

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: April 20, 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 Meetings with Army Representatives
 - 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. **Executive Session: OPMA EXEMPTION N.J.S.A. 10:4-12b(5) and (7):**

- Update on Real Estate and Contract Negotiations with the Army

12. **Other Board Actions**

- Consideration of Approval of Memorandum of Agreement (MOA) for Phase 2 Economic Development Conveyance and Amendment of Phase 1 MOA
- Consideration of Approval of the Authority's Comprehensive Annual Report for 2015, as Required by Executive Order No. 37
- Consideration of Approval of Transmittal to Host Municipalities of Proposed Plan Amendment #6 Permitting Alternative Development Scenario in Oceanport
- Consideration of Approval of Agreement for Transfer of Certain Charles Wood Electrical Facilities
- Consideration of Amendment to Purchase and Sale Agreement and Redevelopment Agreement for the Fitness Center Parcel
- Consideration of Approval of Memorandum of Understanding with Borough of Eatontown for Engineering Services

13. **Other Items**

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

- Responses to questions submitted online or in writing

15. **Adjournment**

MINUTES OF THE MEETING

I. **Members of the Authority present:**

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - V
- Michael Collins, Assistant Counsel, Authorities Unit, Office of the Governor – V
- Lillian Burry, Monmouth County Freeholder – V
- Dr. Robert Lucky, Public Member – V
- Gerald Turning, Mayor of Tinton Falls – V
- Patricia Cooper, Oceanport Councilwoman – V
- Dennis Connelly, Mayor of Eatontown – V
- Tim Lizura, President and COO, New Jersey Economic Development Authority (EDA) – V
- Helene Rubin, Section Chief, Division of Statewide Planning, NJ Department of Transportation (DOT)
- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs (DCA)
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection (DEP)
- John Raue, Senior Policy Advisor to the Commissioner, NJ Department of Labor & Workforce Development (DOL)

V - Denotes Voting Member

Members not present:

Also present:

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

II.

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 notice of the meeting was sent to the Asbury Park Press and the Star Ledger at least 48 hours prior to the meeting, that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House, and the FMERA and the NJEDA websites.

The first item of business was the approval of the February 17th meeting minutes. A motion was made to approve the minutes by Lillian Burry and seconded by Dennis Connelly.

Motion to Approve: LILLIAN BURRY Second: DENNIS CONNELLY
AYes: 6

Patricia Cooper abstained from voting stating she was not at the February meeting.
Robert Lucky abstained from voting stating he was not at the February meeting.

The next item of business was the approval of the February 17th Executive Session meeting minutes. A motion was made to approve the minutes by Dennis Connelly and seconded by Lillian Burry.

Motion to Approve: DENNIS CONNELLY Second: LILLIAN BURRY
AYes: 6

Patricia Cooper abstained from voting stating she was not at the February meeting.
Robert Lucky abstained from voting stating he was not at the February meeting.

III. 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 stated that the meeting agenda called for the public to receive reports from the Staff Advisory Committees and the Statutory Committee meetings. Mr. Gorman stated that the reports are provided to allow for public input and transparency in the conduct of the Authority's effort to implement the Reuse Plan. Mr. Gorman stated that there is one board action; 1) Consideration of Approval of a Use and Occupancy License for a 3-acre Parcel in Oceanport for the County of Monmouth.

The Chairman went on to state that there will be two public comment periods at the meeting based on the Authority's public meeting protocol. 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.

IV. SECRETARY'S REPORT

Bruce Steadman stated that there was no Secretary's report.

V. TREASURER'S REPORT

Jennifer Lepore, Senior Finance Officer stated that the 2015 audit continues. The Auditors will report on the Authority's financial statements and accompanying notes, as well as internal controls and compliance with Government Auditing Standards. The Auditors will report their findings to the Audit Committee meeting on April 6th. Subject to the Audit Committee's recommendation, the 2015 Comprehensive Annual Report including the audited financial statements will be forwarded to the Board for their review in April. A new grant application is being prepared to support the Authority's operations for the period July 1, 2016 through June 30, 2017. The funds being requested from the Office of Economic Adjustment are consistent with the budget approved by the Authority's Board for fiscal year 2016 and presented to the State's Office of Management and Budget in support of the Authority's appropriation request.

VI. PUBLIC COMMENT REGARDING BOARD ACTION ITEMS [3 minutes re: Agenda Items]

Beatrice Priestly of Eatontown asked if it would be possible to turn Suneagles Golf course into an indoor/outdoor water park. Ms. Priestly asked if the Borough of Eatontown was still interested in Mallette Hall as the Borough's municipal building.

Roseanne Letson of Oceanport asked for the status of the Nurses Quarters and would they remain as one and two bedroom units. Ms. Letson asked what the permanent plans will be for the Nurses Quarters.

Tom Mahedy of Wall Township asserted that the 3-acre parcel being transferred to the County for the County Homeless Shelter should be paid for by the Army and not the County or Oceanport. Mr. Mahedy asserted that the Fort is public land that was paid for by the taxpayers and the Army should not receive any money from the sale proceeds. Mr. Mahedy asserted that the Veterans project is being developed in a contaminated area. Mr. Mahedy asserted that a dump is being dug in front of the Veterans parcel and being filled with contamination. Mr. Mahedy asserted that the former gas station near the County Teen Center and pool is toxic and contains a contaminated plume. Mr. Mahedy asserted that the boardwalk nature trail being built at the Teen Center is located over contaminated water.

Mr. Steadman answered Ms. Priestly by stating that he will discuss the water park idea with the Marketing Department. Mr. Steadman stated that it would be a significant change to the Reuse Plan, and that we still plan to put the golf course out for bid through another RFOTF. Mr. Steadman stated that the Borough of Eatontown determined that Mallette Hall was too big and costly to renovate and it did not fit into the Borough's plans. Mayor Connelly confirmed this.

Mr. Steadman answered Roseanne Letson stating that the current status for the Nurses Quarters will be determined pending a meeting with the Oceanport Ad Hoc Committee to discuss the lead proposal's concept plan. Mr. Nuse stated that the buildings are currently configured as 1 and 2 bedrooms apartments and the lead proposal called for keeping them as such.

Mr. Steadman answered Mr. Mahedy by stating that the homeless shelter is a contractual obligation through FMERA's Legally Binding Agreements between FMERA and Monmouth County, and the Reuse Plan calls for it to be located within the Oceanport section of the Fort. Mr. Steadman stated that Mr. Mahedy's other assertions have been addressed on numerous occasions in the past. Mr. Kloo stated that there is additional investigative work required for soils at the gas station in Charles Wood and the ground water is degrading via natural attenuation, and there is a minimal amount of contamination in this carve-out area.

VII. EXECUTIVE DIRECTOR'S REPORT

Rick Harrison, Director of Facilities Planning stated that FMERA continues to have weekly conference calls with all involved Army organizations to resolve the remaining issues on the draft Memorandum of Agreement (MOA). The Army is targeting April 1st for the issuance of the Final Phase 2 FOST for a 30 day public comment period. Our goal is to seek approval from the Board to execute the Phase 2 MOA with the Army at the April Board meeting.

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

Auctioneer

There has been no auction activity since November 10th. The Auctioneer will begin preparing for auctions of the Phase 2 properties in April for auctions to begin as soon as the Phase 2 Property transfers with a small lot auction to be held in early fall.

Utilities

FMERA continues to plan for upgrades to utility systems and working with the public utilities and our subcontractors to ensure required utilities are safe and operational. There have been meetings with Two Rivers Water Reclamation Authority (TRWRA), NJ American Water and the three borough's engineers and officials to plan a path forward for both sanitary sewer and water service. FMERA is also discussing roadways, public rights of way and easements with the three Boroughs. FMERA has been advised that a final Transfer Agreement with JCP&L to own, operate and maintain the CWA power system will be executed by JCP&L this Friday. This agreement will also serve as a template for a Phase 2 agreement. Once FMERA receives the signed JCP&L agreement it will be presented to the FMERA Board for approval to execute on behalf of FMERA.

