

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director and Secretary

**DATE:** October 14, 2016

**SUBJECT:** Agenda for Special Board Meeting of the Authority

1. **Call to Order – James V. Gorman, Chairman**
2. **Pledge of Allegiance**
3. **Notice of Special Public Meeting - Roll Call – Bruce Steadman, Secretary**
4. **Welcome – James V. Gorman, Chairman**
5. **Public Comment Regarding Board Action Items**
6. **Executive Session: OPMA EXEMPTION N.J.S.A. 10:4-12b(7):**
  - Update on Financing Negotiations with the County of Monmouth
7. **Board Actions**
  - Consideration of Approval of Financing Agreements with the Monmouth County Improvement Authority and the County of Monmouth to Fund FMERA's Purchase of the Phase 2 Economic Development Conveyance Agreement.
  - Consideration of Approval of a Cooperative Services Agreement with the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) Wildlife Services.
8. **Other Items**
9. **Public Comment Regarding any FMERA Business**
10. **Adjournment**

**ADOPTED**  
**October 14, 2016**

Resolution Regarding  
**Approval of Financing Agreements with the Monmouth County Improvement Authority  
and the County of Monmouth to Fund FMERA's Purchase of the Phase 2  
Properties**

**WHEREAS**, the Fort Monmouth Economic Revitalization Authority (FMERA) approved a Phase 2 Economic Development Conveyance Memorandum of Agreement with the Army on April 20, 2016, enabling FMERA to acquire the balance of the former Fort property, located on the Main Post in Eatontown and Oceanport, subject to obtaining financing to fund the purchase; and

**WHEREAS**, FMERA has requested that the Monmouth County Improvement Authority (MCIA) finance the purchase of the Phase 2 properties through the issuance of taxable or tax-exempt notes in an estimated amount not to exceed \$35 million, with the notes to be issued prior to the closing of FMERA's purchase from the Army; and

**WHEREAS**, interest on the notes and associated expenses will be payable by FMERA on a current basis, with the notes issued annually as one-year obligations, and interest on the notes and expenses will be general obligations of the Authority; and

**WHEREAS**, FMERA will pay down approximately \$10 million in principal upon its sale of the first three parcels to developers, as those three parcels being under contract with the sales are anticipated to occur within six months of FMERA's closing with the Army, and the remaining principal balance on the notes will be repaid by FMERA from a portion of the sale proceeds of Phase 2 parcels; and

**WHEREAS**, the County of Monmouth's Board of Chosen Freeholders has authorized a payment guaranty for the notes for five (5) years, and the County will hold a mortgage against the Phase 2 parcels which mortgage will be released on a parcel by parcel basis as and when FMERA is ready to convey individual parcels to third party purchasers; and

**WHEREAS**, FMERA has prepared a financial plan that projects the sale of the Phase 2 properties within the five year guaranty term; and

**WHEREAS**, while FMERA will use the loan proceeds exclusively to fund the acquisition of the Phase 2 properties from the Army, the proposed financing will also indirectly enable the Authority to fund necessary improvements to Main Post infrastructure, as Phase 2 sale proceeds and other sources of revenue will fund the repayment of the MCIA financing in approximately five (5) years and \$25.8 million in estimated trunk infrastructure costs through 2021, including approximately \$12.5 million for sanitary sewer upgrades in the Oceanport section of the Fort, as projected in FMERA's Phase 2 Financial Plan, a 10-year sources and uses of funds projection accompanying the Army MOA and the Reimbursement Agreement,

the aforementioned sewer upgrades based on a study jointly funded by FMERA and the Two Rivers Water Reclamation Authority, and intended to benefit the residents of Monmouth County as well as future occupants of the Fort; and

**WHEREAS**, the Audit Committee recommends that the Board approve: (i) a Loan Agreement and Note with the Monmouth County Improvement Authority; (ii) a Reimbursement Agreement and Mortgage with Monmouth County; and (iii) an escrow agreement with the trustee, U.S. Bank, National Association, and that the Board delegate to the Executive Director authority to approve two related financing documents, the offering statement and contract of purchase, subject to the Attorney General's Office's review and approval;

