

**Fort Monmouth Economic Revitalization Authority
Board Meeting
February 15, 2023
Public Meeting and Teleconference**

MINUTES OF THE MEETING

Members of the Authority and/or Designees present:

- Anthony Talerico, Jr. – Mayor of Eatontown – V (Serving as Vice-Chairperson)
- Lillian Burry – Monmouth County Commissioner – V
- Stephen Gallo – Public Member – V
- Jay Coffey – Mayor of Oceanport – V
- Tracy Buckley – Tinton Falls Councilwoman – V - Designee
- Jamera Sirmans – Associate Counsel, Governor’s Authorities Unit – V – Designee
- Jorge Santos – Chief Real Estate Development Officer, NJEDA – V - Designee
- Elizabeth Dragon – Assistant Commissioner Community Investment and Economic Revitalization - Designee
- Robert Long – Deputy Commissioner, NJ Department of Community Affairs – Designee
- William Riviere – Principal Planner, NJ Department of Transportation – Designee
- Wayne Smith – State Veterans Program Coordinator, NJ Department of Labor & Workforce Development – Designee

V – Denotes Voting Member

Members of the Authority and/or Designees not present:

Also present:

- Kara Kopach, Executive Director
- FMERA staff:
 - Regina McGrade – Administrative Manager
 - Jennifer Lepore -- Accounting Manager
 - Sarah Giberson – Senior Project Officer Marketing & RE Development
 - Upendra Sapkota – Senior Project Officer, Planning & Development
 - Kristy Dantes – Director of Facilities & Infrastructure
 - Joe Fallon – Senior Environmental Officer
 - Laura Draushak – Director of Legal Affairs
- Matt Reagan, Deputy Attorney General (DAG)

The meeting was called to order by Mayor Anthony Talerico, Jr. at 5:03p.m. and followed by the Pledge of Allegiance.

Kara Kopach announced that in accordance with the Open Public Meetings Act, notice of the meeting was sent to the Asbury Park Press and the Star Ledger at least 48 hours prior to the meeting, and that the meeting notice has been duly posted on the Secretary of State’s bulletin board at the State House, and the FMERA website.

WELCOME

Anthony Talerico, Jr. welcomed attendees to the Authority’s meeting. Mr. Talerico stated that a copy of the Board package was posted to the FMERA website to give the public the opportunity to review the information in advance of the meeting. Mr. Talerico stated that there are 2 public comment periods, the first being public comment regarding any of the Board actions and the second being any FMERA business.

Mayor Talerico stated that the Board would not be taking any action on the Howard Commons Board action that was sent in a previous agenda to the Board.

The first item of business was the approval of the January 18th regular meeting minutes. A motion was made to approve the minutes by Lillian Burry and seconded by Steve Gallo.

Kara Kopach conducted a roll call vote.

3. ENVIRONMENTAL STAFF ADVISORY COMMITTEE (ELIZABETH DRAGON, CHAIRWOMAN)

Elizabeth Dragon stated that the Committee did not meet this month.

4. HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (JAY COFFEY, CHAIRMAN)

Jay Coffey stated that the Committee did not meet this month.

5. HOUSING STAFF ADVISORY COMMITTEE (ROBERT LONG, CHAIRMAN)

Robert Long stated that the Committee did not meet this month.

6. VETERANS STAFF ADVISORY COMMITTEE (LILLIAN BURRY, CHAIRWOMAN)

Lillian Burry stated that the Committee did not meet this month.

BOARD ACTIONS

- 1) Consideration of Approval of the Fifth Amendment to Purchase and Sale & Redevelopment Agreement with Regional Development Group, LLC, subsequently assigned to Barker Circle Partnership, LLC for Barker Circle in Oceanport.

Laura Drahushak read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Steve Gallo and was seconded by Jay Coffey.

Kara Kopach conducted a roll call vote.

NAME	YES	NO
Anthony Talerico	X	
Lillian Burry	X	
Steve Gallo	X	
Jay Coffey	X	
Tracy Buckley	X	
Jamera Sirmans	X	
Jorge Santos	X	

Motion to Approve: STEVE GALLO Second: JAY COFFEY

Ayes: 7

OTHER ITEMS

There were no other items before the Board.

PUBLIC COMMENT REGARDING ANY FMERA BUSINESS (5 minutes re: any FMERA business)

There was no public comment.

There being no further business, on a motion by Lillian Burry and seconded by Jay Coffey and unanimously approved by all voting members present, the meeting was adjourned at 5:12p.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its Board meeting.