Suneagles

Our golf course operator reports, what a difference a year makes. So the prior winter was so bad that February yielded 0 rounds of golf. This year there were 628. While this is hardly a robust number, for winter golf we will take it. The course healed remarkably well this year. With the application of pre-emergent for certain weed growth the course is off to a very healthy start to the 2016 season. The maintenance crew has been cleaning the course of leaves and fallen branches. We even started mowing greens and tees this week. We are also at the beginning stages of nutrient application to ensure healthy conditions throughout the season. Aeration and top dressing will occur in a few weeks so that the greens come in better than ever. We are very optimistic that the course will be in excellent condition soon.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services, has been busy keeping our property presentable and secure, for both marketing purposes and keeping our employees and tenants safe and comfortable. They are preparing for the upcoming spring season. We are also going out for quotes on our annual building maintenance contracted services. We are also preparing for the transition to maintain the Phase 2 property when transferred.

Marina

The Marina is focused on special events such as St. Patrick's Day and looking forward to warmer weather and the boating season. They continue to be open evenings and for brunch on the weekends and are planning to open for lunch in early May.

Appraiser Request for Qualifications

FMERA issued a Request for Qualifications (RFQ) for Real Estate Appraisal Services on November 13th. Qualifications were received on December 14th and 5 proposals were received. Through this RFQ, the Authority sought to establish a pre-qualified pool of five (5) to ten (10) qualified firms to provide these services on an as needed basis. Due to poor response, we have terminated this RFQ and will be reissuing the RFQ modifying that requirement.

Sublease of McAfee Center Complex – Buildings 600

FMERA issued an RFP for a Sublease of Building 600, the McAfee Center, also located in the Oceanport Reuse Area. The RFP allows for the option of leasing one floor, two floors or the entire building, and offers must include a plan to use the property for scientific, engineering and/or information technology-related uses. Proposals were due on February 5, 2016, and one proposal was received. FMERA staff is reviewing the proposal to determine the feasibility and will form an Evaluation Committee if needed.

Dave Nuse, Director of Real Estate Development stated that FMERA's marketing and development staff anticipates that 2016 will continue the high level of activity we experienced last year, with 8 RFOTPs planned for release by mid-year. Following is a town-by-town update on our activity:

In Oceanport, FMERA has executed contracts on 3 parcels:

- Officer Housing Parcel, consisting of 117 historic housing units, where RPM Development is the selected purchaser;
- Fitness Center, where FM Partners is proposing to renovate and expand that facility;
- Russel Hall, the 40,000 sf former Garrison Headquarters building, to a NYC-based tech company, TetherView.

FMERA is currently 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;
- the 16,000 sf recreation building on Brewer Avenue known as the Dance Hall, which is projected for commercial reuse;
- Marina on Oceanport Creek.

FMERA also received Board approval to issue RFOTPs for several other properties in Oceanport: Squier Hall, Barker Circle, Allison Hall, the Main Post Chapel and the Lodging Area. Those RFOTPs will be released over the next few months.

FMERA issued a Request for Proposals in January for the lease of the McAfee Center building in Oceanport for scientific, engineering or information technology related use, and one response was received. Discussions have begun with the proposer.

In Eatontown, FMERA has proposals in hand on 2 properties:

- The Howard Commons site on Pinebrook Road, zoned for 275 homes and up to 15,000 sf of retail space;
- And the expanded Parcel B site, the mixed-use town center property fronting Route 35, calling for approximately 250,000 sf of retail space and 302 housing units on up to 89 acres.

FMERA and Army representatives have evaluated the Howard Commons and Parcel B proposals, and FMERA has begun negotiations with the highest ranked parties.

FMERA will be issuing an RFOTP for the 6 barracks buildings on Semaphore Avenue in Eatontown shortly. Those buildings are targeted for arts-related reuse, possibly entailing artist live/work space. FMERA staff is also planning for a reissuance of the Suneagles Golf Course RFOTP this spring.

In Tinton Falls, FMERA sold Building 2525 to RADAR Properties in February. RADAR will lease the building to Aaski Technology and other tenants for technology and office uses.

FMERA signed Purchase and Sale & Redevelopment Agreements with:

- Lennar Corporation for Parcels C & C1, approved for 288 units of housing and 58,000 sf of retail development;
- Pinebrook Commerce Center, LLC for the Fabrication Shops, 45,000 sf of light industrial and flex space buildings on Pinebrook Road;
- Kiely Realty Group for the sale of the Pistol Range and the adjacent Satellite Drive Parcel and
- Trinity Hall for the former Child Development Center on Hope Road to serve as that school's new home.

FMERA also received Board approval to execute a contract with the Monmouth County Park System for Parcel F-3, the former gas station site on Hope Road, and expects to sign that contract shortly.

FMERA plans to issue an RFOTP this spring for the expanded fire house site on Corregidor Road.

Candice Valente, Senior Planning and Development Officer stated that FMERA and Cushman & Wakefield (Cushman), the Authority's Master Broker, are preparing to issue a new round of Requests for Offers to Purchase in 2016. FMERA and Cushman conduct several tours per week, and will be posting new flyers and information on available sites on FMERA's website in the coming weeks.

FMERA staff actively markets the Fort to the real estate industry by participating in conferences and events throughout the region. Members of the Real Estate Department attended the New Jersey Future Redevelopment Forum on March 11th, and are planning future events centered around National Economic Development Week in May and the Governor's Housing and Economic Development Conference in September. FMERA also plans to host tours of the Fort for the local community this spring and summer.

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

Other Items

Mr. Steadman listed the following action items:

- FMERA will be conducting bus tours for each of the three host municipalities. The Tinton Falls and Eatontown bus tours have not yet been scheduled. Oceanport's first bus tour was completed last year.
- Continued work with the N.J. Department of Environmental Protection to identify and resolve important environmental issues of concerns as they relate to water and sewer.
- Continued meetings and tours with interested prospective employers and investors.
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities and their continued help on several projects.
- Continued meetings with Tinton Falls, Oceanport, Eatontown, and the County during the month regarding streets, utilities, redevelopment projects, and other important issues.

Mr. Steadman also noted that the FMERA/Oceanport sublease for the Police Department's use of the former firehouse has been extended through September, per the FMERA/Army lease. Mr. Steadman also thanked Mr. Bob English of Eatontown for his emails to Mr. Steadman with some marketing ideas for future use of Fort parcels.

VIII. COMMITTEE REPORTS

a) AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Robert Lucky stated that the Committee did not meet this month, but will be meeting on April 6th to review the Annual report.

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

Chairman Gorman stated that the Committee met on March 8th and discussed the following:

- Discussions and summary of the final draft of the MOA with the Army for Phase 2 property and the outstanding landfills issues.
- Discussion regarding the use and occupancy license with the County of Monmouth for a 3-acre parcel in Oceanport for the County emergency homeless shelter. The Committee reached a consensus and agreed to recommend approval of the Use and Occupancy license to the Board.
- Other Issues:
 - Myer Center
 - McAfee Center
 - Suneagles Golf Course
 - Howard Commons
 - Building 1123
 - Parcel B
 - Upcoming RFOTPs

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

Kenneth J. Kloo stated that the Committee met on March 7th and discussed the following:

- Discussion regarding the former Child Development Center and its associated parcel in Tinton Falls, which is currently under contract with Trinity Hall. The Committee discussed the Environmental Features checklist as submitted by the purchaser, as well as traffic impacts. As the checklist accompanying the Mandatory Conceptual Review (MCR) submitted by the purchaser demonstrates the project does not detrimentally impact environmental features, no further action by the Committee is required.
- Discussion regarding the status of negotiations related to the Army's position on polynuclear aromatic hydrocarbons (PAHs) and the Army's ongoing delineation of same. DEP representatives provided an

explanation of the difference in discharges covered by the Army's obligations pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and those not covered by CERCLA or State law. The Committee discussed the implications of this topic for Parcel 49, which is located in the Squier Hall Complex in Oceanport, as well as for Parcel 53, a currently unimproved parcel in Eatontown.

