Site, Developer will assume responsibility for closure of the landfill and reconstruct the existing facilities (including the ballfields and community center currently located on Lot 1.02) on the site of the former landfill *i.e.* Lot 1.04. Developer will construct its new residential units, a mix of rental apartments and townhomes, on adjacent Lots 1.02 and 1.05. A preliminary concept plan is enclosed herewith as Exhibit A for your reference.

As described above, the Borough will net several benefits from the redevelopment of the Project Site and related transactions including: a new municipal building for the Borough’s various departments; closure of the landfill; added ratables from the new construction; and reconstructed ballfields and community center. These benefits shall not accrue unless the Project proceeds. If it does not, the landfill will likely remain unclosed and fallow for years to come.

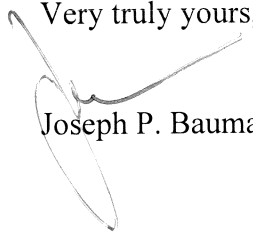
It should be noted that Lot 1.02, *i.e.* the location of the existing ballfields, is on the Borough’s Recreation and Open Space Inventory (ROSI) list. While Developer shall be reconstructing the ballfields on Lot 1.04, the Borough shall of course ensure that the Department’s replacement requirements for redeveloped ROSI property are satisfied, including the conditions of *N.J.A.C. 7:36-25.1 et seq.* In furtherance of same, Developer has agreed to donate funds toward the construction of certain “greenway” or “blueway” trails within the Borough. Potential trail locations connecting public parks in the Borough and/or along Jakes Branch Creek and the Toms River have been preliminarily identified. (The Borough’s outside

planning consultant is currently drafting a Municipal Public Access Plan, funded in part by a grant from the Department, which outlines several candidate routes which can be further described in-person). Accordingly, the Borough is confident that the reconstruction of the existing ballfields with superior replacement (on adjacent property, which will be supplanted onto the ROSI list) coupled with the construction and dedication of new trailway improvements will be adequate substitute for the redevelopment of the Borough's current ROSI property, *i.e.* Lot 1.02.

In furtherance of the above, we would like to schedule a meeting with you both to discuss the Project. In particular, we would like to discuss issues relating to the closure of the landfill and the amendment to the Borough's ROSI inventory, as well as answer any questions the Department may have. We have already met with representatives of the New Jersey Pineland Commission ("Commission") to introduce the Project. At this time, we believe a joint meeting between the Borough, Developer, Department and Commission would greatly benefit this Project.

At your earliest convenience, please advise this office of some suitable times for the scheduling of such a joint meeting. Please feel free to contact me directly to discuss any aspect of the above in the interim. Thanking you in advance.

Very truly yours,



Joseph P. Baumann, Jr.

cc: Nancy Wittenberg, Executive Director, Pinelands Commission
Oscar Cradle, Mayor
Joseph A. Kostecki, Borough Administrator
George R. Gilmore, Esq.

EXHIBIT A

Preliminary Concept Plan of Municipal Landfill Project