Kara Kopach

Kara Kopach – Secretary

**Resolution Regarding
Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement (“PSARA”) with Regional
Development Group, LLC, subsequently assigned to Barker Circle Partnership, LLC for Barker Circle in
Oceanport**

WHEREAS, FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Barker Circle Complex in Oceanport on March 8, 2017 and the Barker Circle Complex consisting of an approximately 19.5± acre parcel of land containing seven buildings and totaling approximately 198,598 gsf located on Oceanport Avenue in the Main Post Area of Fort Monmouth and located in the Fort’s National Register Historic District, and for which the buildings are therefore subject to historic preservation covenants; and

WHEREAS, the PSARA was approved by the Board at its September 2019 meeting and executed on November 7, 2019; and

WHEREAS, Regional Development Group, LLC (“RDG”) assigned the PSARA to an affiliate, Barker Circle Partnership, LLC (“BCP”), created specifically for the Project immediately following execution of the PSARA; and

WHEREAS, BCP paid Four Million Eight Hundred and Fifty Thousand (\$4,850,000) Dollars for the property and proposes to use the Barker Circle Complex for mixed-uses consisting of seventy-five residential units broken out as sixty market rate units and fifteen affordable housing units subject to confirmation that the affordable housing units satisfy Purchaser’s obligation to set aside at least twenty percent of the total residential units as housing that is affordable to low- and moderate-income households in accordance with N.J.A.C. 19:31C-3.23, purchaser proposes to reuse the remaining buildings for commercial use; and

WHEREAS, Purchaser will use best efforts to target a portion of the affordable housing units for occupancy by veterans. Purchaser proposes to reuse the remaining buildings for commercial use. Purchaser intends to ground lease Buildings 275 and 282 from FMERA and take title to the balance of the Property. Purchaser’s site plan and subdivision was then subject to FMERA’s Mandatory Conceptual Review and Oceanport’s planning board review.

WHEREAS, at its April 2020 meeting, FMERA staff recommended and the Board approved the First Amendment to the PSARA reinstating the PSARA and extending the due diligence period for approximately sixty days from April 5, 2020 to allow BCP to continue and conclude its due diligence investigations; and

WHEREAS, on May 20, 2020, the FMERA Board approved a Rule Modification under of Executive Order 103 (“EO 103”) for Purchase and Sale & Redevelopment Agreements (“PSARAs”), that allows COVID-impacted development projects with purchase prices over \$2,000,000 to request the return of its 10% deposit, as defined under N.J.A.C. 19:31C-2.7(b); and

WHEREAS, at the June 16, 2020 meeting, the Board approved the release of the 10% deposit to be used to fund remaining site-work, planning & design required for the Mandatory Conceptual Review process and the Oceanport Planning Board review; the Second Amendment was executed on July 6, 2020; and

WHEREAS, at its August meeting the Board approved expanding the allowable uses for Buildings 206, Building 275, and Building 282 to include: office, medical offices exclusive of overnight stays such as physical therapy, business lofts, and accessory childcare in Building 206; restaurant, brewpub, brewery, arts retail such as studios & gallery space, and second-floor office not to exceed fifty percent of the total square footage in Building 282; and theater, arts uses, and ancillary office use in Building 275; the Third Amendment to the PSARA was executed on September 14, 2020; and

WHEREAS, on June 15, 2021 FMERA staff received correspondence from BCP requesting the PSARA be amended: a) to delineate the Project requirements among the four subdivisions for the Property and b) to modify the timelines set forth in the PSARA to indicate that should BCP close on the Property prior to the end of the Approval Period that it will Commence Construction of the Project by December 21, 2021; and

WHEREAS, regarding its first request, BCP proposed to divide the Property into four subdivisions, to be identified as “Subparcels”: Barker Residential Parcel (approximately 15 acres, including Buildings 205, 207, 208, and 287), Barker Office Parcel (approximately 1.2 acres, including Building 206), the Firehouse Parcel (approximately .8 acres including Building 282), and Kaplan Hall Parcel (approximately 3.5 acres, Building 275); and

WHEREAS, regarding Purchaser’s second request, BCP expressed to FMERA staff that it would like to waive all remaining Approvals and close on the Property in August 2021, however in the event of an early closing, BCP requested that the Project Completion timeline remain the same; and

WHEREAS, at FMERA’s July 2023 Board meeting, staff recommended and the Board approved, that the PSARA be amended to reflect four subdivisions or “Subparcels:” Barker Residential Parcel, Barker Office Parcel, Firehouse Parcel, and Kaplan Hall Parcel and that Section 5 Purchase Price, Section 7(a) Capital Investment, and Section 7(e) Job Creation of the PSARA be amended to reflect that Purchase Price be allocated on a cost per square foot basis, and the capital investment and permanent job creation requirements be apportioned as described in the attached memorandum; and

WHEREAS, further, FMERA staff recommended and the Board approved that Section 7(b) of the PSARA be amended to reflect that the Project may be completed in four phases that correspond with the aforementioned subdivisions. The phases are as follows: Phase I shall include the reuse and renovation of the Barker Residential Parcel for residential use, Phase II shall include the renovation and reuse of the Barker Office Parcel as office space, Phase III shall include the renovation and reuse of the Firehouse Parcel for a restaurant or alternate approved commercial use, and Phase IV shall include the reuse and renovation of the Kaplan Hall Parcel for theater, art, and ancillary office use, and