- Discussion regarding the current status of negotiations with the Army in relation to a plan for closure and conveyance of the landfills in the Phase 2 property. For discussion purposes, DEP representatives described the conditions of two landfills adjacent to the Squier Hall Complex, and explained the on-going remediation responsibilities for the current and future owners of the property. The Committee discussed the treatment of the landfills in the negotiated Memorandum of Agreement for the conveyance of the Phase 2 property.
- d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (BRUCE STEADMAN, INTERIM CHAIRMAN):

Bruce Steadman stated that the Committee did not meet this month but will be meeting on March 30th.

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

Gina Fischetti stated that the Committee met on March 3rd and discussed the following:

- Discussions regarding the Nurses Quarters. The buildings will be developed as 24 one and two bedroom apartments with 20% affordable. The leading proposer submitted three scenarios which FMERA will discuss with the Oceanport Ad Hoc Committee.
- Discussions regarding Parcel B. FMERA has entered into Exclusive Negotiations with Fort Monmouth Parcel B Redevelopment, LLC. Parcel B will include retail and/or commercial development on the parcel with the number of housing units at 302.
- Discussions regarding Howard Commons. FMERA has begun discussions with the lead developer. FMERA and the Eatontown Ad Hoc Committee have reviewed the site plan that was submitted and are in agreement.
- Discussions regarding Parcels C & C1. FMERA has an executed PSARA with Lennar Corporation. Lennar has begun their due diligence on the parcels. Parcel C will be developed to accommodate up to 239 residential units and Parcel C1 up to 49 residential units. Both Parcels will contain 20% affordable housing
- Discussions regarding Parcel F-1 (Veterans Community). One proposal was received. Staff will be making a recommendation to the Real Estate Committee at its April meeting.
- Other Discussion Items:
 - Officers Housing
 - Upcoming RFOTPs – Barker Circle, Lodging Area, Charles Wood Firehouse, Squier Hall, and Allison Hall.

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

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

IX. BOARD ACTIONS

- A) The first item before the Board was the consideration of approval of a Use and Occupancy License for a 3-acre parcel in Oceanport for the County of Monmouth.

A motion was made to approve by Lillian Burry and was seconded by Tim Lizura.

The resolution and accompanying Board memorandum are attached hereto and marked Exhibit 1.

Candice Valente read a summary of the Board memo.

Motion to Approve: LILLIAN BURRY Second: TIM LIZURA
AYes: 8

X. OTHER ITEMS

There were no other items before the Board.

XI. PUBLIC COMMENT REGARDING ANY FMERA BUSINESS [5 minutes re: any FMERA business]

Linda Zucaro of Tinton Falls stated that Housing advocates are very concerned with regards to the the collapse of the Veterans housing project in Tinton Falls. Ms. Zucaro stated that there are many homeless veterans from all branches of service and the project needs to reevaluated and completed.

Tom Mahedy of Wall Township angrily asserted that the Restoration Advisory Board (RAB) had a meeting last month after having no meetings in the past year. Mr. Mahedy went on to complain about other aspects of the RAB, to which the Chairman responded that the RAB is not a FMERA-governed entity, that FMERA has nothing to do with the RAB's operation, and that Mr. Mahedy's comments should be limited to FMERA business, in accordance with FMERA's public comment policy. Mr. Mahedy vehemently argued with Mr. Gorman on what was appropriate for comment at a FMERA meeting. When Mr. Mahedy persisted in discussing the RAB, and interrupting the FMERA meeting, after repeatedly asking Mr. Mahedy to refrain from such comments without success, then Mr. Gorman asked the Oceanport police officers to escort Mr. Mahedy from the meeting. Upon refusing to leave or cooperate with the Oceanport police officers, Mr. Mahedy grabbed the podium and hollered disrespectfully at the Chairman and yelled out his complaints about the RAB and his desire to discuss the RAB at the FMERA meeting. Mr. Mahedy's noise and commotion forced the Chairman to interrupt the proceedings of the meeting. Mr. Mahedy continued to argue loudly with the police officers as they escorted him outside the FMERA board room and eventually outside the building. Decorum returned when he was outside of hearing range, and the Chairman apologized for the disturbing outburst and was then able to continue with the agenda.

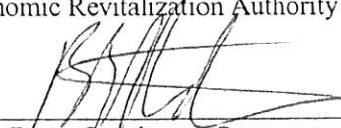
Bruce Steadman responded to Ms. Zucaro that both FMERA and the Board are committed to a successful Veterans project at the Fort, and the process to find a developer for such a project is somewhat difficult due to the MOA and the public bidding requirements. Mr. Steadman stated that during discussions with the proposer, there were several issues that were addressed and subsequently, the lead proposer withdrew. Mr. Steadman stated that FMERA will be reviewing the project again and will be reissuing an RFOTF for a Veterans project very soon.

Mr. Gorman stated that the Real Estate Committee will redouble their efforts regarding a Veterans project.

Ms. Burry stated that from the County perspective, the County is working on Veterans issues and strongly supports a Veterans project at the Fort.

There being no further business, on a motion by Michael Collins seconded by Tim Lizura and unanimously approved by all voting members present, the meeting was adjourned at 7:55p.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
March 16, 2016

**Resolution Regarding
Approval of Agreement with the Army and Memorandum of Understanding with the
County of Monmouth for Use and Occupancy of 3-Acre Parcel in Oceanport**

WHEREAS, in September 2008, the Fort Monmouth Economic Revitalization Planning Authority (FMERPA), the predecessor to FMERA, submitted a Homeless Assistance Submission along with the Reuse Plan to the U.S. Department of Housing and Urban Development (HUD) which included a Legally Binding Agreement (LBA) providing for an emergency shelter for the County of Monmouth (County), which was subsequently approved by HUD in 2010; and

WHEREAS, in 2012 the existing County shelter on Fort Monmouth in the Oceanport Reuse Area was evacuated due to flooding by Superstorm Sandy, and the County temporarily relocated the shelter to an offsite County-owned facility; and

WHEREAS, the County has since sold this facility and has pursued the option to relocate the facility back on Fort Monmouth per the LBA and FMERA's obligation to provide an emergency shelter for the County; and

WHEREAS, in November 2015, the Board approved FMERA staff entering into a Memorandum of Understanding (MOU) with the County for Building 901 and the adjacent parcel, based on the terms and conditions of a use and occupancy license with the Army for the property; and

WHEREAS, the County and FMERA have identified a more suitable site in Oceanport for the County's short- and long-term needs, which includes Buildings 906 and 908 on a 3-acre parcel, including paved and parking areas; and

WHEREAS, FMERA will enter into a standard form of use and occupancy agreement with the Army for the 3-acre parcel that expires upon conveyance of the property to FMERA; and

WHEREAS, FMERA will enter into a Memorandum of Understanding (MOU) with the County for use and occupancy of the parcel as a temporary homeless shelter based on the terms and conditions outlined in the attached memorandum; and

WHEREAS, the County shall pay all costs of utilities and other services during the term of the MOU; and

WHEREAS, the Real Estate Committee has reviewed the request and recommends that the Board authorize the agreement with the Army and the MOU with the County;

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes the execution of a standard form Use and Occupancy Agreement with the Army and a standard form Use and Occupancy Memorandum of Understanding with the County of Monmouth, with final terms subject to the approval of FMERA's Executive Director and the Attorney General's Office. The Executive Director or other staff authorized to execute documents pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

2. 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: March 16, 2016

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: March 16, 2016

RE: Use and Occupancy Licenses With the Army and the County of Monmouth for a 3-Acre Parcel in Oceanport

Summary

I am requesting that the Board approve FMERA obtaining a license to use a 3 acre parcel in the Borough of Oceanport through the Army's standard form of use and occupancy agreement, and conveying possession of that property to the County of Monmouth for use as a homeless shelter site using FMERA's standard form of use and occupancy memorandum of understanding. This parcel is the intended permanent site of the County homeless shelter.