**THEREFORE, BE IT RESOLVED THAT:**

1. For the reasons expressed and on the terms described in the attached memorandum, the Authority approves the provision of financing through the Monmouth County Improvement Authority on terms substantially consistent to those set forth in the attached memorandum and the attached Loan Agreement and Note with the Monmouth County Improvement Authority, the Reimbursement Agreement and Mortgage with Monmouth County; and escrow agreement with the trustee, U.S. Bank, National Association, on final terms acceptable to the Executive Director and the Attorney General's Office. The Executive Director or other staff authorized to execute documents pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

2. For the reasons expressed in the attached memorandum, the Authority approves delegating to staff authority to approve two related financing documents, the offering statement and contract of purchase, subject to the review and approval of the Attorney General's Office.

3. 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.

Dated: October 14, 2016

**EXHIBIT 1**

**MEMORANDUM**

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Approval of Financing Agreements with the Monmouth County Improvement Authority and the County of Monmouth to Fund FMERA's Purchase of the Phase 2 Properties

**DATE:** October 14, 2016

**Request**

I am requesting that the Members authorize the execution of the following agreements related to the financing of FMERA's purchase of the Phase 2 Economic Development Conveyance properties from the U.S. Army: (i) a Loan Agreement and Note with the Monmouth County Improvement Authority ("MCIA"); (ii) a Reimbursement Agreement and Mortgage with the County of Monmouth; and (iii) an escrow agreement with U.S. Bank, National Association (the "Trustee"). I am also requesting that the Members delegate to the Executive Director authority to approve two related financing documents, the offering statement and contract of purchase.

**Background**

The FMERA Board approved a Phase 2 Economic Development Conveyance Memorandum of Agreement (MOA) with the Army on April 20, 2016. This action enabled FMERA to begin preparations for a late 2016 closing on the balance of the former Fort property, located on the Main Post in Eatontown and Oceanport.

As outlined at the July 2016 meeting, FMERA is seeking financing for the purchase of the Phase 2 properties through MCIA. The requested financing structure entails MCIA's issuance of taxable or tax-exempt notes to provide the consideration to be paid to the Army, along with the cost of issuance. The original principal amount of the notes is estimated to be an amount not to exceed \$35 million, with the notes to be issued prior to the closing of FMERA's purchase from the Army. Interest on the notes and expenses will be payable by FMERA on a current basis, with the notes issued annually as one-year obligations. Interest on the notes and expenses will be general obligations of the Authority. FMERA will pay down approximately \$10 million in principal upon its sale of the first three parcels to developers; those three parcels are under contract and the sales are anticipated to occur within six months of FMERA's closing with the Army. The remaining principal balance on the notes will be repaid by FMERA from a portion of the sale proceeds of Phase 2 parcels. The County's Board of Chosen Freeholders has authorized



a payment guaranty for the notes for five (5) years. The County will hold a mortgage against the Phase 2 parcels which mortgage will be released on a parcel by parcel basis as and when FMERA is ready to convey individual parcels to third party purchasers. On each one year anniversary of the issuance of the initial notes, MCIA plans to issue subsequent notes to refund the notes that mature and cover issuance costs. FMERA projects that it will pay off the financing in approximately five (5) years. During the five-year term of the County's guaranty, principal payments will be made from and only to the extent that sale proceeds are available. If any principal balance remains at the end of the five-year loan term, the balance will become a general obligation of the Authority and FMERA's options will be to either: (i) renegotiate and extend the loan; (ii) refinance the balance through a third party lender; or (iii) pay off the balance from cash on hand.