WHEREAS, Phase I shall be considered “residential” and Phases II-IV shall be considered “commercial.” Section 7(b)(ii)(1) shall be further amended to add the following sentence, “Should the Purchaser elect to waive all approvals and close early on the Property, Purchaser shall Commence Construction of the Project by December 21, 2021.” Section 7(b)(ii)(2) has been updated to reflect the Subparcels, but otherwise, the project schedule remains unchanged. Section 7(b)(iii)(3) has been added to make clear that upon Completion of each Phase, the Purchaser may apply for a Certificate of Completion, as governed by N.J.A.C. 19:31C-3.24(f) and pursuant to the terms of the Agreement; and

WHEREAS, Oceanport is no longer occupying Building 282, therefore, Subsections 7(b)(v) and 13(b)(iii) and (iv) have been deleted; and

WHEREAS, on November 1, 2021, BCP closed on two subdivided parcels of the Property identified as Barker Residential Parcel and Barker Office Parcel and entered into two ground leases with FMERA for Firehouse Parcel and Kaplan Hall Parcel; and

WHEREAS, per Section 47(f) the PSARA, BCP is responsible for the costs associated with the installation of a sewer main beginning near the Property’s boundary and Gosselin Avenue, running across the Property to create a connection to a new Two Rivers Water Reclamation Authority (TRWRA) pumping station near Oceanport Avenue; and

WHEREAS, while BCP was prepared to install the line independently at its sole cost and expense, FMERA has opted to batch the design and installation of the Phase II “South Interceptor” and the “East Interceptor” TRWRA sewer projects to achieve the most cost effective and efficient process to replace the old Army Sewer system. As FMERA has a Memorandum of Understanding (MOU) with TRWRA for the installation of the South Interceptor, which will traverse and serve the Barker Circle property as well as other third-party users, FMERA will alternatively seek a reimbursement from BCP for its portion of the South Interceptor; and

WHEREAS, the estimated cost for the South Interceptor project is approximately \$2,115,511.00. Based on the current anticipated cost for the Barker Circle portion of the project, BCP’s total contribution shall not exceed \$700,000. Upon commencement of construction, FMERA shall notify BCP that a repayment of fifty (50) percent of its portion of the project in the amount of \$350,000 shall be payable to FMERA within thirty (30) days, with the remaining balance due within thirty (30) days of completion of the project, for which FMERA shall also provide notice. As the project is incomplete and subject to change orders, BCP’s final payment shall be adjusted in accordance with actual costs for the project, which FMERA shall provide upon written notice; and

WHEREAS, FMERA staff proposes that Section 47(f) be amended as described in detail in the attached memorandum; and

WHEREAS, per the PSARA, specifically as amended by the Fourth Amendment, executed on August 10, 2021, FMERA approved the subdivision of the Property into four (4) Subparcels identified as: Barker Residential Parcel, Barker Office Parcel, Firehouse Parcel, and Kaplan Hall Parcel; and

WHEREAS, BCP notified FMERA via email dated April 18, 2022, that it wished to assign the Firehouse Ground Lease and the Kaplan Hall Ground Lease to newly formed affiliate entities FIRESTATION PARTNERS, LLC and Theater Arts & Café Partnership LLC, respectively; and

WHEREAS, due to BCP's request and prior to FMERA's approval to the assignments, staff is proposing a modification to Section 27(e) of the PSARA to ensure that BCP and the affiliate Assignees remain jointly and severally liable for the entirety of the Project; and

WHEREAS, FMERA staff proposes that Section 27(e) of the PSARA be amended to read as follows: In the event of any permitted assignment under this Section 27, Purchaser shall remain jointly and severally liable with each such Affiliate for the portion of the Project assumed by such Affiliate including, without limitation, assignment of the Job Creation Promissory Notes until such time as the Assignee obtains a Certificate of Completion, (it being understood that Purchaser shall remain liable for the whole of the Project). Additionally, if title to different portions of the Property are held by different Affiliates, each Affiliate shall have a separate capital investment, job obligation, purchase price, and commencement and completion timeline for the portion of the Project assigned to the Affiliate; and

WHEREAS, BCP provided and FMERA staff has vetted all required documents and materials to permit an assignment and has agreed to this request, subject to a modification to Section 27(e) of the PSARA; and

WHEREAS, all other material terms of the PSARA will remain unchanged. The attached Fifth Amendment to the PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. On February 9, 2023, via email, the Real Estate Committee reviewed the request and recommended it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Fifth Amendment to the Purchase and Sale & Redevelopment Agreement with Barker Circle Partnership, LLC for Barker Circle in Oceanport on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Attachment

Dated: February 15, 2023

EXHIBIT 1