Background

The Fort Monmouth Economic Revitalization Planning Authority (FMERPA) submitted a Homeless Assistance Submission (HAS), along with the Fort Monmouth Reuse and Redevelopment Plan (the Reuse Plan), in September of 2008 to the U.S. Department Housing and Urban Development (HUD) which included a Legally Binding Agreement (LBA) (Exhibit b14) providing for an emergency shelter for the County of Monmouth. This shelter would have replaced the shelter on Fort Monmouth Property that had been utilized by the County under an agreement with the U.S. Army. The HAS was subsequently approved by HUD in 2010. In 2012 the existing shelter was evacuated due to flooding caused by Storm Sandy. The County of Monmouth temporarily relocated the shelter to a County owned facility. Plans were underway to renegotiate the LBA to subsidize improvements to that facility to provide a permanent shelter that would have fulfilled FMERA's LBA obligation to the County. Recently, the County sold its temporary facility and now needs to relocate the shelter again. As FMERA still has an obligation to provide a shelter for the County, the County requested help from FMERA in finding a replacement temporary facility on the Fort that could be occupied within a short time frame. As the Reuse Plan located the County's shelter in the Oceanport area of the Fort, FMERA staff looked for potential buildings in the Oceanport area that could be activated in a short timeframe; however, all of the buildings in the Oceanport area are still owned by the Army which would require a lengthy time frame to obtain an environmental clearance and lease from the Army. FMERA presented an option to the County, Building 901, which had been occupied by the NJ National Guard up until September 30, 2015 under a License from the Army. FMERA entered

into a License with the Army that expires on March 31, 2016 and subsequently entered into an Interior and Exterior Improvement Right of Entry Permit with the County to start making improvements and renovations to Building 901.

In November 2015, FMERA then presented to the Board a request to approve a Use and Occupancy Memorandum of Understanding (MOU) with the County to permit the use of Building 901 as a temporary homeless shelter. The term of the MOU would have extended no later than three (3) years from execution of the document; provided, however, the term of the MOU could be revocable by FMERA in the event that: (i) the US Army has not conveyed title to the Premises to FMERA on or before March 31, 2016, or (ii) the US Army has not extended the Term of the License granted by the US Army to FMERA. The Board approved this request on November 12, 2015.

The County has since revisited the site and noted the extensive cost of renovations to reuse the building. In addition, the future redevelopment of the adjacent acreage may require the County to find a new location for the shelter at the conclusion of the three-year term. In May of 2015, FMERA entered into a Lease with the Army, and a sublease with the Borough of Oceanport for an adjacent parcel, including several buildings. This parcel has functioned as the temporary home of the Borough's Department of Public Works. FMERA and the Borough have discussed the long-term use of the site, including Building 901, as a municipal complex. In order to meet its obligation to the County, FMERA has identified another location on the Fort which may be more suitable for the long-term needs of the County. Located across Stephenson Avenue from Building 901, the proposed parcel depicted on the attached map totals 3 acres and includes two buildings, Buildings 906 and 908, and the accompanying paved and parking areas. These buildings are slated for demolition in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan), and the parcel is envisioned as open space. In Amendment #2 to the Reuse Plan, adopted in December 2012, the Board approved the relocation of residential housing to the southern portion of this property, along an extended Center Street. FMERA staff will present a proposed Reuse Plan amendment to the Committee this spring permitting the County's long-term use of the 3-acre site for an emergency homeless shelter, as well as the long-term use of the adjacent site for a municipal complex. These two parcels will reduce the amount of passive open space envisioned in the Plan, and included in Amendment #2. FMERA staff will pursue opportunities to identify other areas on the Fort for relocation of this open space, including the location formerly slated for the County shelter, along Sherrill Avenue in Oceanport. The change in use of the property would be from open space to civic use for a public entity; FMERA's Suggested Implementation of Open Space Inventory for Redevelopment of Fort Monmouth, prepared by FMERA's contracted professional planner and approved by the Board in May 2015, recommends that an alternate use that benefits the public should be deducted from the total open space goal that FMERA intends to pursue on the Fort.

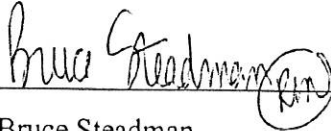
The Authority will secure a license to use the Property through the Army's standard form of use and occupancy agreement, and convey possession of the Property to the County using FMERA's standard form of use and occupancy memorandum of understanding. The final terms of the documents will be subject to the approval of the Executive Director and the Attorney General's Office. The licenses will allow for the County to install temporary facilities on the site for immediate shelter needs. FMERA will then negotiate final terms of an administrative letter and

purchase and sale agreement with the County for the transfer and long-term use of the property that may include the demolition of the two buildings and construction of a new facility. The terms of the administrative letter and purchase and sale agreement will seek to satisfy FMERA's obligations under the LBA and will be presented to the Real Estate Committee for its recommendation to the Board at a subsequent meeting.

The Real Estate Committee reviewed the request and recommends Board approval of FMERA obtaining a license with the Army for the 3-acre parcel through the standard use and occupancy agreement and conveying possession of the property to the County for use as the emergency homeless shelter through the standard form of use and occupancy memorandum of understanding.

Recommendation

In summary, I am requesting that the Real Estate Committee recommend that the Board approve FMERA obtaining a license to use the 3 acre parcel in the Borough of Oceanport depicted on the attached map through the Army's standard form of use and occupancy agreement, and conveying possession of that property to the County for use as a homeless shelter site using FMERA's standard form of use and occupancy memorandum of understanding, all on final terms acceptable to the Executive Director and the Attorney General's Office.



Bruce Steadman

Attachment: Parcel Map
Prepared by: Candice Valente
David E. Nuse

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: April 20, 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 2015 Comprehensive Annual Report; 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. 2015 Comprehensive Annual Report of the Authority

FMERA's independent accounting firm, Clifton Larson Allen, completed the 2015 audit, and reported their findings to the Audit Committee at their April 6th meeting. The auditors issued an unmodified opinion with regard to FMERA's financial statements, which is their highest opinion. The Annual Report and the audited financial statements serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 and the June 2012 Economic Development Conveyance agreement with the Army. Based on the Audit Committee's review, the Committee recommended the presentation of the 2015 Comprehensive Annual Report for Board approval at tonight's meeting.

Executive Director's Report

1. Update on Meetings with Army Representatives

FMERA and the Army have been holding discussions on the future transfer of the balance of the Main Post since March 2014, when the terms of the Phase 2 purchase were finalized, to be accomplished under a Phase 2 Memorandum of Agreement (MOA). After receiving support from the Board for the proposed terms negotiated by FMERA staff and Army representatives for the Authority's acquisition of the balance of the Main Post, staff submitted the Phase 2 Economic Development Conveyance application on July 1, 2014, and it is currently under review by the Army. A draft MOA is in substantially final form, subject only to final review of environmental



terms. Staff's goal is to seek approval from the Board to execute the Phase 2 MOA with the Army upon resolution of any remaining environmental issues.

