

**Fort Monmouth Economic Revitalization Authority
Board Meeting
February 15, 2017
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
- Teri O’Connor – Monmouth County Administrator – V
- Gerry Turning – Mayor of Tinton Falls – V
- Stuart Briskey – Oceanport Councilman – V
- Dennis Connelly – Mayor of Eatontown – V
- Labinot Berljolli – Assistant Counsel, Authorities Unit, Office of the Governor – V
- Paul Ceppi – Director, Business Banking & Community Development, NJEDA – 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 7:00p.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 website.

The first item of business as the approval of the January 17th regular meeting minutes. A motion was made to approve the minutes by Dennis Connelly and seconded by Gerald Turning.

AYes: 6

Stuart Briskey abstained from voting stating he was not at the January 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 thanked the members of the media who attended the media event on January 26th at the Marina in Oceanport. Mr. Gorman stated that the event was an opportunity to allow the media to receive information from both

the current and future developers at the Fort. Mr. Gorman stated that the event was both informative and successful and FMERA plans on hosting future events later this year.

Mr. Gorman stated that the Board would consider one board action: 1) Consideration of Approval of a Purchase and Sale Agreement & Redevelopment Agreement for Parcel B in Eatontown.

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. 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

Bruce Steadman stated the Board would be entering into Executive Session to discuss the negotiations regarding the Purchase and Sale and Redevelopment Agreement for Parcel B.

The next item before the Board was to adjourn the Public Session of the meeting and enter into Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(5) and (7):

A motion to go into executive session to discuss the negotiations related to Parcel B and for which the minutes are not anticipated to become available to the public until the negotiations are concluded and FMERA determines that the need for confidentiality no longer exists.

A motion was made by Teri O'Connor and was seconded by Gerald Turning.

The Board adjourned the Public Session of the meeting and entered into Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(5) and (7): Discussion of Negotiations related to Parcel B.

On a motion by Gerald Turning, seconded by Dennis Connelly and unanimously approved by all voting members present, the Board adjourned the Executive Session at 7:27p.m. and opened the Public Session.

TREASURER'S REPORT

Jennifer Lepore, Senior Finance Officer stated that FMERA staff is preparing the Authority's 2016 Annual Report for presentation to the Audit Committee with the audited financial statements, which serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 (2006). It is expected that a draft report and statements will be available for review in mid-March, and finals presented to the Board in April.

The Authority's independent auditors, Clifton Larson Allen have begun their audit of the Authority's financial statements and accompanying notes, as well as report on the Authority's internal controls and compliance with Government Auditing Standards. Field work will begin the week of February 27th.

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

There was no public comment.

EXECUTIVE DIRECTOR'S REPORT

Kara Kopach, Senior Marketing & Development Officer, gave the following summary of the status of RFPs and Contracts that FMERA has issued.

Auctioneer:

- The Auctioneer's Group has several auctions planned starting in March:
 - March 18th at 10:00a.m. – Warehouse-HVAC, Plumbing, Supplies
 - March 18th at 1:00p.m. – Asbestos Abatement Material and Equipment
 - May 13th at 10:00a.m. – Construction and Landscaping Equipment/Supplies
 - May 20th at 10:00a.m. – Small-Lot Auction for the General Public

Utilities:

- FMERA is working with the Army contractor group to transfer all Phase 2 utility accounts to FMERA. A water main extension has been designed, under a Memorandum of Understanding (MOU) with the Borough of Oceanport, to serve a large part of the Phase 2 property. That application will be submitted to New Jersey American Water in the coming weeks.
- JCP&L has started to evaluate the Phase 2 electrical system in anticipation of the transfer from FMERA.
- FMERA has executed an MOU with Two Rivers Water Reclamation Authority for the survey and design work for a replacement sewer system in the Oceanport section of the Fort. Discussions on the construction phase MOU have begun.

Suneagles Golf Course:

- Our operator reports that maintenance continues, with the grounding of reels and bed knives completed, with oil and filter changes next in line. All winter afternoon programs are ahead of schedule. Joe's is open on good weather days, and will start regular hours in March for Thursdays-Sundays and a full schedule in April.

Property Management/Maintenance:

- Chenega Operations Services (COS) and the Army caretakers continue to monitor buildings and property for safety, security and marketing purposes. FMERA has been fortunate given the continued support from the Army Caretaker Group – Buffalo. Buffalo has helped on repairs as well as provided institutional knowledge on the many building and utility systems. FMERA appreciates their continued support through March 15th.

Security Guard Services:

- FMERA issued an RFP for Security Services on December 9, 2016. Proposals were due January 9th and 5 proposals were received. Staff hopes to identify a successful bidder for approval at the March Board meeting.

