

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: December 14, 2016

SUBJECT: Agenda for Board Meeting of the Authority

1. **Call to Order – James V. Gorman, Chairman**
2. **Pledge of Allegiance**
3. **Notice of Public Meeting - Roll Call – Bruce Steadman, Secretary**
4. **Approval of Previous Month’s Board Meeting Minutes**
5. **Welcome – James V. Gorman, Chairman**
6. **Secretary’s Report**
7. **Treasurer’s Report**
8. **Public Comment Regarding Board Action Items**
9. **Executive Director’s Report:**
 - Update on the Phase 2 Economic Development Conveyance (EDC)
 - Update on Requests for Proposals (RFPs) and Contracts
 - Update on Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – James V. Gorman, Chairman
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Bruce Steadman, Interim Chairman
 - Housing Staff Advisory Committee – Gina Fischetti, Chairwoman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

- a. Consideration of Approval of FMERA's 2017 Budget and Authorization of FMERA's Executive Director to Submit Grant Requests to the Office of Economic Adjustment as Necessary
- b. Consideration of Approval of Conditional Access and Infrastructure Agreement for Officer Housing Parcel
- c. Consideration of Approval to Extend the Exclusive Negotiations Period for a Purchase and Sale & Redevelopment Agreement for Parcel B
- d. Consideration of Approval of a Purchase and Sale Agreement for the Main Post Chapel

12. **Other Items**

13. **Public Comment Regarding any FMERA Business**

- Responses to questions submitted online or in writing

14. **Adjournment**

**Fort Monmouth Economic Revitalization Authority
Board Meeting
November 2, 2016
FMERA Offices, 502 Brewer Avenue, Oceanport, NJ**

MINUTES OF THE MEETING

Members of the Authority present:

- James V. Gorman – Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Lillian Burry – Monmouth County Freeholder – V
- Gerry Turning – Mayor of Tinton Falls – V
- Jay Coffey – Mayor of Oceanport – V
- Mark Regan – Eatontown Councilman – V
- Donna Sullivan – Director of Real Estate, NJ Economic Development Authority – V
- Michael Collins – Assistant Counsel, Authorities Unit, Office of the Governor – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection
- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs
- William Riviere, Principal Planner, NJ Department of Transportation
- John Raue, Senior Policy Advisor to the Commissioner, NJ Department of Labor & Workforce Development

V – Denotes Voting Member

Members not present:

- Dr. Robert Lucky – Public Member – V

Also present:

- Bruce Steadman, FMERA Executive Director
- Gabriel Chacon, Deputy Attorney General (DAG)
- FMERA staff

The meeting was called to order by Chairman James V. Gorman at 7:02p.m. who led the meeting in the Pledge of Allegiance to the flag of the United States of America.

In accordance with the Open Public Meetings Act, FMERA Secretary Bruce Steadman announced that the 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 and NJEDA websites.

The first item of business was the approval of the September 21st regular meeting minutes. A motion was made to approve the minutes by Lillian Burry and seconded by Gerald Turning.

Motion to Approve: LILLIAN BURRY Second: GERALD TURNING

AYes: 7

Mark Regan abstained from voting stating he was not at the October meeting.

The second item of business was the approval of the October 14th special meeting minutes. A motion was made to approve the minutes by Lillian Burry and seconded by Jay Coffey.

Motion to Approve: LILLIAN BURRY Second: JAY COFFEY
AYes: 7

Mark Regan abstained from voting stating he was not at the October meeting.

The third item of business was the approval of the October 14th Executive Session meeting minutes. A motion was made to approve the minutes by Jay Coffey and seconded by Lillian Burry.

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY
AYes: 7

Mark Regan abstained from voting stating he was not at the October meeting.

WELCOME

Chairman James V. Gorman welcomed attendees to the meeting. Mr. Gorman stated that copies of the Board package were available at the door, and the Board package was posted to the FMERA website in the afternoon to give the public the opportunity to review the information in advance of the meeting.

Mr. Gorman, on behalf of the Board, bid farewell to Michael Collins of the Governor's Authority Unit and thanked him for his past efforts and steadfast support in the principal objective of restoring economic vitality to the communities affected by the closure of Fort Monmouth. Mr. Collins is leaving state government to pursue private practice.

Mr. Gorman stated that the Board would consider two board actions: 1) Consideration of Approval of a Fifth Amendment to the Purchase and Sale Agreement & Redevelopment Agreement for Parcels C & C1 in Tinton Falls; and 2) Consideration of Approval of a Second Amendment to Purchase and Sale Agreement & Redevelopment Agreement for Officer Housing Parcel in Oceanport.

The Chairman went on to state that there will be two public comment periods at the meeting based on the Authority's public meetings protocol, 3 minutes per speaker for the first, and 5 minutes per speaker for the second per. The Chairman reiterated his request for the public's cooperation in keeping comments as brief as possible. The Chairman continued by stating that in his role as Chairman he is required to conduct an orderly meeting and complete the meeting agenda in a reasonable time period. The Chairman concluded by stating that FMERA continues to welcome the public's constructive comments and ideas.

SECRETARY'S REPORT

Mr. Steadman stated that DAG Gabriel Chacon would recuse himself from the second Board action and DAG Edward Pillsbury would be available via telephone.

Mr. Steadman stated that the December 21st Board meeting will be rescheduled. The new confirmed date will be published, but is anticipated to be December 14 at 7pm

Michael Collins stated that he will recuse himself from the first Board action.

TREASURER'S REPORT

Jennifer Lepore, Senior Finance Officer stated that the budget process for 2017 continues. Once complete, the draft 2017 FMERA Budget will then be forwarded to the Audit Committee for its review. The 2017 FMERA Budget is scheduled to be brought before the Board for its consideration and approval at the December Authority meeting. The Monmouth County Improvement Authority, the Monmouth County Board of Chosen Freeholders and FMERA's Board have approved the issuance of approximately \$34 million in taxable notes to

enable the Authority to complete the purchase of the Phase 2 properties from the Army. The notes will be issued in two series: approximately \$23 million with a term of one year; and approximately \$10 million with a one-year term but subject to a six-month call. The notes will be backed by a Monmouth County guaranty. The financing closing is tentatively scheduled for mid-November.

PUBLIC COMMENT REGARDING BOARD AGENDA ITEMS (3 minutes re: Agenda Items)

There was no public comment.

EXECUTIVE DIRECTOR'S REPORT

Rick Harrison, Director of Facilities Planning stated FMERA and the Army have concluded discussions on the impending transfer of the balance of the Main Post and the closing documents are in the process of being finalized. The closing is currently scheduled for November 17.

The following is a summary of the status of RFPs and Contracts.

Auctioneer

The Auctioneer's Group is planning on some large auctions later this month once the Phase 2 property transfers.

Utilities

FMERA continues to plan for upgrades to utility systems, and to work with the public utilities and our subcontractors to ensure required utilities are safe and operational. As reported at past meetings we are actively working on a new water main to service the main post historic area, a new sanitary sewer plan, and working with JCP&L on the eventual take-over and upgrades to the existing electrical system.

Suneagles Golf Course

The month of October has seen increases across the board from last year. Rounds, membership, merchandise, etc. are all up for last month. There has been nothing but compliments from players regarding the course conditions. Memberships are still available and for more information please contact the golf shop. Routine maintenance on the course and equipment is underway for the entire month of October. Leaf removal and mulching has begun. Buttoning up all leaks on irrigation system prior to winterization in late Nov. Weekly spray applications of greens continue through mid Nov. There were a few large fundraisers in Gibbs Hall in the past month. The building is holding up with the exception of the ongoing leaks. As reported at our last meeting the membership drive is underway and we are pleased to announce that there will be no increase in membership rates for the next golf season. In the past, members received a 10% discount if they joined prior to December 1. This year, there will be no increase plus members will receive 5 free guest passes.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services and the Army Caretakers have been busy keeping our property presentable and secure, and monitoring buildings and properties for current marketing purposes. We are now in the fall mode preparing for the heating season and clearing roof drains and gutters. FMERA is also preparing for the transfer of the Phase 2 property, which includes executing the Phase 2 Property Management phase of our agreement with Chenega and making staffing plans. Thank you to the County Highway District, the Oceanport DPW, the Eatontown DPW, the Tinton Falls DPW and especially the Army/Buffalo team for their continued help and support.

Marina

The Marina is continues to draw nice crowds and has recently made some nice additions to their menu.