2. Update on RFPs and Contracts

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

Auctioneer

There has been no auction activity since November 10th.

Utilities

FMERA continues to plan for upgrades to utility systems and working with the public utilities and our subcontractors to ensure required utilities are safe and operational. There have been meetings with Two Rivers Water Reclamation Authority (TRWRA), and the three borough's engineers and officials to plan a path forward for both sanitary sewer and water service. We are currently working with the Oceanport Engineer and NJAW on a proposal to submit a water main application to NJAW to accommodate the historic housing development, the fitness center, FMERA offices and additional pending building sales in the area surrounding the historic district. FMERA is also discussing roadways, public rights of way and easements with the three Boroughs. There is an action item on tonight's agenda requesting the Board approval to enter into an Agreement for Transfer of Certain Charles Wood Property Electrical Facilities with JCP&L and complete the transactions set forth therein. This agreement will also serve as a template for a Phase 2 agreement which is currently under discussion.

Suneagles Golf Course

A wind storm on April 3 caused a significant amount of damage; the Golf Course had approximately 20 down trees, and the canopy on the left entrance of Gibbs Hall blew down. Repairs are underway, with tree clean up completed by the April 25 and the canopy fixed by May 15. Spring aeration took place 10 days ago, and is healing nicely. Irrigation was turned on last week. Leaks are being repaired as we speak and everything will be fully operational within the next week or so. With the spring season arriving and the course looking in great shape, play is increasing. Joe's is open for business with new menu offerings.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services, has been quite busy keeping our property presentable and secure, for both marketing purposes and keeping our employees and tenants safe and comfortable. They are preparing for the upcoming HVAC cooling season, grass cutting season and prepping buildings for marketing. We are also preparing for the transition to maintaining the Phase 2 property when transferred.

Marina

The boating season is upon us and a number of slips have been rented. The operator is also reserving some slips for dock and dine. They continue to be open evenings and for brunch on the weekends and are looking to open for lunch in the middle of next month.

Appraiser Request for Qualifications

FMERA issued a Request for Qualifications (RFQ) for Real Estate Appraisal Services on November 13th. Qualifications were received on December 14th and 5 proposals were received. Through this RFQ, the Authority sought to establish a pre-qualified pool of five (5) to ten (10) qualified firms to provide these services on an as needed basis. Due to poor response, we terminated this RFQ and issued a new the RFQ modifying that requirement. The responses were

due on April 15, last Friday and 9 responses were received. Staff will be evaluating these for compliance and scoring.

Sublease of McAfee Center – Building 600

FMERA issued a Request for Proposals to Lease (RFP) on January 6, 2016 for the sublease of Building 600, the McAfee Center, located in the Oceanport Reuse Area. The RFP allowed for the option of leasing one floor, two floors or the entire building. Offers were required to include a plan to use the property for scientific, engineering and/or information technology-related uses. Proposals were due on February 5, 2016, and one proposal was received. Following review of that proposal by FMERA staff, the Real Estate Committee opted not to recommend approval of a sublease.

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.

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;
- Dance Hall, the 16,000 square-foot recreation building on Brewer Avenue, which is projected for commercial reuse;
- Marina, currently approved for exclusive negotiations with AP Development Partners, LLC, and contemplated for a marina/public boat ramp and restaurant.

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

In **Eatontown**, FMERA is in negotiations for the sale and redevelopment of 2 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.

FMERA has received Board approval to issue an RFOTP for 6 former barracks buildings on Semaphore Avenue, which are targeted for arts-related reuse. FMERA is also exploring options for the reissuance of an RFOTP for the Suneagles Golf Course.

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

- Building 2525 sold to RADAR Properties in February, and 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 three 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 building 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.

FMERA has received Board approval to execute contracts with Monmouth County Park System for the Recreation Center and Swimming Pool, as well as Parcel F-3, the former gas station and convenience store along Hope Road.

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

4. Marketing Update


FMERA and Cushman & Wakefield (Cushman), the Authority's Master Broker, are preparing to issue a new round of Requests for Offers to Purchase in 2016. FMERA and Cushman conduct several tours per week, and will be posting new flyers and information on available sites on FMERA's website in the coming weeks.

FMERA staff actively markets the Fort to the real estate industry by participating in conferences and events throughout the region. Members of the Real Estate Department are planning future events centered around National Economic Development Week in May and the Governor's Housing and Economic Development Conference in September. FMERA also plans to host tours of the Fort for the local community this spring and summer.

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

Bruce Steadman
 Approved By: Bruce Steadman 

Prepared by: Candice Valente

ADOPTED
April 20, 2016

Resolution Regarding

Approval of Memorandum of Agreement (MOA) with the U.S. Army for Phase 2 Economic Development Conveyance and Amendment of Phase 1 MOA

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, in section 9(b) of the Act, the Authority is given the power, “[a]s designated and empowered as the ‘local redevelopment authority’ for Fort Monmouth for all purposes of the Defense Base Closure and Realignment Act of 1990, Pub.L.101-510 (*10 U.S.C. § 2687*), and, in that capacity, to enter into agreements with the federal government, State departments, agencies or authorities, the county, the host municipalities, or private parties”; and

WHEREAS, in section 9(e) of the Act, the Authority is empowered “[t]o acquire or contract to acquire...the project area”; and

WHEREAS, Fort Monmouth closed on September 15, 2011; and

WHEREAS, FMERA and the U.S. Army (Army) executed a Memorandum of Agreement (MOA) for the Phase 1 properties, including the Fort’s Charles Wood Area and three parcels on the Main Post, on June 25, 2012, and FMERA received title to the majority of Phase 1 properties on May 29, 2014; and

WHEREAS, FMERA staff initiated negotiations with the Army on Phase 2 in summer 2012, and negotiated a set of terms via a Phase 2 deal points letter, with the Board’s review, which was executed by FMERA and the Army on June 17, 2014, as described in the attached memorandum; and

WHEREAS, FMERA staff submitted a Phase 2 Economic Development Conveyance (EDC) application based on the non-binding term sheet on July 1, 2014 for Army’s review, and submitted the final application to the Acting Deputy Assistant Secretary of the Army for Installations and Housing on August 25, 2014; and

WHEREAS, the attached Phase 2 MOA contains the binding terms of the EDC of the Phase 2 Fort Monmouth property, as described further in the attached memorandum; and

WHEREAS, FMERA staff and the Army have also negotiated amended language to the Phase 1 MOA, which facilitates FMERA’s Phase 2 financing structure; and

WHEREAS, the Real Estate Committee has reviewed the substantially final form of the Phase 2 MOA and First Amendment to the Phase 1 MOA and recommends Board approval.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Authority approves the Memorandum of Agreement (MOA) with the U.S. Army, on terms substantially consistent as those set forth in the attached memorandum and MOA with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Chairman of the Authority or the Executive Director to execute the document. The Executive Director or other staff authorized pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

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: April 20, 2016

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Phase 2 Economic Development Conveyance Agreement with the U.S. Army

DATE: April 20, 2016

Request

I am requesting that the Board authorize the execution of an Economic Development Conveyance Memorandum of Agreement with the Department of the Army for Fort Monmouth's Phase 2 parcels ("Phase 2 MOA"), subject to review by the New Jersey Department of Environmental Protection (NJDEP) of one outstanding Remedial Investigation/Feasibility Study report to be provided by Army, and also authorize the execution of an amendment to the June 25, 2012 Phase 1 Economic Development Conveyance Memorandum of Agreement ("Phase 1 MOA").