Specifically, the repayment terms are as follows:

- FMERA pays off \$10 million± from net proceeds from the sale of the Officer Housing, Russel Hall and the Fitness Center parcels; these closings are anticipated to occur within approximately six months of the Phase 2 closing
- The loan is interest-only through 12/31/17 provided that FMERA's gross sale proceeds in 2017 are \$10.1 million or less. If FMERA's 2017 gross sale proceeds are greater than \$10.1 million, FMERA will make a principal payment equal to 25% of net sale proceeds (i.e. net of real estate commissions and Homeless Trust Fund Payments) for any sales exceeding this threshold.
- FMERA pays 25% of net proceeds from each sale occurring on or after 1/1/18
- Trustee applies net sale proceeds toward principal reduction when notes are rolled over annually
- 60 days prior to the first annual maturity date, and each annual maturity thereafter, FMERA to provide a statement to the County estimating FMERA's Annual and Aggregate Cash Flow
- In addition to paying 25% of the net proceeds from any 2018 and subsequent year sale, commencing at year-end 2017 FMERA will make an additional annual payment equal to 50% of the amount by which FMERA's Aggregate Cash Flow at year-end exceeds \$3 million, however, with respect to 2017 only, the first \$10.1 million in gross sales proceeds is exempted from this calculation
- If for any reason MCIA does not rollover the notes on an annual maturity date and the County fails to pay on its guaranty, the principal of the loan becomes a general obligation of FMERA and FMERA's options would be to either: (i) refinance the balance through a third party lender, or (ii) pay off the balance from cash on hand

In anticipation of the issuance of notes by MCIA, the Board approved a Reimbursement Resolution at the July 2016 meeting, allowing the MCIA to use proceeds from the note sale to reimburse FMERA for costs incurred by FMERA and associated with issuance of the financing. The Audit Committee met earlier today to review the proposed financing terms and recommends approval by the Board.

Attached are the Loan Agreement and Note with our proposed lender, the MCIA, and the Reimbursement Agreement and Mortgage with Monmouth County, which will be guarantying repayment of MCIA's notes. Other than the mortgage, which was prepared by the County's special real estate counsel and reviewed by the Attorney General's Office, these documents were

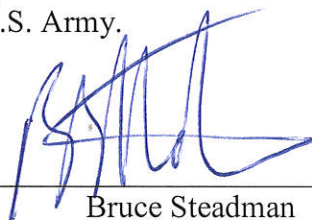
prepared by counsel to the MCIA and the County of Monmouth, and reviewed by FMERA's special counsel, Robert Tuteur of Eckert Seamans, as well as by the Attorney General's Office. The attached documents are in substantially final form. The final documents will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Although FMERA will not be a signatory to the official statement and contract of purchase, we are obligated to review those documents and confirm the accuracy of any statements pertaining to the Authority. The official statement and contract of purchase will be finalized closer to the date of issuance. I am requesting that the Members delegate to the Executive Director authority to approve those documents, subject to their review and approval by the Attorney General's Office.

While FMERA will use the loan proceeds exclusively to fund our acquisition of the Phase 2 properties from the Army, the proposed financing will also indirectly enable the Authority to fund necessary improvements to Main Post infrastructure. FMERA has prepared a 10-year sources and uses of funds projection (the "Phase 2 Financial Plan") to accompany the Army MOA and the Reimbursement Agreement. In addition to projecting FMERA's payment of the financing in approximately five (5) years, the Phase 2 Financial Plan projects that sale proceeds and other sources of revenue will fund \$25.8 million in estimated trunk infrastructure costs through 2021. Of that amount, \$12.5 million is allocated to sanitary sewer upgrades in the Oceanport section of the Fort, based on a study jointly funded by FMERA and the Two Rivers Water Reclamation Authority ("TRWRA"). At the September 2016 meeting, the Members dedicated and restricted up to \$300,000 to reimburse TRWRA for design and engineering of the sewer improvements. Improvements will also be made to the Main Post water mains, the electrical distribution system and roadways, benefitting the residents of Monmouth County as well as future occupants of the Fort. Although the Board has not approved the fiscal year 2017 budget, the Authority intends to include line-items for infrastructure costs per the foregoing.