Dave Nuse, Director of Real Estate Development, gave the following town-by-town summary of the status of redevelopment projects.

In Oceanport, FMERA has executed contracts on 3 parcels:

- Officer Housing, consisting of 117 historic housing units, where RPM Development is the selected purchaser;
- Fitness Center, where FM Partners, LLC plans to renovate and expand the facility;
- Russel Hall, the former Garrison Headquarters building, already occupied on an interim lease by TetherView, a private cloud computing services company from New York.

At the August meeting, the Board authorized FMERA staff to execute a contract for the Dance Hall parcel. The Dance Hall is a 16,000 square-foot former recreation building on Brewer Avenue, planned for commercial and retail uses, including a restaurant.

FMERA is in negotiations for the sale and redevelopment of the following 4 Oceanport properties:

- The Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- The Marina, currently approved for exclusive negotiations with AP Development Partners;
- the Squier Hall Complex, an approximately 31-acre site that's slated for office/research, institutional/civic, educational or open space uses; and
- the Main Post Chapel, a 16,000 square foot building on 5 acres in Oceanport that will be reused as a house of worship.

FMERA has received Board approval to issue RFOTPs for several other properties in Oceanport, including Barker Circle, Allison Hall, and the Lodging Area. We expect to issue those RFOTPs before the end of the year.

In Eatontown, FMERA is in negotiations for the sale and redevelopment of 3 properties:

- Howard Commons on Pinebrook Road, zoned for up to 275 homes and up to 15,000 square feet of retail space, where FMERA is in negotiations with the lead proposer;
- Parcel B, an 89 acre mixed-use town center site along Route 35 to include up to 350,000 square feet of retail and commercial space and 302 housing units, where Fort Monmouth Parcel B Redevelopment, LLC, has been approved for exclusive negotiations;
- The Eatontown Barracks, 6 buildings on Semaphore Avenue on an approximately 4.4-acre parcel, where FMERA received one proposal for an arts/cultural center use.

FMERA issued an updated RFOTP for the Suneagles Golf Course on October 7th. FMERA is seeking proposals for a use consistent with the plan, namely reuse of the Golf Course and construction of a hotel/conference center, or for an alternate use which includes the reuse of the Golf Course and up to 75 residential units. The RFOTP is posted to FMERA's website, with a due date of December 7th.

In Tinton Falls, FMERA sold two properties this year:

- Building 2525, sold to RADAR Properties in February, which is leasing the building to Aaski Technology and other tenants for technology and office uses;
- Child Development Center, sold to Trinity Hall in March, which completed renovations and opened its doors in time for the start of the current school year.

FMERA has executed contracts on another five projects:

- Parcels C and C1, with Lennar Corporation, approved for 288 residential units over the two parcels, and up to 58,000 square feet of retail development;
- The Fabrications Shops (Pinebrook Road Commerce Center), 45,000 square feet of light industrial and flex office space buildings along Pinebrook Road under contract to Pinebrook Commerce Center, LLC;

- The Pistol Range and Satellite Road Parcel, under contract with Kiely Realty Group for the reuse and upgrades to the former Pistol Range, and additional office and commercial uses on the combined 5 acre parcel;
- The Teen Center and Swimming Pool, under contract to the Monmouth County Park System, and which is currently open to the public;
- And Parcel F-3, the former gas station and convenience store along Hope Road, which the Monmouth County Park System will utilize in conjunction with the adjacent Recreation Center and Swimming Pool, to expand services to the public.

FMERA is in negotiations for a contract related to the sale and redevelopment of the Charles Wood Fire Station, an approximately 4 acre parcel along Corregidor Road. That property is zoned for civic/institutional or commercial/retail uses.

Candice Valente, Senior Planning and Development Officer, provided the following update on effort to market the Fort.

FMERA and Cushman & Wakefield (Cushman), the Authority's Master Broker, continue to conduct several tours per week, as the Fort begins a new round of property sales with the transfer of the Phase 2 property. In addition, FMERA served as a community sponsor of the 2016 Asbury Agile event on October 7th, which brought together tech entrepreneurs, innovators and students for a day of discussions and informal networking that grew from the Jersey Shore Tech meetups. FMERA staff continues to research potential options for high-value technology buildings included in the Phase 2 property.

A pre-proposal conference related to the RFOTP for the Suneagles Golf Course was held on October 26 for interested proposers to learn more about the property and the uses FMERA will be seeking from responses. Any materials provided to attendees or questions received are now posted to FMERA's website as an addendum to the RFOTP.

Please refer to our website, www.fortmonmouthnj.com, for more information and to sign up for our monthly digital newsletters.

Bruce Steadman thanked Army Site Manager Col. John Occhipinti (ret.) on behalf of the Army for their work with on the Phase 2 closing with the Army.

Mr. Steadman thanked Lillian Burry on behalf of the County for their support with respect to the Phase 2 financing with the County.

Mr. Steadman thanked the County DPW for all of their work and efforts with regards to the Avenue of Memories work and preparation of the County's opening of the street after the November FMERA and Army closing.

Mr. Steadman, on behalf of FMERA, thanked Mike Collins for all of his efforts and support that he provided to FMERA during his tenure in the Governor's Authorities Unit.

Mr. Steadman concluded his report by stating FMERA's action items:

- Continued work with the N.J. Department of Environmental Protection to identify and resolve environmental issues of concern
- Continued meetings and tours with interested prospective employers and investors
- Continued outreach to our stakeholders in the 3 host municipalities, the County and others
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities

COMMITTEE REPORTS

a) AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Bruce Steadman, on behalf of Robert Lucky, stated that the Committee met on October 14th and discussed the following:

- Review and discussion of the three documents related to the financing of the purchase of the Phase 2 properties from the Army.
- Discussion regarding the repayment terms of the agreements.
- The committee reached a consensus and agreed to recommend Board approval.
- The Committee will meet in December to review the 2016 budget results and the 2017 budget.

b) REAL ESTATE COMMITTEE (JAMES V. GORMAN, CHAIRMAN)

Chairman Gorman stated that the Committee met on November 1st and discussed the following:

- Discussion regarding the Fifth amendment to the Purchase and Sale & Redevelopment Agreement with Lennar for Parcels C & C1. The Committee discussed the terms of the amendment. The Committee reached a consensus and agreed to recommend approval to the Board.
- Discussion regarding the Second Amendment to the Purchase and Sale Agreement and Redevelopment Agreement with RPM for Officers Housing in Oceanport. The Committee reached a consensus and agreed to recommend approval to the Board.
- Update on the Phase 2 financing with the County of Monmouth.
- Discussion regarding the opening of Avenue of Memories and public safety.
- Discussion regarding the historical monuments. The Committee recommends that the Veterans Committee take the lead on the monuments.
- Update on the Chapel, the Eatontown Barracks, and the Eatontown area in need of redevelopment.

c) ENVIRONMENTAL STAFF ADVISORY COMMITTEE (KENNETH J. KLOO, CHAIRMAN)

Kenneth J. Kloo stated that the Committee met on October 3rd and discussed the following:

- Discussion regarding FTMM-68, related to a former dry-cleaning operation located along Avenue of Memories, at which contaminants detected in on-site ground water exceed DEP standards. The Army has installed two new monitoring wells to help determine the limits of a groundwater plume, with sampling expected to begin later in October. The Committee discussed techniques for addressing the contamination.
- Summary of the planned redevelopment of Parcels C and C1 by Lennar Corporation. As part of the environmental due diligence process for Parcel C1, Lennar engaged a consultant to perform a radiological study of the former lab area in Tinton Falls. Previously, the Army and the Nuclear Regulatory Commission (NRC) deemed that the site required No Further Action (NFA) and deemed it acceptable for unrestricted use. The consultant's study confirmed the results of the NRC report, and revealed no areas of concern.
- Discussion on the current system of water distribution for the Phase II properties of the Fort. FMERA is actively pursuing a water main extension that, in its first phase, will serve the Historic District and current contracted purchasers. Mr. Fallon described a plan submitted to the DEP to provide drinking water to occupants of Phase II buildings in the interim. The Committee discussed the current system and water main work currently underway along Oceanport Avenue, as well as the plan for fire suppression and hydrant service.
- Update on discussions related to the opening of the Avenue of Memories, and the concerns of the County and DEP relating to the over-population of deer in the Eatontown and Oceanport Reuse Areas on the Fort. Discussions with the County, DEP, the Army, and the U.S. Department of Agriculture continue.
- Discussion regarding the closing with the Army on the Phase II property. The final Finding of Suitability to Transfer (FOST) for Phase II has been posted to the Army's website

- d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (BRUCE STEADMAN, INTERIM CHAIRMAN)

Bruce Steadman stated that the Committee did not meet this month.