Background

At the December 2011 and April 2012 meetings of the Authority, the Board approved a Phase 1 MOA with the Army. FMERA and the Army executed the Phase 1 MOA, covering the Fort's Charles Wood Area and three parcels on the Main Post (Parcel B, the Clinic and the Marina) on June 25, 2012.

The Phase 1 MOA between FMERA and the Army set up a two-phased property transfer, with Phase 2 intended to include the bulk of the Main Post properties in Eatontown and Oceanport. The Army preferred a two-phased approach because it anticipated being able to convey the Charles Wood Area properties more expeditiously, as it viewed them as less mission-critical areas. The Phase 1 MOA called for the Army and FMERA to share sale proceeds, with the Army receiving approximately 60% and FMERA 40% of the net revenue. Under Base Realignment and Closure ("BRAC") law, FMERA's share of the Phase 1 proceeds obtained until the end of the seventh year after the transfer of the last Phase 1 property must be reinvested within 12 pre-determined expense categories. The Phase 2 MOA will have its own seven-year restriction period. In addition, federal regulations require that FMERA perform an annual audit

to confirm that lease and sale revenue has been reinvested appropriately.

The Authority has made substantial progress in implementing the Phase 1 MOA, with nearly all of the properties either sold, under contract, in negotiations, or in the Request for Offers to Purchase process. We received title to the majority of the Phase 1 parcels by deed dated May 29, 2014.

FMERA staff initiated negotiations with the Army over Phase 2 in Summer 2012, immediately after execution of the Phase 1 MOA. Our intent was to pursue a Phase 2 agreement modeled after the shared proceeds approach employed in Phase 1. By Spring 2013, however, the Army notified FMERA that it would not agree to a shared proceeds approach unless FMERA provided stipulated, guaranteed payments. The parties spent the balance of 2013 exploring alternatives that would meet each party's needs, such as establishing a floor price for the Phase 2 parcels with accelerated payments to the Army. None of these alternatives satisfied the Army's desire for guaranteed payments and FMERA's need for flexibility in the sale and redevelopment of the property. Following consultation with the Real Estate Committee and the Board, staff met with Army representatives in March 2014 and negotiated the following terms for FMERA's potential buy-out of the Army:

- FMERA will purchase the Phase 2 parcels from the Army for a single payment of \$33 million, with no deductions for Homeless Trust Fund or real estate commissions. Payment will be made at closing and will be conditioned on the ability of the Army to convey title to the Phase 2 parcels.
- FMERA will take responsibility for caretaker costs upon closing.
- Army will retain all statutory environmental responsibilities, including the obligation to remediate the property to CERCLA standards.
- Army will expedite the issuance of Findings of Suitability to Lease and Leases in Furtherance of Conveyance for Russel Hall and the Officer Housing parcel so that FMERA may obtain site control for these two properties and schedule closings with redevelopers to occur simultaneously with the Army/FMERA Phase 2 closing. Proceeds from the sale of these two properties may be used as part of FMERA's payment for the Phase 2 properties.
- Army will agree to allow the sale of the Fabrication Shops, a Phase 1 property and a key small business initiative of the Authority, at the price offered by the highest ranked proposer.
- The parties will use these deal points as the basis for a Phase 2 MOA.

Staff anticipated financing the acquisition of the Phase 2 parcels through bonds or notes, and indicated that it would present a detailed financing plan to the Members for their approval at a future meeting.

The Real Estate Committee and the Board reviewed these proposed terms in April 2014 and directed the Executive Director to negotiate and execute a non-binding term sheet with the Army and to submit a Phase 2 Economic Development Conveyance ("EDC") application. Staff executed an EDC Phase 2 deal points letter with the Army on June 17, 2014 (the "Deal Points Letter") and submitted a Phase 2 EDC application on July 1, 2014, the deadline specified in the

Deal Points Letter. Following the Army's preliminary review of that document, FMERA submitted its final application to the Acting Deputy Assistant Secretary of the Army for Installations and Housing on August 25, 2014.

The Deal Points Letter called for the Phase 2 real estate closing to occur no later than March 15, 2015. In order to meet that target, the Army needed to provide FMERA two items no later than November 2014: A draft Finding of Suitability to Transfer ("FOST") confirming that the Phase 2 property meets applicable environmental standards; and a draft of the Phase 2 MOA, which serves as the Army's contract for sale. The Army forwarded an initial draft of the Phase 2 MOA in December 2014, and since that time FMERA engaged in negotiations with the Army on the MOA's terms, which have now concluded. FMERA anticipates posting a draft FOST for public comment within the next thirty days.

Upon Board approval of the Phase 2 MOA and posting of the draft FOST, FMERA will finalize discussions and initiate financing approvals with our prospective lender, the Monmouth County Improvement Authority, targeting a Summer 2016 closing with the Army. It is our intention to bring a detailed financing plan to the Real Estate Committee and the Board for approval at the May meeting. We plan to seek approximately \$33.5 million in financing, reflecting our negotiated purchase price with the Army together with associated financing costs. FMERA would pay down approximately \$10 million of that amount by year-end, through proceeds from the board-approved sales of three parcels: Officer Housing, Fitness Center and Russel Hall.

The draft Phase 2 MOA is largely consistent with the terms of the Deal Points Letter, and it also includes the Army's agreement that any remedies to which it is entitled under the MOA will be subject to the lien of the mortgage holder. In lieu of a financing contingency in the MOA, FMERA and the Army have agreed to delay signing of the agreement until the Monmouth County Improvement Authority is ready and able to provide financing.

FMERA will delay accepting title to eight Main Post landfills until all landfills have been closed under CERCLA standards and capping is complete. To date, Army has submitted to the New Jersey Department of Environmental Protection (NJDEP) Remedial Investigation/Feasibility Study (RI/FS) reports for seven of the eight landfills on the Main Post. NJDEP's review to date of the seven RI/FS reports indicates that they are generally consistent with the landfill closure methodology that Army has discussed conceptually with NJDEP for the last two years. The last of the eight RI/FS reports is expected from Army by the end of April. NJDEP anticipates that the outstanding RI/FS report also will be generally consistent with Army's discussed methodology. The MOA will not be executed by FMERA until NJDEP has completed its review of the Army's RI/FS report for the one remaining landfill and confirmed that the Army's RI/FS for the remaining landfill is generally consistent with the methodology that Army has been discussing with NJDEP.


Staff is also requesting the Board's approval of a first amendment to the Phase 1 MOA, to be signed at the same time as the Phase 2 MOA. The amendment is primarily designed to facilitate FMERA's Phase 2 financing by allowing proceeds from the sale, lease or use of Phase 1 parcels to be used to service the Phase 2 bonds, and by extending the seven-year reinvestment period applicable to Phase 1 to coincide with the Phase 2 reinvestment period. Additionally, the


proposed amendment reduces the Floor Price for the Fabrication Shops parcel in support of FMERA's small business initiative, and allows for the possible conveyance of the Myer Center property, known as Parcel F-1, to the New Jersey Economic Development Authority at no cost, provided that the Homeless Trust payment attributable to that property is funded upon sale to the ultimate purchaser.

Attached are substantially final forms of the Phase 2 MOA and First Amendment to Phase 1 MOA between FMERA and the Army. The final terms of the documents will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Board authorize the execution of an Economic Development Conveyance Memorandum of Agreement with the Department of the Army for Fort Monmouth's Phase 2 parcels, subject to review by the New Jersey Department of Environmental Protection (NJDEP) of one outstanding Remedial Investigation/Feasibility Study report to be provided by Army, and also authorize the execution of an amendment to the June 25, 2012 Phase 1 Economic Development Conveyance Memorandum of Agreement.