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

In Oceanport, FMERA closed on the Officer Housing parcels on January 13th. RPM Development will be renovating the 117 historic housing units, creating 68 market-rate for sale units, and 48 rental units. Twenty (20%) percent of the units will be available to low- and moderate-income households. This closing marks the first residential project on the Fort, as well as the first Phase 2 property transaction.

Also in Oceanport, FMERA has executed contracts on 4 parcels:

- 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.
- Main Post Chapel, an approximately 16,372 square foot building on 5 acres that is slated for reuse as a house of worship, under contract to Triumphant Life Church with hopes to close by the end of February.

FMERA is in negotiations for the sale and redevelopment of the following 3 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 currently operating as 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.

On December 29th, FMERA issued two RFOTPs for the Lodging Area and Allison Hall. The Lodging Area RFOTP is seeking proposals for medium density residential, institutional/civic, and/or office/research development of the approximately 15-acre site. The Allison Hall RFOTP is seeking proposals to reuse the historic Allison Hall for a boutique hotel, as well as retail, office/research and open space/recreation uses in the approximately 13-acre parcel. Proposals that include both parcels in a comprehensive redevelopment project will receive additional points. Proposals in response to both RFOTPs are due on March 31.

FMERA received authorization from the Board to issue an RFOTP for Barker Circle, also in the historic district in Oceanport.

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;
- 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 is in negotiations with the proposer and expects to present a recommendation to the Board shortly.
- Parcel B, an expanded parcel including up to 89 acres for a mixed-use town center along Route 35 to include up to 350,000 square feet of retail space and other commercial space and 302 housing units, where Fort Monmouth Parcel B Redevelopment, LLC, has been approved for exclusive negotiations. FMERA staff will present a recommendation to enter into a PSARA with the company for the property at tonight's meeting.

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 is currently scoring the proposals.

In Tinton Falls, FMERA has executed contracts on 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 of 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 with the lead bidder 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 is working with the New Jersey Economic Development Authority to evaluate options for the demolition of the Myer Center and redevelopment of the 36-acre Parcel F-1 site.

Candice Valente, Senior Planning & Development Officer, gave the following marketing update.

FMERA hosted an informational media event at the Marina in Oceanport on January 26th to provide members of the media with a chance to learn more about the Fort's next phase of redevelopment. Representatives from RPM

Development, TetherView's joint venture partner vi Hub, Triumphant Life Church, Paramount Realty, FM Partners, and others presented their upcoming development projects, answered questions from members of the media, and took the opportunity to network and share ideas. FMERA plans to host multiple events like this throughout the year.

Bruce Steadman thanked Oceanport, Eatontown, Tinton Falls and Monmouth County for the productive monthly meetings and their continued support.

Mr. Steadman thanked Dave Nuse, Kara Kopach, and Candice Valente for all their work on the many on-going FMERA projects.

Mr. Steadman thanked Bill Colvin, Army environmental representative, for his help with the environmental projects and remediation issues.

Bruce Steadman gave an update on FMERA 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 did not meet this month. A meeting will be scheduled in April to review the Auditors report.

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

Chairman Gorman stated that the Committee met on February 7th and discussed the following:

- Discussion regarding a summary of the status of several current redevelopment projects. The Committee discussed several issues that affect multiple parcels, including contract negotiations, the Request for Bids (RFB) process, the timeline provided for purchasers to seek approvals, and strategies for curtailing the time needed for approval from municipal officials, and the Army's response time for addressing and closing the carve-outs.
- Discussion regarding a summary of the final issues under negotiations in order to finalize a Purchase and Sale Agreement & Redevelopment Agreement (PSARA) with Fort Monmouth Parcel B Redevelopment, LLC for Parcel B in Eatontown. The Committee reached a consensus and agreed to recommend Board approval.
- Update on the status of discussions with the Borough of Oceanport in relation to the 13-acre parcel proposed for the Borough's municipal complex.

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

Kenneth J. Kloo stated that the Committee did not meet this month.

d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (JAY COFFEY, CHAIRMAN)

Bruce Steadman, on behalf of Jay Coffey, stated that the Committee met on February 1st and discussed the following:

- Discussion regarding the Chapel and the anticipated February closing with Triumphant Life.
- Discussion regarding the relocation of the WWII monuments to the memorial on Greely Field and the potential creation of a monument park in the Oceanport section of the Fort for the non-WWII monuments. Monument Park would include all of the remaining monuments at the Fort. The Avenue of Memories (Route 537) monuments would remain in place and be maintained by Monmouth County.

- Discussion regarding the Barker Circle RFOTP. Barker Circle Property consists of 19.5± acres of land and 7 buildings (including the former Museum) in Oceanport. The Property is located within the Fort Monmouth Historic District, and all seven buildings are considered contributing resources to the Historic District and are subject to historic preservation covenants.
 - Update on the current RFOTPs within the Historic District including:
 - Allison Hall
 - Lodging Area
 - The Committee was then given a tour of the Russel Hall which is within the Historic District. Russel Hall is currently being renovated and upgraded by TetherView.
- e) HOUSING STAFF ADVISORY COMMITTEE (GINA FISCHETTI, CHAIRPERSON)

Gina Fischetti stated that the Committee did not meet this month but will be meeting in March.