#### Recommendation

In summary, I am requesting that the Board approve: (i) a Loan Agreement and Note with the Monmouth County Improvement Authority; (ii) a Reimbursement Agreement and Mortgage with Monmouth County; and (iii) an escrow agreement with the trustee, U.S. Bank, National Association. I am also requesting that the Members delegate to the Executive Director authority to approve two related documents financing documents, the offering statement and contract of purchase, subject to the review and approval of the Attorney General's Office. These actions are required to secure financing for FMERA's purchase of the Fort Monmouth Phase 2 Economic Development Conveyance parcels from the U.S. Army.



Bruce Steadman

Attachments: Loan Agreement & Note with MCIA  
Reimbursement Agreement & Mortgage with Monmouth County  
Escrow Agreement with U.S. Bank, National Association

Prepared by: Jennifer Lepore & David E. Nuse

ATTACHMENT

[The attachment that the preceding memo refers to has been removed from this full agenda.]



**ADOPTED**  
**October 14, 2016**

Resolution Regarding  
**Approval for a Cooperative Services Agreement with United States Department of  
Agriculture (USDA) Animal and Plant Health Inspections Service (APHIS) Wildlife  
Services**

**WHEREAS**, the Authority prepares to convey Avenue of Memories to Monmouth County with the County planning to open the road as soon as possible this fall, connecting Route 35 on the west to Oceanport Avenue on the East as the road is a critical artery and vital to the integration of the Fort properties in Eatontown and Oceanport and the surrounding region.

**WHEREAS**, the County estimates that between 7,500 and 9,000 cars per day will use the street, and therefore to protect the safety of drivers, the New Jersey Department of Environmental Protections (DEP) requested a plan to reduce the deer population be implemented and initiated prior to the opening of the road.

**WHEREAS**, as part of the consideration for the County issuing its payment guaranty of the \$35 Million Phase 2 financing, the County has required FMERA to implement a plan to reduce the deer population and FMERA staff has enlisted the help of the Army and the US Department of Agriculture (USDA) to initiate an adult deer culling program to be carried out by the USDA with the Army's permission.

**WHEREAS**, the USDA estimates that this program will yield approximately 40 pounds of meat per deer, to be distributed to local food shelves through the 501(c)(3) non-profit corporation Hunters Helping the Hungry.

**WHEREAS**, the APHIS Wildlife Services, who are trained in wildlife damage management and deer culling programs, will conduct the necessary operation activities and provide technical assistance in accordance with recommendations by the American Veterinary Medical Association and APHIS Wildlife Services policy.

**WHEREAS**, the USDA's fee for the program is estimated to be approximately \$40,000 and FMERA staff is requesting approval to enter into a Cooperative Services Agreement (CSA) with USDA to authorize a culling program and to reimburse USDA in order to satisfy the County's requirement.

**WHEREAS**, the Cooperative Services Agreement is in substantially final form and will be subject to the approval of FMERA's Executive Director and the Attorney General's office

**THEREFORE, BE IT RESOLVED THAT:**

1. For the reasons expressed in the attached memorandum, the Board authorizes FMERA staff to enter into a Cooperative Services Agreement (CSA) with USDA to authorize the culling program and to reimburse USDA in the amount of \$40,000 in order to



satisfy the County's requirement in response to NJDEP's request for a program to reduce the likelihood of deer/vehicle accidents. This formal action is subject to all necessary permits.

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.

Dated: October 14, 2016

**EXHIBIT 2**

**MEMORANDUM**

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Request to approve a Cooperative Services Agreement with United States Department of Agriculture (USDA) Animal And Plant Health Inspection Service (APHIS) Wildlife Services

**DATE:** October 14, 2016

Request

I am requesting Members of the Board of Directors' approval to enter into a Cooperative Services Agreement with United States Department of Agriculture (USDA) Animal And Plant Health Inspection Service (APHIS) Wildlife Services to implement a deer culling program on the Main Post of the former Fort Monmouth property, in accordance with the County of Monmouth's requirement, relating to the County's opening of the Avenue of Memories, for a fee not to exceed \$40,000.

Background

Governor Christie signed P.L. 2010 c. 51 on August 17, 2010 to create the Fort Monmouth Economic Revitalization Authority (FMERA or the Authority). The economies, environment, and quality of life of the host municipalities, Monmouth County, and the State will benefit from the efficient, coordinated, and comprehensive redevelopment and revitalization of Fort Monmouth.