Bruce Steadman 

Prepared by: Bruce Steadman
David E. Nuse

Attachments: Draft Phase 2 MOA
Draft amendment to the Phase 1 MOA

ATTACHMENT

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



ADOPTED
April 20, 2016

Resolution Regarding
**Approval of Fort Monmouth Economic Revitalization Authority 2015 Comprehensive
Annual Report**

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 Authority selected its independent auditors, Clifton Larson Allen, LLP, pursuant to Executive Order No. 122 (McGreevey); and

WHEREAS, the Authority's independent auditors audited and accepted the Authority's financial statements for January 1, 2015 to December 31, 2015, and issued an unmodified opinion regarding the financial statements; and

WHEREAS, pursuant to Executive Order No. 122 (McGreevey), the Audit Committee reviewed the draft Comprehensive Annual Report for January 1, 2015 to December 31, 2015 and recommends presenting the Members with the Annual Report; and

WHEREAS, pursuant to Executive Order No. 37 (Corzine) the Authority is required to submit its Comprehensive Annual Report for review from its Members.

THEREFORE, BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority's 2015 Comprehensive Annual Report and approve submitting the Report to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse and posting it on the Authority's website.

2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.

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: April 20, 2016

EXHIBIT 2

MEMORANDUM

TO: Members of the Board
FROM: Bruce Steadman
Executive Director
RE: 2015 Comprehensive Annual Report
DATE: April 20, 2016

Request

I am requesting that the Board of Members approve the Authority's 2015 Comprehensive Annual Report, as required under Executive Order No. 37 (2006).

Background

The Fort Monmouth Economic Revitalization Authority (FMERA) distributes the annual report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. To meet the requirements of Executive Order No. 37 (2006), the annual report is combined with the audited financial statements and serves as FMERA's Comprehensive Annual Report for 2015.

FMERA is required to comply with Uniform Grant Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) which is intended to promote sound financial management including effective internal controls with respect to federal awards administered by state and local governments. FMERA's independent accounting firm, Clifton Larson Allen LLP ensures compliance with Uniform Grant Guidance.

In addition, per the Economic Development Conveyance (EDC) agreement with the Army, FMERA is required to submit annual financial statements to the United States Department of the Army, certified by an independent Certified Public Accountant that account for the annual gross and net revenues received by FMERA from all sales and leases, or equivalent use of Phase 1 parcels and the reinvestment of EDC proceeds during the conveyance period.

The audited financial statements for the year ended December 31, 2015 were prepared by FMERA staff pursuant to Generally Accepted Accounting Principles for a government entity. The financial statements include information for operational and EDC activities. The independent accounting firm of Clifton Larson Allen LLP has issued an unmodified opinion with regard to the 2015 financial statements which is their highest opinion.



The certification and accompanying financial statements has been executed by the Executive Director and the Senior Finance Officer confirming that FMERA has followed its standards, procedures and internal controls.

On April 6, 2016, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2015 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit did not result in any findings of significant deficiencies or material weaknesses. Subsequent to its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), FMERA is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse, and posted to the FMERA website.

Recommendation

In summary, I am requesting that the Board approve the Comprehensive Annual Report for 2015 as required under Executive Order No. 37 (2006) in order to submit the report to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse, and post to the Authority's website.


Bruce Steadman 

Attachments: 2015 Comprehensive Annual Report
Prepared by: Jennifer Lepore

ATTACHMENT

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

ADOPTED
April 20, 2016

Resolution Regarding
**Transmittal to Host Municipalities of Proposed Sixth Plan Amendment Permitting
Alternative Development Scenario in Oceanport**

WHEREAS, the FMERA Act, P.L. 2010, c.51, in N.J.S.A. 52:27I-26(c), and the Land Use Rules, in 19:31C-3.27(c), authorize FMERA to amend the plan from time to time as development progresses; and

WHEREAS, pursuant to the Land Use Rules, FMERA must transmit any proposed Reuse Plan amendment to the governing body of the three municipalities for a 45-day comment period and then consider any comments prior to the Board approving or disapproving the amendment; and

WHEREAS, the Reuse Plan envisions the redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential uses and 720 residential units; and

WHEREAS, the redevelopment of the Oceanport Reuse Area included development of a high-tech/green industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground; and

WHEREAS, the Homeless Assistance Submission, approved in conjunction with the Reuse Plan, called for a Homeless Shelter to be operated by the County and located in the Oceanport Reuse Area; and

WHEREAS, the proposed Amendment #6, prepared by the Authority's contracted professional planner Phillips Preiss Grygiel, encompasses two Fort Monmouth properties in the Oceanport Reuse Area, totaling approximately 16 acres and as described in the attached memorandum; and

WHEREAS, staff has reviewed the proposed Amendment #6 with regard to the guidance for reviewing a proposed amendment and reached the following conclusions: (1) this Amendment does not make any change to the number of residential units planned in Oceanport; (2) this Amendment affects only the Oceanport Reuse Area, and the value and use of adjacent parcels in Oceanport is increased due to the centralization of civic uses and the identification of locations for sites affected by Superstorm Sandy; (3) this Amendment would maintain the overarching land use concepts, objectives and principles of the Reuse Plan; (4) this Amendment is consistent with the Authority's BRAC obligations and the negotiations related to the Phase 2 Economic Development Conveyance Agreement with the Army; and (5) this Amendment includes changes to circulation envisioned in the Reuse Plan to address the land use changes, including the reuse of existing roads; and

WHEREAS, the Real Estate Committee has reviewed the proposed plan change Amendment #6, and recommends approval of the transmittal of the proposed amendment to the governing body of each host municipality.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Authority approves the transmittal to the governing body of each of the three host municipalities of the proposed attached Amendment #6 to the Fort Monmouth Reuse and Redevelopment Plan that would permit an alternative development scenario in the Oceanport Reuse Area.

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: April 20, 2016

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Transmittal to Host Municipalities of Proposed Plan Amendment #6 Permitting Additional Development Scenario in Oceanport

DATE: April 20, 2016

Request

I am requesting that the Board of Members approve the transmittal to the three host municipalities of the proposed Amendment #6 to the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) that would permit an alternative development scenario in Oceanport.

Background

In 2008, the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) was completed and accepted by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Defense, and serves as the Plan for the redevelopment and revitalization of Fort Monmouth to be implemented by FMERA. FMERA's Homeless Assistance Submission (HAS) was submitted to and approved by HUD in conjunction with the Reuse Plan. FMERA's enabling legislation, P.L. 2010 c. 51 (the Act), the Land Use Rules subsequently adopted in 2013, N.J.A.C. 19:31C-3 et seq. (Land Use Rules), and the Reuse Plan contemplate that amendments to the Reuse Plan would be required from time to time. Specifically, the Act authorizes FMERA "to adopt, revise, adjust, and implement... any aspect of the plan."

Reuse Plan amendments allow FMERA to respond to opportunities that arise through the Request for Offers to Purchase (RFOTP) process. The amendment is required to be a report or statement with proposals that include the following:

1. A statement of objectives, assumptions, and standards on which the plan is based;
2. The relationship to Statewide, county and municipal planning objectives;
3. Proposed land uses; and
4. Any significant relationship to municipal and county plans as well as the State Development and Redevelopment Plan.

According to the Land Use Rules, the FMERA Board shall consider the following as guidance when reviewing a proposed amendment:

1. Whether the proposed amendment would result in a material change in the overall development yield or affordable housing obligations of the host municipality, or would result in any negative impact to the Authority's obligations pursuant to the Fair Housing Act of 1985;
2. Whether the proposed amendment would result in any significant adverse impact on other areas of Fort Monmouth;
3. Whether the proposed amendment would substantially impair the intent and purposes of the Reuse Plan;
4. Whether the proposed amendment would have any negative impact to the Authority's obligations pursuant to the Base Realignment and Closure Act (BRAC) and any agreement with the U.S. Army conveying Fort Monmouth property to the Authority; and
5. Whether the proposed amendment would have significant adverse infrastructure ramifications different from those envisioned in the Reuse Plan.