- e) HOUSING STAFF ADVISORY COMMITTEE (GINA FISCHETTI, CHAIRPERSON)

Gina Fischetti stated that the Committee did not meet this month.

- f) VETERANS STAFF ADVISORY COMMITTEE (FREEHOLDER LILLIAN BURRY, CHAIRPERSON)

Lillian Burry stated that the Committee did not meet this month but will be having an upcoming meeting to discuss the monuments at Fort Monmouth.

BOARD ACTIONS

Michael Collins left the meeting at 7:36p.m.

- A) The first item before the Board was Consideration of Approval of Fifth Amendment to Purchase and Sale Agreement & Redevelopment Agreement for Parcels C & C1 in Tinton Falls.

Candice Valente read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Donna Sullivan and was seconded by Jay Coffey.

Motion to Approve: DONNA SULLIVAN Second: JAY COFFEY
AYes: 7

Michael Collins returned to the meeting at 7:40p.m.

DAG Edward Pillsbury joined the meeting via phone.

- B) The second item before the Board was the Consideration of Approval of Second Amendment to Purchase and Sale Agreement & Redevelopment Agreement for Officer Housing Parcel in Oceanport.

Candice Valente read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 2.

A motion was made by Jay Coffey and was seconded by Lillian Burry.

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY
AYes: 8

OTHER ITEMS

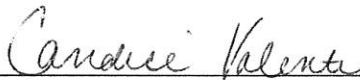
Mayor Turning asked for an update on the status of Lennar's proposed project for parcels C and C1 in Tinton Falls. Mr. Nuse answered that the due diligence period has expired, and that Lennar is in the process of developing its site plans for submission to FMERA and to the Tinton Falls Planning Board. It was estimated that there could be a ground-breaking for the project by late fall 2017.

PUBLIC COMMENT REGARDING ANY FMERA BUSINESS (3 minutes re: any FMERA business)

There was no public comment.

There being no further business, on a motion by Lillian Burry seconded by Michael Collins and unanimously approved by all voting members present, the meeting was adjourned at 7:45p.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.



Candice Valente – Assistant Secretary

ADOPTED
November 2, 2016

**Resolution Regarding
Authorization for FMERA to Amend the Purchase and Sale Agreement and
Redevelopment Agreement with Lennar for Parcels C and C1**

WHEREAS, on March 26, 2013, FMERA issued and publicly advertised a Request for Offers to Purchase (RFOTP) for Parcel C, an approximately 39-acre lot, and a RFOTP for Parcel C1, a 12-acre lot, in connection with the planned redevelopment of Parcels C and C1 in Tinton Falls; and

WHEREAS, Lennar Corporation (Lennar) received the highest score for their proposal for Parcel C and the highest score for their proposal for Parcel C1, and Lennar also submitted the highest price proposals for both Parcel C and C1; and

WHEREAS, at the Authority's April 23, 2014 meeting, the Board authorized FMERA staff to enter into a Purchase and Sale Agreement and Redevelopment Agreement (PSARA) with Lennar; and

WHEREAS, the terms of the PSARA included Lennar's payment of \$12 million for Parcel C and \$3.2 million for Parcel C1; closing will occur within 30 days of satisfaction of the conditions precedent, which include Lennar completing due diligence and obtaining all approvals necessary to develop the project, receipt of a final remediation document from either the New Jersey Department of Environmental Protection or the purchaser's Licensed Site Remediation Professional, and an amendment to the Reuse Plan to accommodate the project; and

WHEREAS, the PSARA was executed on December 1, 2015 and Lennar subsequently began their due diligence activities, which required an expanded timeline extended through June 1, 2016 by the Executive Director; and

WHEREAS, additional environmental testing for Parcel C1 required the extension of the due diligence period until September 15, 2016; and

WHEREAS, negotiations with Lennar have lead to the attached amendment to the PSARA to make the following revisions: (1) the total \$2.28 million deposit is allocated as follows: \$1.8 million for Parcel C (i.e. 15% of the \$12 million purchase price allocated to Parcel C) and \$480,000 for Parcel C-1 (i.e. 15% of the \$3.2 million purchase price allocated to Parcel C-1); (2) the period for satisfying conditions precedent to closing is extended from 15 months to 18 months; and (3) Lennar's corporate approval for the Parcel C-1 transaction is confirmed as of September 15, 2016, thereby ending the due diligence period and beginning the approvals period for Parcel C-1; and

WHEREAS, the Real Estate Committee has reviewed this amendment and recommends that it be forwarded to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the amendment to the Purchase and Sale Agreement and Redevelopment Agreement with Lennar Corporation for Parcel C and Parcel C1 in Tinton Falls, 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 amendment and take any necessary actions to effectuate the selection of Lennar Corporation as the purchaser of Parcel C and Parcel C1.

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: November 2, 2016
ATTACHMENT

EXHIBIT 1

ADOPTED
November 2, 2016

Resolution Regarding
Authorization for FMERA to Amend the Purchase and Sale Agreement and
Redevelopment Agreement with RPM for the Officer Housing Parcel and to Negotiate a
Realignment of the Intersection of Gosselin and Saltzman Avenues

WHEREAS, in January 2013, FMERA issued and publicly advertised a Request for Offers to Purchase (RFOTP) for the Officer Housing Parcel, in connection with the planned redevelopment of 36 acres in Oceanport; and

WHEREAS, an evaluation team scored the sole compliant proposal, from RPM Development, LLC (RPM), independently and recommended that FMERA proceed to exclusive negotiations with RPM, which the Board authorized at the April 2014 meeting; and

WHEREAS, the Board authorized FMERA staff to execute a Lease in Furtherance of Conveyance with the Army for the Officer Housing and enter into a sublease with RPM, all upon final terms acceptable to the Executive Director and Attorney General's Office, in order to enable RPM to apply for site plan and other approvals, and to obtain financing; and

WHEREAS, negotiations with RPM led to a substantially final PSARA, which was approved by FMERA's Board in April 2015; and

WHEREAS, the terms of the PSARA included RPM's payment of \$8,262,817 and contribution of \$1 million toward on- and off-site infrastructure obligations; closing will occur within 30 days of satisfaction of the conditions precedent, which include execution of a Phase 2 Economic Development Conveyance Agreement with the Army and FMERA's receipt of title from the Army; and

WHEREAS, the PSARA was executed on July 29, 2015 and RPM subsequently began their due diligence activities and secured several approvals; and

WHEREAS, FMERA staff is currently in discussions with RPM to prepare a final version of a Conditional Access Agreement and Infrastructure Agreement to present to the Board for its approval, which will detail the obligations of both the Purchaser (RPM) and Seller (FMERA) for utility upgrades and installations, as well as provide the access rights granted to the Purchaser to begin improvements to the buildings and land; and

WHEREAS, FMERA staff has also been in negotiations with the County of Monmouth in relation to the transfer of County Route 537/Avenue of Memories, which is adjacent to both the North and South Posts, and this will require a realignment of Saltzman Avenue and a reconfiguration of the intersection of Gosselin and Saltzman Avenues; and

WHEREAS, negotiations with RPM have lead to the attached amendment to the PSARA to make the following revisions: (1) the outside closing date is extended from December 1, 2016 to February 1, 2017; (2) should the relocation or realignment of the Avenue of Memories cause the County to seek an application for site approval from RPM, the approval period is extended an additional six months; and (3) any delays related to FMERA's utility and infrastructure obligations will be considered a Force Majeure in the project's timeline; and

WHEREAS, FMERA staff is also seeking the authority to negotiate the design of a reconfiguration of the intersection of Gosselin and Saltzman Avenues with RPM and the County, subject to the approval of the County Engineer, FMERA staff, and the Attorney General's Office, prior to December 1, 2016; and

WHEREAS, the Real Estate Committee has reviewed this request and recommends that it be forwarded to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the amendment to the Purchase and Sale Agreement and Redevelopment Agreement with RPM Development for the Officer Housing Parcel 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 amendment and take any necessary actions to effectuate the selection of RPM Development as the purchaser of the Officer Housing Parcel.