As the Authority prepares to convey Avenue of Memories to Monmouth County, the County has indicated that it plans to open the road as soon as possible this fall. Connecting Rt. 35 on the west to Oceanport Avenue on the East, the road is a critical artery and vital to the integration of the Fort properties in Eatontown and Oceanport and the surrounding region. For the first time since the Army closed Avenue of Memories to thru traffic in September 2001, motorists will be able to drive through Fort Monmouth, rather than circumvent the property.

The County estimates that between 7,500 and 9,000 cars per day will use the street once it opens. To protect the safety of drivers, the New Jersey Department of Environmental Protection (DEP) requested that a plan to reduce the deer population, to implement a deer population reduction, be initiated prior to the opening of the road. The NJDEP expressed concerns about likely

deer/vehicle collisions, given the high density of deer now populating the Fort property. As part of the consideration for the County issuing its payment guaranty for the \$35 Million Phase 2 financing, the County has required FMERA to implement a plan to reduce the deer population. To comply with the County's requirement, FMERA staff has enlisted the help of the Army and the United States Department of Agriculture (USDA) to initiate an adult deer culling program. The program will be carried out by USDA personnel with Army's permission while the Army continues to own Phase 2 of Fort Monmouth. USDA estimates that this program will yield approximately 40 lbs pounds of meat per deer, to be distributed to local food shelves through Hunters Helping the Hungry, a 501(c)(3) non-profit corporation working with regional food banks to enable hunters to donate venison.

The deer culling program is directed primarily at reducing hazards to human health, safety risks, and property damage associated with the White-tailed Deer population now contained within the fenced former Fort Monmouth property. The NJDEP has expressed strong concerns that the opening of the Avenue of Memories to vehicular traffic poses a potential increase in deer/vehicle accidents along the Avenue of Memories thoroughfare, and in the surrounding areas, as well as other damage associated with the current deer population escaping into the surrounding municipalities.

APHIS Wildlife Service Wildlife Biologists and Specialists, who have been trained in wildlife damage management and deer culling programs, will conduct the necessary operational activities and provide technical assistance in accordance with recommendations by the American Veterinary Medical Association and APHIS Wildlife Service's policy.

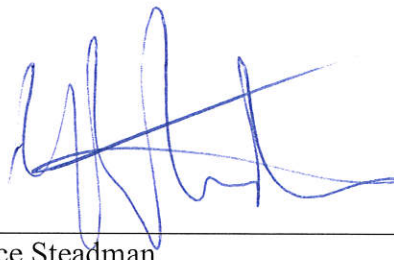
USDA's fee for this program is estimated to be approximately \$40,000. FMERA staff is requesting Board approval to enter into a Cooperative Services Agreement (CSA) with USDA to authorize the culling program, and to reimburse USDA in order to satisfy the County's requirement in response to NJDEP's request for a program to reduce the likelihood of deer/vehicle accidents.

The attached Cooperative Services Agreement is in substantially final form. The final document will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Avenue of Memories will be owned and maintained by the County after the Army completes transfer of the balance of the Main Post property to FMERA in November of this year, and FMERA subsequently transfers title of the Avenue of Memories to the County. This Board action is subject to all necessary permits and permissions being obtained.

#### Recommendation

In Summary, I am requesting Members of the Board of Directors' approval to enter into a a Cooperative Services Agreement with United States Department of Agriculture (USDA) Animal And Plant Health Inspection Service (APHIS) Wildlife Services to implement a deer culling program on the Main Post of the former Fort Monmouth, in accordance with the County of Monmouth's requirement, relating to the County's opening of the Avenue of Memories, for a fee not to exceed \$40,000.

A handwritten signature in blue ink, appearing to be 'Bruce Steadman', written over a horizontal line.

Bruce Steadman

Attachment: Cooperative Services Agreement  
Prepared by: Rick Harrison

**ATTACHMENT**

[The attachment that the preceding memo refers to has been removed from this full agenda.]