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

Bruce Steadman, on behalf of Lillian Burry stated that the Committee met on February 8th and discussed the following:

- John Tobia, Monmouth County Director of Public Works and Engineering provided an update of Monmouth County's plans to preserve and maintain the monuments on the Avenue of Memories.
- The Committee discussed the relocation of the WWII monuments and the potential creation of a monument park in the Oceanport section of the Fort. FMERA staff met with the Monmouth County design landscaper to discuss the park.
- Update on the current and upcoming RFOTPs including:
 - Suneagles Golf Course
 - Allison Hall
 - Lodging Area
- The Committee discussed the potential to have a designated Veterans resource facility at the Fort which Veterans could visit and have access to an array of services.

BOARD ACTIONS

- A) The first item before the Board was Consideration of Approval of a Purchase and Sale Agreement & Redevelopment Agreement for Parcel B in Eatontown.

Candice Valente read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Dennis Connelly and was seconded by Gerald Turning.

Motion to Approve: DENNIS CONNELLY Second: GERALD TURNING
 AYes: 7

Dennis Connelly, on behalf of Eatontown, thanked the Board and the FMERA staff for their hard work and dedication on the negotiations with regards to Parcel B while taking into consideration the interests of Eatontown.

Paul Ceppi asked if the affordable residential units would be rental or for sale units. Dave Nuse stated that the PSARA indicates that contingent on certain subsidies being available and provided, Paramount will construct the affordable units as for sale affordable units, which is the preference of both Eatontown and FMERA.

Bill Riviere asked if road way improvements will need to be made on Route 35 in Eatontown. Dave Nuse stated that a highway access permit will be required and that the project will require a NJDOT developer's agreement. The costs associated with the highway improvements will be subject to the infrastructure agreement which will be presented to the Board within the next 6 months.

OTHER ITEMS

There were no other items before the Board.

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

Roseanne Letson of Oceanport asked for clarification from the Executive Director's report regarding the Officer Housing 20% affordable units and will the number of affordable housing units be equal to 20% of the rental units or 20% of all of the units. Ms. Letson asked what the developer's plans are for the Nurses Quarters and will the plans require a Reuse Plan amendment. Ms. Letson asked if the Nurses Quarters are part of the 13-acre parcel that Oceanport will be purchasing for their municipal complex. Ms. Letson asked what the developer's plans are for Squier Hall and will a Reuse Plan amendment be required.

Bruce Steadman stated that the Officer Housing affordable units will be 20% of all of the units. Mr. Steadman stated that the Reuse Plan for the Nurses Quarters states that the existing 24 units will be rehabbed, with an additional 10± units to be constructed. The plans that were submitted by the highest bidder are consistent with the Reuse Plan, therefore will likely not require a plan change. Mr. Steadman stated that the Nurses Quarters are independent of the 13-acre parcel in Oceanport.

Bruce Steadman stated that FMERA is currently in the pre-due diligence stages with the bidder of Squier Hall and FMERA does not foresee a Reuse Plan amendment for the property at this time.

There being no further business, on a motion by Teri O'Connor seconded by Dennis Connelly and unanimously approved by all voting members present, the meeting was adjourned at 8:05p.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.



Bruce Steadman –Secretary

ADOPTED
February 15, 2017

Resolution Regarding
**Approval of a Purchase and Sale Agreement & Redevelopment Agreement 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 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, the Board subsequently extended the exclusive negotiating period through February 15, 2017 in order to finalize negotiations for a Purchase and Sale Agreement & Redevelopment Agreement (PSARA), and the parties have negotiated a mutually acceptable PSARA for the parcel; and

WHEREAS, the terms of the proposed PSARA include Parcel B Redevelopment's payment of \$22.1 million for the property; initial closing will occur within 30 days of satisfaction of the conditions precedent, which include: Parcel B Redevelopment 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; an amendment to the Reuse Plan to accommodate the project; and the consent of the NJEDA Board of Parcel B Redevelopment as redeveloper; and

WHEREAS, the project will consist of residential and commercial components with an overall development cost of at least \$130 million, including 302 residential units and

approximately 350,000 square feet of retail space and up to 40,000 square feet of office space.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of Fort Monmouth Parcel B Redevelopment, LLC, as the purchaser of Parcel B in Eatontown pursuant to the February 10, 2015 Requests for Offers to Purchase (RFOTP), on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale Agreement and Redevelopment Agreement (PSARA) and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSARA and take any necessary actions to effectuate the selection of Fort Monmouth Parcel B Redevelopment 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: February 15, 2017

EXHIBIT 1