2. The Authority authorizes the Executive Director to negotiate the reconfiguration of the intersection of Gosselin and Saltzman Avenues adjacent to the Officer Housing Parcel in Oceanport, with final terms acceptable to the Executive Director and 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: November 2, 2016
ATTACHMENT

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: December 14, 2016

SUBJECT: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) staff's monthly activities which include an Update on the 2017 Consolidated Budget and Phase 2 Financing; Update on Meetings with Army Representatives; Update on Requests for Proposals (RFPs) and Other Contracts; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort; and Action Items for Next Month.

Treasurer's Report

1. 2017 Consolidated Budget

FMERA staff presented the 2017 Consolidated Budget to the Audit Committee at their December meeting. Based on their review, the Audit Committee recommended that the 2017 Consolidated Budget be submitted to the Board at its December 14, 2016 meeting.

2016 Projected Budget Results

- 2016 Grant revenue was slightly lower than budgeted as contractual expenses were lower than projected, and grant revenue is a product of the expenses incurred.
- EDC expenses are projected to be under budget for 2016 due to the delay in the closing with the Army on the Phase 2 property. Because of this delay, the Authority did not incur the projected carrying costs associated with the property.
- The Authority is projecting a net loss for 2016 as a result of delays in property sales. FMERA was not able to close and receive the revenue on most of the parcels that were projected to be sold during the year. However, this loss was covered by the Authority's EDC cash reserves, and on a cumulative basis since inception, the Authority is cash flow positive.

2. Phase 2 Financing

The Monmouth County Improvement Authority issued \$33,525,000 in taxable notes and loaned the proceeds to FMERA in connection with the Authority's November 17, 2016 purchase of the Phase 2 properties from the Army. The notes were issued in two series: Series 2016A in the amount of \$23,370,000 with a term of one year and bearing interest at the rate of 1.375% per annum; and Series

2016B in the amount of \$10,155,000 with a one-year term but subject to a six-month call with interest at 1.75% per annum. The notes are backed by a Monmouth County guaranty which resulted in the notes receiving the highest credit rating from the three rating agencies. FMERA anticipates that the loan will be fully amortized within five years.

Executive Director's Report

1. Update on Phase 2 Economic Development Conveyance (EDC)

FMERA and the Army executed a Phase 2 Memorandum of Agreement (MOA) authorizing the transfer of the balance of the Main Post, and FMERA acquired title to the property from the Army on November 17, 2016.. The transfer paves the way for FMERA to begin redevelopment of nearly one square mile of property in Eatontown and Oceanport. FMERA wishes to acknowledge the County of Monmouth, DoD's BRAC Office and the Army Corps of Engineers for their contributions to this monumental event.

2. Update on RFPs and Contracts

The following is a summary of the status of RFPs and Contracts that FMERA has issued:

Auctioneer

The Auctioneer's Group has conducted 3 auctions this month: the Vail Hall DMS Switch auction on 11/30, a furniture auction in buildings 1206 – 1210 on 12/7, and a fixtures and equipment auction in buildings 1206-1210 on 12/14. The results will be shared next month. During January and February the auctioneer will be prepping for additional auctions to start-up in March.

Utilities

FMERA continues to plan for upgrades to utility systems, and to work with the public utilities and our subcontractors to ensure required utilities are safe and operational. We are also working the Army contractor group to transfer the Phase 2 utility accounts to FMERA. The Oceanport Engineer, under an MOU between the Borough and FMERA, is completing work on design of a water main extension to accommodate the historic district development, the fitness center, FMERA offices and additional pending sales in the area surrounding the historic district. JCP&L has started to evaluate the Phase 2 electrical system in anticipation of the transfer of from FMERA. FMERA is also working toward an MOU with Two Rivers Water Reclamation Authority to define the terms and responsibilities for the future maintenance and operation of the existing sanitary sewer system and the transition to a proposed new system serving the Oceanport area of the Fort.

Suneagles Golf Course

LINX Golf Management, FMERA's operator, reports –

Course condition and weather are both above average for this time of year. This resulted in play being up considerably. The feedback about the course has been nothing short of fantastic. Cold weather is upon us now so play is dropping and will flatten out for the rest of the year.

Continued mowing of greens, tees, fairways and roughs but at a longer frequency between cuts due to seasonal changes. Winterized pump station and will winterize irrigation system week of 12/12. Fall fertilization has been applied on greens and tees. Snow mold fungicide application on greens and tees has been applied and will re-treat in two weeks. Winterization of equipment to commence this week. Ongoing leaf mulching and removal is 80% complete.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services and the Army Caretakers have been busy keeping our property presentable and secure, and monitoring buildings and properties for current marketing purposes. Our property management group, COS has recently brought on board another employee from the Army contractor force to assist with their expanded scope associated with the Phase 2 transfer. We are now in the process of shutting down utilities and draining buildings that are planned for demolition and adjusting temperatures in buildings to be reused in an attempt to reduce utility usage. The Army caretaker group is assisting in these efforts. Thank you to the County Highway District, the Oceanport DPW, the Eatontown DPW and the Tinton Falls DPW for their help and support.

Marina

The Marina is well into the holiday season with many special events and holiday parties planned.

3. Update on RFOTPs

The following is a town-by-town summary of the status of redevelopment projects.

In **Oceanport**, FMERA has executed contracts on 3 parcels:

- Officer Housing, consisting of 117 historic housing units, where RPM Development is the selected purchaser;
- Fitness Center, where FM Partners, LLC, is proposing to renovate and expand the facility;
- Russel Hall, the 40,000 square-foot former Garrison Headquarters building, to TetherView Property Management, LLC, a private cloud computing services company from New York.
- Dance Hall, a 16,000 square-foot former recreation building on Brewer Avenue, to AP Development Partners, for commercial and retail uses, including entertainment and restaurant purposes.

FMERA is in negotiations for the sale and redevelopment of the following 4 properties:

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- Marina, currently approved for exclusive negotiations with AP Development Partners, LLC, and contemplated for a marina/public boat ramp and restaurant.
- Squier Hall Complex, an approximately 31-acre site currently under negotiations with the sole bidder, that is slated for office/research, institutional/civic (including educational) and open space/recreation uses. The future developer will be required to retain Squier Hall, which is listed on the National Register of Historic Places. Sale of the parcel, and all Phase 2 parcels, is contingent on the execution of the Phase 2 Economic Development Conveyance Agreement with the Army.
- Main Post Chapel, an approximately 16,372 square foot building on 5 acres that is slated for reuse as a house of worship. FMERA received one proposal to the Request for Bids on October 7, 2016 and staff will present a recommendation at tonight's meeting to enter into a sale agreement with the bidder.

FMERA has received Board approval to issue RFOTPs for several other properties in Oceanport, including Barker Circle, Allison Hall, and the Lodging Area.

In **Eatontown**, FMERA is in negotiations for the sale and redevelopment of 3 properties:

- Howard Commons on Pinebrook Road, zoned for up to 275 homes and up to 15,000 square feet of retail space, where FMERA is in negotiations with the lead proposer;

- Parcel B, an expanded parcel including up to 89 acres for a mixed-use town center along Route 35 to include approximately 250,000 square feet of retail space and 302 housing units, where Fort Monmouth Parcel B Redevelopment, LLC, has been approved for exclusive negotiations. Staff will present a recommendation to extend the negotiations period in order to present a final contract to the Board.
- Eatontown Barracks, 6 buildings on Semaphore Avenue on an approximately 4.4-acre parcel, where FMERA received one proposal for an arts/cultural center use. The proposal has been reviewed by an independent evaluation committee for compliance with the RFOTP, and FMERA has begun discussions with the proposer.

FMERA issued an RFOTP for the Suneagles Golf Course on October 7, 2016, and received four proposals on December 7. FMERA sought proposals for a use consistent with the plan, namely reuse of the Golf Course and construction of a hotel/conference center, or for an alternate use which includes the reuse of the Golf Course and up to 75 residential units within the 10-acre former Megill Housing area. An evaluation committee will be formed to score the proposals in the coming weeks.

In **Tinton Falls**, FMERA closed on two properties this year:

- Building 2525, sold to RADAR Properties in February, which will lease the building to Aaski Technology and other tenants for technology and office uses;
- Child Development Center, sold to Trinity Hall in March, which will relocate the all girls high school to the site as their new home for the upcoming school year.

