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## MONTHLY UPDATE

### BOARD APPROVES PURCHASE & SALE AGREEMENT AND REDEVELOPMENT AGREEMENT WITH HOVWEST FOR HOWARD COMMONS



*HovWest Rendering of Future Plans for Howard Commons*

A little over a year from when the Fort Monmouth Economic Revitalization Authority (FMERA) issued a Request for Offers to Purchase (RFOTP) for Howard Commons, the Board of the Authority approved the execution of a purchase and sale agreement as well as a redevelopment agreement with HovWest Land Acquisition (HovWest) for the property at its first meeting of 2014.

Howard Commons is a 63.67-acre parcel on Pinebrook Road in the former Fort's Charles Wood Area. The property includes 486 townhouse units constructed by the Army and a 3,853-square-foot general purpose building. First known as Eatontown Gardens, the area was renamed after Congressman James J. Howard for his years of advocacy of Fort Monmouth and his Congressional contributions to the welfare of the Army and its soldiers.

HovWest, an affiliate of Hovnanian Enterprises, plans to demolish the existing buildings and construct 275 two- and three-bedroom for-sale townhomes, of which 20% will be

reserved as affordable housing. The company's proposal includes retail development on the corner of Hope and Pinebrook Roads, and over 20 acres of open space and public recreational amenities.

Under the agreements, HovWest will pay approximately \$7.2 million for Howard Commons, and demolish the existing buildings in two phases. The first phase involves the company applying for demolition permits for the east end of Pinebrook Road within two months of closing and completing demolition no later than six months thereafter. For the second phase, HovWest will apply for demolition permits for the west end of Pinebrook Road within 10 months of closing and complete that phase of demolition no later than 6 months from that time. As part of the agreements, HovWest is obligated to create 26 on-site, full-time jobs in the commercial development on the property within two years of receiving a temporary or permanent certificate of occupancy.

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“Executing the Purchase & Sale Agreement and Redevelopment Agreement with HovWest is a big step forward in the redevelopment of the former Fort Monmouth community,” said FMERA Executive Director Bruce Steadman. “We are excited to see the property’s rejuvenation and its positive impact on the surrounding areas.”

The RFOTP for Howard Commons was issued in December 2012. FMERA received proposals from six development entities, five of which were deemed compliant with the Re-use Plan and FMERA’s proposed Land Use Rules. Following the evaluation process, HovWest’s proposal received the highest score based on the criteria and weighting con-

tained within the RFOTP and FMERA’s Sales Rules. Of the five compliant proposals received, HovWest submitted the highest priced proposal.

Following the evaluation committee’s review and the Real Estate Committee’s recommendation, the Board authorized FMERA to enter into exclusive negotiations with HovWest at its July, 2013 meeting, and extended the exclusive negotiation period at the November, 2013 meeting of the Authority.

All Board actions will take effect following the expiration of the Governor’s statutory review period.

## **FMERA ENTERS EXCLUSIVE NEGOTIATIONS WITH KIELY REALTY GROUP FOR RUSSEL HALL FOLLOWING BOARD AUTHORIZATION**



Following action at the January Board meeting, FMERA will enter into exclusive negotiations with Kiely Realty Group, LLC of Long Branch to advance a purchase agreement for Russel Hall, a 42,300-square-foot, four-story administration building located within the Fort’s proposed historic district on Sanger Avenue in the Oceanport Reuse Area.

Constructed in 1936 to serve as a Headquarters for Fort Monmouth, Russel Hall initially provided space for a variety of activities. Before the Fort closed in 2011, the building served as Garrison Headquarters. The Hall is named after Major General Edgar Russell, Chief Signal Officer, Allied Expeditionary Force, World War I, May 1917-July 1919.

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FMERA determined that Russel Hall would require a plot measuring approximately 6.5 acres, including 170 parking spaces, Sanger and Wallington avenues, as well as the adjacent heliport pad. Russel Hall is intriguing to prospective buyers for its versatility to be used for administrative purposes and adapt to residential or office/research facilities. In addition, as a historic structure, the Hall's renovation could be eligible for historic preservation tax credits.

A Request For Offers To Purchase (RFOTP) for the Russel Hall parcel was issued by FMERA on September 6, 2013, and responses were due by November 7, 2013. Kiely Realty Group, LLC (Kiely) was the only respondent to the RFOTP, and the company proposes a commercial office use for the building. Kiely's proposal was scored independently by three evaluators, and based on the scoring, the Real Estate Committee recommended that FMERA proceed to exclusive negotiations.

Kiely plans to purchase and renovate Russel Hall to house the management teams and home offices of three affiliated

tenants: J.F. Kiely Construction Co., J.F. Kiely Service Co., and J.F. Kiely Group. The oldest of the Kiely companies dates back to 1952 with continuous family ownership in New Jersey. Due to continued growth and expansion needs, the three tenant companies will consolidate their out-of-state and in-state management teams under one roof, without closing their existing in-state operations. As a result of entering into exclusive negotiations, Kiely will make an additional deposit of 10% of the proposed purchase price that will be credited to the company at closing.

In addition to successfully completing negotiations, FMERA's execution of a contract to sell the Russel Hall property to Kiely will be contingent upon final approval of the terms and conditions of sale by the FMERA Board of Directors at a future date, in the Board's sole and absolute discretion.

All Board actions will take effect following the expiration of the Governor's statutory review period.

**FMERA's Monthly Newsletter is available online at [www.fortmonmouthredevelopment.com](http://www.fortmonmouthredevelopment.com) following each Board meeting. To be added to the email distribution list, please send a request, with contact information, to Scott Oliva at [soliva@njeda.com](mailto:soliva@njeda.com)**

**FMERA's Mission:**

***To create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property.***

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