FMERA has executed contracts on another five projects:

- Parcels C and C1, with Lennar Corporation, approved for 288 residential units over the two parcels, and up to 58,000 square feet of retail development;
- Fabrications Shops (Pinebrook Road Commerce Center), 45,000 square feet of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC;
- Pistol Range and Satellite Road Parcel, under contract with Kiely Realty Group for the reuse and upgrades to the former Pistol Range, and additional office and commercial uses on the combined approximately 5 acre parcel.
- Parcel F-3, the former gas station and convenience store along Hope Road, which the Monmouth County Park System will utilize in conjunction with the adjacent Recreation Center and Swimming Pool, to expand services and public open space amenities.
- Recreation Center and Swimming Pool, under contract to the Monmouth County Park System, is currently open to the public through a lease with the County.

FMERA is in negotiations for a contract related to the sale and redevelopment of the Charles Wood Fire Station, an approximately 4 acre parcel along Corregidor Road in the Tinton Falls Reuse Area. FMERA received 5 proposals in response to the RFOTP, and an independent evaluation committee scored those proposals and recommended FMERA begin negotiations with the highest scoring bidder. FMERA sought proposals to redevelop the site for civic/institutional or commercial/retail uses.

FMERA has also received Board approval to issue an RFOTP for Parcel F-2, which includes Building 2719, and will evaluate options for issuing an updated RFOTP for Parcel F-1, the Myer Center site.

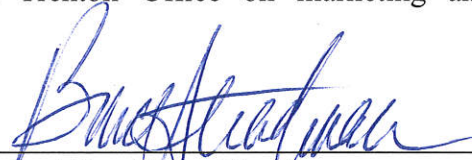
4. Marketing Update

FMERA and Cushman & Wakefield (Cushman), the Authority's Master Broker, continue to conduct several tours per week, as the Fort begins a new round of property sales with the transfer of the Phase 2 property. FMERA will be organizing an informational press event early next year, to provide interested members of the media with a chance to learn more about the Fort's next phase of redevelopment. Several contracted purchasers will be available to answer questions about their future projects and plans for redevelopment.

Please refer to our website, www.fortmonmouthnj.com, for more information and to sign up for our monthly digital newsletters.

5. Action Items for Next Month.

- Continued work with the N.J. Department of Environmental Protection to identify and resolve environmental issues of concern
- Continued meetings and tours with interested prospective employers and investors
- Continued outreach to our stakeholders in the 3 host municipalities, the County and others
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities



Approved By: Bruce Steadman

Prepared by: Candice Valente

ADOPTED
December 14, 2016

Resolution Regarding
2017 Consolidated Budget and the Office of Economic Adjustment Grant Requests

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (Act), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (FMERA or Authority); and

WHEREAS, the 2017 Consolidated Budget includes an Economic Development Conveyance (EDC) Budget, representing the projected 2017 sales and financial activity under the approved Phase 1 and Phase 2 EDC Agreements, encompassing the sale of seventeen parcels; and

WHEREAS, the 2017 Consolidated Budget also includes a Non-EDC Budget, representing the funding of qualified expenses received by the U.S. Department of Defense's Office of Economic Adjustment (OEA) and the requisite local match from the State of New Jersey, which funding and local match end on June 30, 2017; and

WHEREAS, the Audit Committee reviewed the 2017 Consolidated Budget and recommends it to the Authority for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the 2017 Consolidated Budget, as described in the attached memorandum.
2. The Authority authorizes the Executive Director to take all necessary actions to submit grant requests to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,011,000 to support the Authority's operations for the 2017 calendar year as necessary.
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.

ATTACHMENT

Dated: December 14, 2016

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman, Executive Director

DATE: December 14, 2016

RE: 2017 Consolidated Budget

The draft 2017 Consolidated Budget, consisting of the draft 2017 Non-Economic Development Conveyance Budget and the draft 2017 Economic Development Conveyance (EDC) Budget is enclosed for your review and consideration. FMERA staff has collaborated in the development of a Consolidated Budget which supports and enhances 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*. The Consolidated Budget is also intended to expand the Authority's sources of funding while continuing to control costs and direct spending to advance the Authority on the path toward financial self-sufficiency.

The draft 2017 Consolidated Budget illustrates the Authority's progress in implementing the approved Phase 1 and Phase 2 EDC Agreements and embarking on the economic redevelopment of the former Fort property. This year's budget includes: the EDC Budget, representing the projected 2017 financial activity under the approved Phase 1 and Phase 2 EDC Agreements; and the Non-EDC Budget representing the funding of qualified expenses received through the Office of Economic Adjustment (OEA) and the local match.

The draft 2017 Consolidated Budget illustrates the Budget based on the 2017 projected parcel sales. Seventeen parcels are projected to be sold during 2017 for \$37,069,230. The projected Net Earnings from the parcel sales are \$8,711,028. The Land Costs for the parcel sales total \$28,358,202 and consist of \$10,000,000 in payments on Notes Payable due to Monmouth County, \$12,954,467 in payments to the Army, \$3,322,695 to the Homeless Accommodation under the terms of the EDC Agreement and Sales Commissions of \$2,081,040.

The 2017 FMERA draft Non-EDC Budget's total expenses and costs of \$1,011,000 will be funded by federal grants of \$909,900 through OEA and the local match requirement of \$101,100 and are lower than 2016's level of \$1,753,155. The decrease is due to the Non-EDC Budget only representing the first six months of the year. On June 30, 2017, OEA funding will end (and the State match) and the remainder of the year will be funded by the EDC Budget.

FMERA's 2017 proposed EDC Budget's General and Administrative expenses of \$272,000 represent costs which do not qualify for funding under the terms of the federal grant. EDC Direct Office expenses of \$919,565 represents the salary and fringe of 2 employees that do not qualify for funding under the terms of the federal grant and then the salary and fringe of all 10 employees starting July 1, 2017 when OEA funding

ends. EDC operating income of \$62,500 represents the amount to be received under the Golf Course Operating Agreement and Miscellaneous Revenue of \$400,000 represents projected proceeds from the auctions of personal property transferred from the Army to the Authority. Interest expense on Notes Payable of \$500,000 represents the estimated interest expense on the bonds used to purchase the Phase 2 property from the Army.

The 2017 Consolidated Program Costs of \$4,562,300 are slightly higher than the 2016 Budget. The 2016 Budget projected the purchase of the Phase 2 parcels in the 1st quarter of 2016 which would have consisted of 9 months in carrying costs. With the transfer of the Phase 2 property in the 4th quarter of 2016, the 2017 Budget represents 12 months of carrying costs which caused an increase in Program Costs from 2016 to 2017. Carrying costs mainly consist of property maintenance, utilities and insurance.

The Authority's 2017 proposed Capital Budget calls for outlays totaling \$1,725,000, comprised of: \$1,125,000 in Short-Term Capital Projects that include Infrastructure and Other improvement costs on properties transferred to the Authority; and \$600,000 in Long-Term Capital Projects that include Infrastructure and Demolition & Renovations. Projects to be funded from the Capital Budget include a new water main extension and sanitary sewer system on the Main Post. The Long-Term Capital Projects will be financed out of the Authority's cash reserves per the EDC Agreement, however, no more than 25% of the total cash reserve will be used in 2017 for these projects.

The draft 2017 Consolidated Budget is projecting an excess of revenue over expenses (after contribution to cash reserves) of \$1.7 million compared to the net loss in 2016 that was due to delays in property sales. This loss was covered by the Authority's EDC cash reserves, and on a cumulative basis since inception, the Authority is cash flow positive.

The Audit Committee has reviewed the budget and recommends Board approval of the draft 2017 Consolidated Budget.

Recommendation

Based on the above, the Members of the Board are asked to approve the attached draft 2017 Consolidated Budget.

The Members are also requested to approve authorizing the Executive Director to submit grant requests and any other necessary documentation to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,011,000.



Bruce Steadman

ATTACHMENT

Prepared by: Jennifer Lepore

ATTACHMENT

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



ADOPTED
December 14, 2016

**Resolution Regarding
Authorization for FMERA to Enter into Conditional Access Agreement & Infrastructure
Agreement with RPM Development**

WHEREAS, in April 2015, the FMERA Board authorized staff to enter into a Purchase and Sale Agreement & Redevelopment Agreement (PSARA) with RPM Development, LLC (RPM), for the Officer Housing parcel in the Oceanport Reuse Area of Fort Monmouth; and

WHEREAS, the terms of the PSARA included RPM's payment of \$8,262,817 and contribution of up to \$1 million toward on- and off-site infrastructure obligations; closing will occur within 30 days of satisfaction of the conditions precedent, which include execution of a Phase 2 Economic Development Conveyance Agreement with the Army and FMERA's receipt of title from the Army; and

WHEREAS, the PSARA was executed on July 29, 2015 and RPM subsequently began their due diligence activities and secured several approvals; and

WHEREAS, as a condition precedent to closing with RPM, the parties negotiated a Conditional Access Agreement and Infrastructure Agreement to detail the obligations of both the Purchaser (RPM) and Seller (FMERA) for utility upgrades and installations, as well as provide the access rights granted to the Purchaser to begin improvements to the buildings and land; and

WHEREAS, negotiations between RPM and FMERA have led to the attached Agreement, with the following material terms: FMERA grants RPM and its employees, agents, consultants, sub-consultants, contractors, and sub-contractors the right to access the property; operate and park vehicles and equipment; and erect way-finding and other signage, subject to FMERA's Land Use Rules; FMERA agrees to install any additional fencing required to shield the North Post development from construction related to the historic Buildings 270 and 271, and to remove the barbed wire fencing along a portion of Oceanport Avenue within 90 days of completion of renovations to model homes; FMERA and RPM renegotiated the off-site infrastructure payment to \$700,000, which is due upon closing with FMERA and the purchaser will bear the costs of all infrastructure improvements within the Officer Housing parcel; and

WHEREAS, FMERA has agreed that within six (6) months of the effective date of the Agreement, FMERA will enter into a Memorandum of Understanding with TRWRA for the design and engineering of upgrades to the sanitary sewer system and pumping system.; and

WHEREAS, the Real Estate Committee has reviewed this request and recommends that it be forwarded to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Conditional Access Agreement and Infrastructure Agreement with RPM Development for the Officer Housing Parcel 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 and take any necessary actions to effectuate the selection of RPM Development as the purchaser of the Officer Housing Parcel.

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: December 14, 2016
ATTACHMENT

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Conditional Access Agreement & Infrastructure Agreement with RPM
Development for Officer Housing Parcel

DATE: December 14, 2016

Request

I am requesting that the members of the Board approve the Conditional Access Agreement & Infrastructure Agreement (“Access & Infrastructure Agreement”, or “Agreement”) with RPM Development (RPM) for the Officer Housing Parcel in the Oceanport Reuse Area.

Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Officer Housing Parcel in January 2013. The Officer Housing Parcel includes 117 historic residential units in single, duplex and four-plex configurations, surrounding and adjacent to the Parade Ground. Specifically, it consists of Gosselin Avenue non-commissioned officer residences and officer family housing units on Russel, Carty and Allen Avenues; the latter range in size from 3,700 to over 6,000 sf. The historic residential units are located on two parcels of 26.5 acres and 9 acres. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the housing to be reused as residential units. Also, the property is located within the Fort Monmouth National Register Historic District and redevelopment is restricted accordingly.

In accordance with FMERA’s Rules for the Sale of Real and Personal Property (N.J.A.C. 19:31C-2 et seq.) (the “Sales Rules”), an evaluation committee scored the sole compliant proposal independently and agreed that the proposal from RPM was compliant with the Reuse Plan, and recommended that FMERA proceed to exclusive negotiations. RPM, a New Jersey-based real estate development organization with over two decades of experience in historic and affordable housing development, submitted a proposal for 68 market-rate, for-sale units north of the Parade Ground (the “North Post”) and 48 rental units south of the Parade Ground (the “South Post”). The South Post units are proposed to be a mix of market-rate rentals and affordable rentals, with the affordable rentals meeting the project’s required 20% affordable housing set aside. RPM plans to



restore the exteriors and renovate the interiors of the North Post and South Post homes, as well as providing landscaping. A recreational area is proposed for the North Post along Parker's Creek.

After holding meetings with RPM representatives, FMERA staff recommended that FMERA enter into exclusive negotiations with RPM. At its meeting of April 2014, the FMERA Board authorized staff to enter into exclusive negotiations with RPM for a Purchase and Sale & Redevelopment Agreement ("PSARA") pursuant to the RFOTP for the Officer Housing parcel. Additionally, at its May 2014 meeting, the FMERA Board authorized staff to: (i) execute a Lease in Furtherance of Conveyance with the Army for the Officer Housing Parcel; and (ii) enter into a sublease with RPM for the Officer Housing Parcel. The sublease was intended to enable RPM to apply for site plan and other approvals from the Borough of Oceanport, and to obtain financing in advance of closing. RPM has applied for and received site plan and subdivision approval from the Oceanport Planning Board for both the North and South Post, as well as a project authorization from the State's Historic Preservation Officer for the South Post (the North Post application is currently under review). The FMERA Board subsequently extended RPM's exclusive negotiations period through April 2015, at which time staff presented a substantially final PSARA with RPM to the Board for approval.

Purchase and Sale & Redevelopment Agreement

The PSARA approved by the Board included the following terms:

RPM will pay \$8,262,817 for the property and contribute an amount up to \$1,000,000 toward on- and off-site infrastructure obligations. Closing will occur within 30 days of satisfaction of the conditions precedent to closing, which include: execution of a Phase 2 Economic Development Conveyance Agreement between FMERA and the Army; FMERA's acquisition of title from the Army; RPM completing due diligence and obtaining all approvals necessary to develop the project; receipt of a final remediation document from either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional; and the consent of the New Jersey Economic Development Authority's Board. The parties agreed to endeavor to satisfy these contingencies within six months of execution of the PSARA. RPM will have the option of extending the time period for obtaining project approvals for an additional six months if it has not obtained them within the initial six month timeframe. FMERA will convey the property to RPM in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

The purchaser will renovate the existing buildings in two phases: RPM will commence renovation of the North Post units no later than 90 days after closing, and complete construction no later than 68 months thereafter. The purchaser will commence renovations of the South Post no later than 30 days after it obtains project financing for that component, and complete construction no later than 18 months thereafter. The South Post project financing may include Low-Income Housing Tax Credits and historic tax credits, as well as conventional financing. The purchaser will also be obligated to create one full-time, on-site superintendent job to serve the South Post rental community upon completion of the South Post units.

The PSARA was executed on July 29, 2015 and RPM subsequently began their due diligence investigations and secured several approvals in order to proceed with the redevelopment as proposed.

Conditional Access Agreement & Infrastructure Agreement

As a condition precedent to closing with RPM, the parties must negotiate and execute both a Conditional Access Agreement and Infrastructure Agreement. After discussions with RPM, staff has prepared a substantially final Agreement, which is attached to this memo, to present to the Board for its approval. The Agreement details the obligations of both the Purchaser (RPM) and Seller (FMERA) for utility upgrades and installations, as well as provides the access rights granted to the Purchaser to begin improvements to the building and land.

The negotiations between RPM and FMERA have led to the attached Agreement with the following material terms:

FMERA grants RPM and its employees, agents, consultants, sub-consultants, contractors, and sub-contractors the right to access the property; operate and park vehicles and equipment; and erect way-finding and other signage, subject to FMERA's Land Use Rules. In addition, FMERA agrees to install any additional fencing required to shield the North Post development from construction related to the historic Buildings 270 and 271, and to remove the barbed wire fencing along a portion of Oceanport Avenue within 90 days of completion of renovations to the model homes.

FMERA and RPM also negotiated the infrastructure and utility obligations of both parties, and renegotiated the off-site infrastructure payment to \$700,000, which is due upon closing with FMERA. The purchaser will bear the costs of all infrastructure improvements within the Officer Housing parcel. FMERA will be responsible for, among other items, negotiating a transfer of the Phase 2 electrical utility service to Jersey Central Power & Light, installing a new water main up to the property from Oceanport Avenue, and entering into an agreement with Two Rivers Water Reclamation Authority (TRWRA) to design and install new sanitary sewer infrastructure up to the property, as well as ensuring any newly constructed sewer infrastructure within the RPM property is properly connected to the sewer system ultimately to be installed throughout the Fort. FMERA has agreed that within six (6) months of the effective date of the Agreement, FMERA will enter into a Memorandum of Understanding with TRWRA for the design and engineering of upgrades to the sanitary sewer system and pumping system.

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

The Real Estate Committee has reviewed the recommendation and recommends the Board approve the Conditional Access Agreement & Infrastructure Agreement.

Recommendation

In summary, I am requesting that the Board approve the Conditional Access Agreement & Infrastructure Agreement with RPM Development for the Officer Housing Parcel in the Oceanport Reuse Area.



Bruce Steadman

Attachment: Conditional Access Agreement & Infrastructure Agreement
Prepared by: Candice A. Valente and David E. Nuse

ATTACHMENT

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



ADOPTED
December 14, 2016

Resolution Regarding
**Approval to Extend the Exclusive Negotiating Period with Fort Monmouth Parcel B
Redevelopment, LLC, for Parcel B**

WHEREAS, on February 10, 2015, FMERA issued and publicly advertised a Request for Offers to Purchase (RFOTP) with a response date of July 10, 2015, in connection with the planned redevelopment of Parcel B in Eatontown; and

WHEREAS, Parcel B is a 77-acre parcel located in the Eatontown Reuse Area, containing 13 obsolete buildings slated for demolition in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan), which could accommodate approximately 250,000 square feet of retail and other commercial uses, along with 302 housing units; and

WHEREAS, FMERA received five proposals for Parcel B, which were scored independently by an evaluation committee, and Fort Monmouth Parcel B Redevelopment, LLC, (Parcel B Redevelopment) received the highest score and submitted the highest price proposal, and the proposal included a viable and fair proposal for the optional 12-acre property; and

WHEREAS, the Board authorized staff to enter into exclusive negotiations with Parcel B Redevelopment in February 2016 because staff determined during the evaluation process that there is a high likelihood that negotiating with Fort Monmouth Parcel B Redevelopment, LLC, will lead to an acceptable sales contract between the parties; and

WHEREAS, the exclusive negotiating period commenced on October 3, 2016 and by letter dated November 4, 2016, the Executive Director extended the exclusive negotiating period for an additional thirty days as permitted by the Authority's Sales Rules; and

WHEREAS, FMERA staff and Parcel B Redevelopment have made significant progress toward the negotiation of a mutually acceptable Purchase and Sale Agreement and Redevelopment Agreement (PSARA) for the parcel, and staff believes that there is a likelihood that further negotiation will result in agreement over business terms; and

WHEREAS, the Real Estate Committee has reviewed and discussed extending the exclusive negotiating period and recommends approving an extension for an additional seventy-five (75) days to the full Board.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority authorizes an extension of seventy-five (75) days of the exclusive negotiating period, as set forth in the attached memorandum, and authorizes the Executive Director to take all necessary actions to effectuate the extension.

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: December 14, 2016

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Recommendation to Extend Exclusive Negotiations for a Purchase Agreement Pursuant to the Request for Offers to Purchase for Parcel B with Fort Monmouth Parcel B Redevelopment, LLC

DATE: December 14, 2016

Request

I am requesting that the Board authorize FMERA staff to enter into a seventy-five (75) day extension of exclusive negotiations for a purchase agreement pursuant to the Request for Offers to Purchase (“RFOTP”) for Parcel B in Eatontown, in accordance with the Authority’s Rules for the Sale of Real and Personal Property (the “Sales Rules”).

Project Description as included in Proposal

The selected bidder, Fort Monmouth Parcel B Redevelopment, LLC, is a subsidiary of Paramount Realty Services, Inc. (“Paramount”). Paramount’s proposal calls for a total of 302 residential units, 20% of which will be affordable to low- and moderate-income households. In addition, the Project is proposed to include approximately 350,000± square feet of retail, and an additional 40,000± square feet of office space. Paramount’s conceptual site plan for Parcel B emphasizes connectivity through the site to the adjacent road network, while promoting pedestrian activity within the development to link the residential section with retail and commercial uses. This includes proposed trails, well-lit paths and walkways with benches, fountains, pavers, statues, and sculpture gardens to create a green network throughout the community. Parcel B also proposes an open space area for planned community events.

Background

After holding meetings with Paramount representatives, FMERA staff sought Board approval for FMERA to enter into an exclusive negotiations agreement (“ENA”) with Paramount. As provided in the Sales Rules, FMERA staff determined during the evaluation process and subsequent discussions with the proposer that there is a high likelihood that negotiating with Paramount will lead to an acceptable sales contract and redevelopment agreement between the parties.

In February 2016, The FMERA Board approved FMERA entering Exclusive Negotiations with Fort Monmouth Parcel B Redevelopment, LLC in connection with the planned redevelopment of Parcel B.

Once the ENA request was approved and the exclusive negotiations agreement was executed, Paramount made an additional deposit of 10% of the proposed purchase price that will be credited to Paramount at closing. Since execution of this agreement, the negotiations have remained exclusive in that FMERA has not considered any other proposals and ceased negotiations with any other parties for the purchase of the property and instead negotiated with Paramount in good and reasonable faith for the purchase and sale of Parcel B. Consequently, Paramount agreed in writing to terminate negotiations and discussions for the purchase of other competing property during the exclusive negotiating period. Both parties agreed to keep all negotiations confidential to the extent permissible under New Jersey law. In addition to these negotiations, both parties have jointly held meetings with the NJ Department of Transportation, design and engineering professionals and land use attorneys to further the redevelopment effort of this Property.

Purchaser is seeking this extension due to the abrupt retirement of their lead counsel. After their counsel's departure, Purchaser immediately identified replacement counsel but requested an extension of Exclusive Negotiations to acclimate their legal representation with the transaction. Under the rules of the Exclusive Negotiations Agreement, the Executive Director may extend the Negotiation period for thirty (30) days. Purchaser requested an extension beyond this timeline. Therefore, FMERA's Executive Director extended negotiations for the thirty (30) day period and now FMERA seeks an additional seventy-five (75) day extension from the Board. Purchaser and FMERA intend to have a substantially final form of a Purchase and Sale and Redevelopment Agreement for the February 2017 Board meeting. The (75) day extension of the negotiating period will be conditioned upon the PSARA including an outside date for commencement of demolition, satisfactory to the Executive Director.

In addition to successfully completing negotiations, FMERA's execution of a contract to sell Parcel B to Paramount will be contingent upon final approval of the terms and conditions of sale by the FMERA Board at a future date, in the Board's sole and absolute discretion. FMERA's sale of the Phase 2 property within the expanded Parcel B to Paramount was also contingent on FMERA's acquisition of the property through a Phase 2 EDC Agreement with the Army. This was achieved on November 17, 2016.

The Real Estate Committee has reviewed and approved this ENA extension between FMERA and Paramount.

Background on Paramount

Founded in 1994, Paramount is a real estate development organization, with 60 employees in New Jersey and Pennsylvania. They own, manage and lease approximately 10,000,000 square feet across the country, including 23 successful communities in New Jersey. In 2015, Paramount had net earnings of \$90 million on gross revenues of \$130 million. Cash on hand at year-end totaled \$50 million. The company will subcontract with NVR/Ryan Homes to complete the residential portion of the Project.

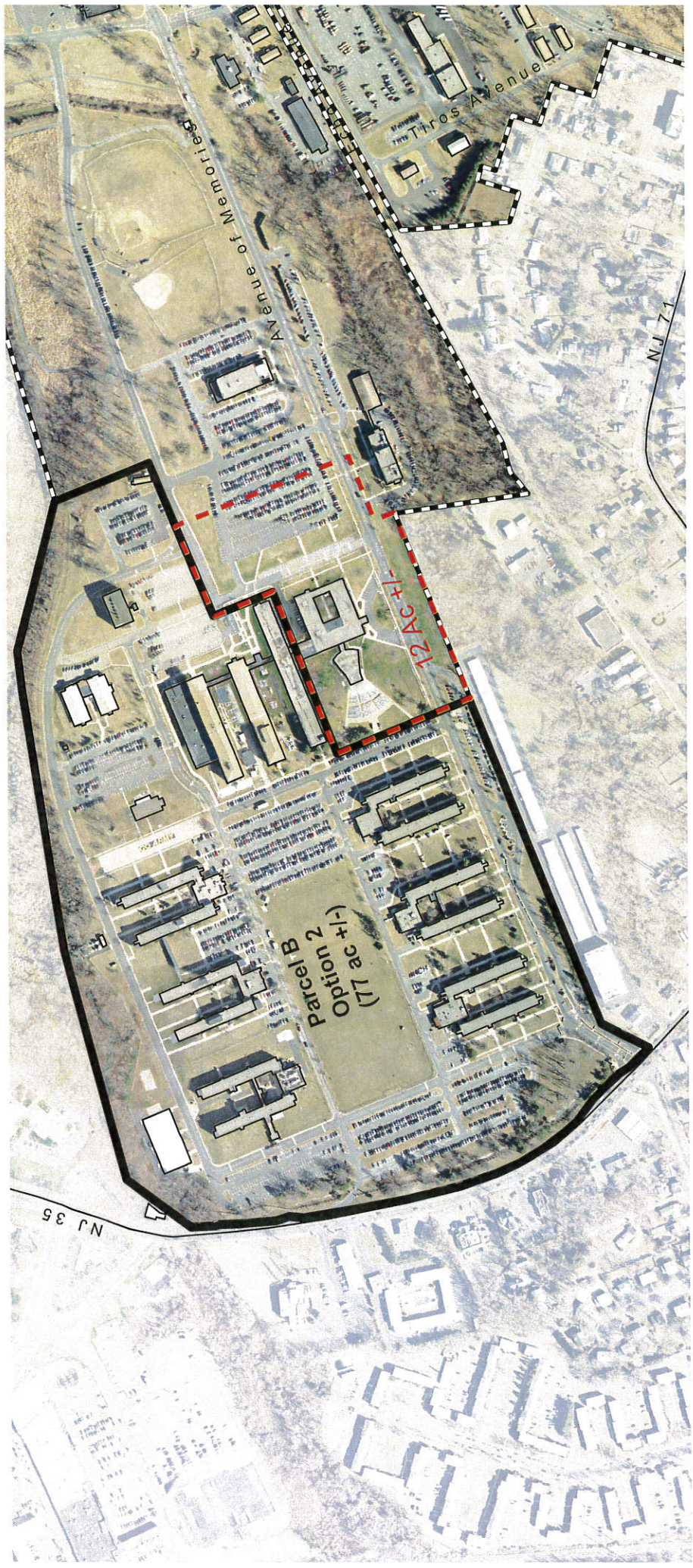
Recommendation

In summary, I am requesting that the Board authorize FMERA staff to enter into a seventy-five (75) day extension of exclusive negotiations with Fort Monmouth Parcel B Redevelopment, LLC for a Purchase and Sale & Redevelopment Agreement pursuant to the Request for Offers to Purchase for Parcel B in Eatontown.



Bruce Steadman

Attachments: Parcel Map
Prepared by: Kara Kopach



Avenue of Memories

Pros Avenue

12 AC +/-

Parcel B
Option 2
(77 ac +/-)

NJ 35

NJ 71

ADOPTED
December 14, 2016

Resolution Regarding
Authorization for FMERA to Enter into a Purchase and Sale Agreement with Triumphant Life Church Assembly of God for the Chapel Parcel

WHEREAS, on September 2, 2016, FMERA issued and publicly advertised a Request for Sealed Bids (RFB) for the Chapel Parcel, an approximately 5 acre parcel of land including Building #500, the former Main Post Chapel, and the accompanying paved and parking areas, in the Oceanport Reuse Area; and

WHEREAS, the Chapel was slated for reuse as a house of worship in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) and is located in the Fort's Historic District, although the building itself is not considered historic; and

WHEREAS, FMERA received one proposal for the property on October 7, 2016, and an evaluation committee evaluated and deemed the proposal from Triumphant Life Church Assembly of God (Triumphant Life) compliant; and

WHEREAS, the proposal from Triumphant Life includes reuse of the property as the location for their house of worship and community outreach center; and

WHEREAS, negotiations with Triumphant Life have resulted in the attached Purchase and Sale Agreement (PSA); and

WHEREAS, the terms of the proposed PSA include Triumphant Life's payment of \$1,000,000 for the property; initial closing will occur within 30 days of satisfaction of the conditions precedent, which include Triumphant Life completing due diligence and receipt of a final remediation document; and

WHEREAS, additional terms of the PSA include: Triumphant Life will be responsible for constructing a 115-space parking lot on the Property within twelve (12) months of closing and FMERA will have the right to repurchase the property if construction is not timely commenced or completed; Triumphant Life will incur a minimum investment of approximately \$500,000 to complete the Project; and the Purchaser will also be obligated to create 10 permanent, part-time jobs at the property within eighteen (18) months of completing the initial renovation and receipt of certificate of occupancy; and

WHEREAS, the Real Estate Committee has reviewed this transaction and recommends that the PSA be forwarded to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of Triumphant Life Church Assembly

of God as the purchaser of the Chapel Parcel and associated property in Oceanport pursuant to the September 2, 2016 Requests for Sealed Bids (RFB), on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale Agreement (PSA) and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSA and take any necessary actions to effectuate the selection of Triumphant Life as the purchaser.

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: December 14, 2016

EXHIBIT 4

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Purchase and Sale Agreement with Triumphant Life Church Assembly of God
for the Chapel Parcel in Oceanport

DATE: December 14, 2016

Request

I am requesting that the Members of the Board approve the Authority's execution of a Purchase and Sale Agreement ("PSA") with Triumphant Life Church Assembly of God (Triumphant Life) for the sale of the Chapel Parcel (the "Project") in the Oceanport Reuse Area.

Background

FMERA issued a Request for Sealed Bids to Purchase ("RFB") in connection with the Chapel Parcel in Oceanport on September 2, 2016. The Chapel Parcel is an approximately 5.0 acre parcel that contains Building 500 (approximately 16,372 sf), and is located on Malterer Avenue in the Main Post Area of Fort Monmouth ("Property"). The building was used as a general house of worship for the Fort. The Property is in the Oceanport Horseneck Center land use district and the Fort's Historic District although the structure itself is non-contributing and not considered historic.

Responses to the RFOTF were due on October 7, 2016 and one response was received from Triumphant Life. An evaluation committee scored the proposal and deemed it compliant. As the winning proposal, the evaluation committee recommended finalizing the PSA.

Triumphant Life is a registered 501c3 non-profit corporation that will acquire the Property and utilize this location for their house of worship and community outreach center. Triumphant Life is currently located in Asbury Park, NJ. The Project will enable Triumphant Life to relocate staff to this location upon completion of renovations in 2017. The Project would result in the creation of an additional ten (10) part-time jobs at Fort Monmouth within eighteen (18) months of completion of initial renovation and receipt of a certificate of occupancy. Triumphant Life intends to pay for the purchase through a mortgage commitment it has received from Heritage Investment Services Fund and will finance all necessary improvements.

Purchase and Sale Agreement

Pursuant to the terms of the PSA, Triumphant Life will pay \$1,000,000 for the property, reflecting its proposal. Closing will occur within thirty (30) days of satisfaction of the conditions precedent to closing, which include: Triumphant Life completing due diligence and receipt of a final remediation document. FMERA will convey the property to Triumphant Life in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

The Project will consist of the renovation of the existing structure as a house of worship and community outreach center. Triumphant Life will use and occupy the existing structure with an obtained Certificate of Occupancy within twelve (12) months of closing. Provided the Purchaser is diligently pursuing the issuance of the certificate of occupancy and completion of the project, Triumphant Life shall have the right to extend the time period for completing the project for an additional six (6) months. Purchaser is also responsible for constructing a 115-space parking lot on the Property within twelve (12) months of closing. This parking lot shall be subject to review by the State Historic Preservation Officer (SHPO) and Purchaser agrees any exterior renovation on the Property shall complement the architecture and design styles of the adjacent National Register Historic District. FMERA will have the right to repurchase the property if construction is not timely commenced or completed. Triumphant Life will incur a minimum investment of approximately \$500,000 to complete the Project. The Purchaser will also be obligated to create 10 permanent, part-time jobs at the property within eighteen (18) months of completing the initial renovation and receipt of certificate of occupancy.

Attached is a substantially final form of the PSA between FMERA and Triumphant Life. The final terms of the PSA are subject to the approval of FMERA's Executive Director and the Attorney General's Office.

The Real Estate Committee has reviewed the request and recommends Board approval of the PSA for the Chapel Parcel.

Recommendation

In summary, I am requesting that the Members of the Real Estate Committee recommend that the Board authorize the execution of a Purchase and Sale Agreement with Triumphant Life for the Chapel Parcel in Oceanport.



Bruce Steadman

Attachment: Purchase and Sale Agreement
Parcel Map
Prepared by: Kara A. Kopach

ATTACHMENT

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