In accordance with the Act and the Land Use Rules, prior to approving an amendment to the Plan, the amendment must be transmitted to the governing body of each host municipality for a 45 day comment period, at the end of which each municipality may provide FMERA with a written report containing the municipality's recommendations. Staff will review the report from each host municipality and prepare a preliminary analysis with reasons for accepting or not accepting the recommendations. This report shall be presented to the Board for its consideration and approval.

Development Contemplated under the Reuse Plan

The Reuse Plan currently envisions the redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential uses and 720 residential uses. The Reuse Plan included development of a high-tech/green industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground. The Oceanport Reuse Area also included civic/institutional reuse of two historic structures for a Municipal Complex next to mixed-income apartments at Barker Circle along Oceanport Avenue, a library near the high-tech/green industry cluster, and a new County Shelter along Sherrill Avenue. FMERA's HUD-approved HAS called for a Homeless Shelter to be operated by the County and to be located in the Oceanport section of the Fort.

In December of 2012, the FMERA Board approved Plan Amendment #2, which allowed for an alternative development scenario concept for approximately 16 acres in Oceanport for the Patterson Army Health Clinic (Clinic) parcel. This amendment allowed for the option to reuse the Clinic and allowed a medical clinic and offices at the Clinic. The completion of the renovation and sale of this parcel to AcuteCare Health Systems has quickly encouraged continued development in Oceanport.

In January of 2016, the FMERA Board also approved Plan Amendment #4, which allowed for an additional development scenario for Russel Hall and an alternative development scenario for the former community center, known as the Dance Hall, both in the Oceanport Reuse Area. This amendment allowed for the option to reuse Russel Hall for office/research uses, as well as

ancillary retail uses; the amendment also allowed for the commercial/retail use of the Dance Hall building, including outdoor dining, and the maintenance of the adjacent Van Kirk Park.

The Proposed Reuse Plan Amendment

The attached proposed Amendment #6 prepared by the Authority's planning consultant, Phillips Preiss Grygiel, LLC (PPG) encompasses approximately 16 acres of Fort Monmouth property in the Oceanport Reuse Area. The proposed Amendment maintains the Plan's land use concepts and plans while permitting a development scenario for the parcel with the primary purpose of relocating nonresidential, civic/institutional uses in Oceanport. The amendment includes the incidental relocation of residential units as well as new uses for the buildings no longer envisioned for municipal uses or for the county shelter. This includes the relocation of the Oceanport Municipal Complex to an approximately 13-acre parcel along Murphy Drive, for the renovation and reuse of four buildings for the Oceanport Police Department, the Borough Hall, the Department of Public Works, a municipal library, a court house and a potential community center. In addition, the County Shelter will also be located along Murphy Drive, in a 3-acre parcel that includes two buildings slated for demolition in the Reuse Plan. The County will construct an emergency shelter, and would no longer pursue the shelter envisioned along Sherrill Avenue. This parcel would be available for open space or office/R&D use in support of the adjacent Squier Hall complex. The buildings originally slated for a municipal complex include two buildings in Barker Circle; these buildings are now envisioned to hold the 32 residential units moving from the 16 acres, and/or office/R&D uses. The former Fire House, currently leased to the Oceanport Police Department, would be available for a retail or office/R&D use, in support of the adjacent Barker Circle uses.

The County previously operated an emergency homeless shelter on Fort property within Oceanport; the building flooded during Superstorm Sandy and was deemed unsalvageable. Similarly, the Borough of Oceanport suffered significant damage to municipal property as a result of the storm. The need to establish locations that could serve the long-term needs of both entities, while also maintaining the goals and objectives of the Reuse Plan, lead to identification of the two parcels, totaling approximately 16 acres within the Oceanport Education/Mixed-Use Neighborhood development district, per the Land Use Rules.

This amendment supersedes the uses depicted for the 3-acre and 13-acre parcels in Amendment #2. Staff recommends these changes as the highest and best use for the site based on the results of discussions with the Borough of Oceanport and the County of Monmouth.

Staff has reviewed the Amendment with regard to the criteria in the Land Use Rules, in N.J.A.C. 19:31C-3.27(c)5, for reviewing a proposed amendment and proposes the following conclusions:

1. This Amendment would not change the total number of residential units planned in Oceanport. A total of 32 residential units would be relocated from the 16 acres to Buildings 206 and 208 in Barker Circle.
2. This Amendment affects only the Oceanport Reuse Area. As to those portions of the Oceanport Reuse Area not modified by this Amendment, their value and use is increased due to the relocation and centralization of the civic/institutional uses envisioned in this portion of the Fort.


3. This Amendment would maintain the overarching land use concepts, objectives and principles of the Reuse Plan; thus, the Reuse Plan would remain a rational coordinated land use plan.
4. This Amendment is consistent with the Authority's BRAC obligations and the Phase 2 Economic Development Conveyance (EDC) agreement currently in negotiation with the Army. The relocation of the civic/institutional uses will allow for more non-residential development, in the form of office and retail uses, and generate more positive fiscal impacts for both FMERA and the municipality.
5. The proposed Amendment includes changes to circulation envisioned in the Reuse Plan to address the land use changes, as well as the circulation envisioned in Plan Amendment #2. These changes take advantage of the existing street network. As indicated in the Reuse Plan, impacts on the existing gas, electric, water, wastewater and telephone utilities are to be evaluated at site plan review for a specific project.


In order for the Authority to begin the public process required before the Board considers approval or disapproval of the amendment to the Plan, FMERA staff is requesting approval to transmit the attached proposed Amendment to the governing body of each of the three host municipalities. The proposed changes included in the Amendment currently demonstrate an overall reduction in the open space preserved or protected in the Oceanport Reuse Area. The Board approved Suggested Implementation of Open Space Inventory for Redevelopment of Fort Monmouth (Open Space Memo) recommended that the reallocation of open space for public use through a Plan Amendment should be deducted from the overall allocation of passive open space, as the acreage will continue to serve the public. In addition, the area formerly envisioned for the construction of an emergency shelter for the County is now available for potential active or passive open space. Staff is working on strategies to accommodate additional open space within Oceanport, in accordance with the Open Space Memo.

The Real Estate Committee has reviewed the proposed amendment, and recommends Board approval to transmit the amendment to the three host municipalities.

Recommendation

In summary, I am requesting that the Board approve the transmittal to the three host municipalities of the proposed Amendment #6 to the Reuse Plan that would permit alternative development scenarios in Oceanport.



Bruce Steadman 

Attachments: Proposed Reuse Plan Amendment #6
Prepared by: Candice Valente

ATTACHMENT

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



ADOPTED
April 20, 2016

Resolution Regarding
**Agreement for Transfer of Certain Charles Wood Property Electrical Facilities to Jersey
Central Power & Light**

WHEREAS, FMERA took title to the Phase 1 properties from the U.S. Army in June 2014, including the Charles Wood Area (CWA) electrical facilities, per the Economic Development Conveyance (EDC) Agreement for Phase 1; and

WHEREAS, FMERA has been maintaining and operating the CWA electrical facilities with the assistance of the On-Call Property Maintenance contractor; and

WHEREAS, in order to implement the Fort Monmouth Reuse and Redevelopment Plan, FMERA desires to make arrangements for the continuation of existing electric service to the Charles Wood Property; and

WHEREAS, Jersey Central Power & Light (JCP&L) is a New Jersey public utility company and an electric distribution company with electric transmission and distribution facilities serving and surrounding Fort Monmouth, and operates as an electric distribution company under its Tariff for Service which is on file with, and approved by, the New Jersey Board of Public Utilities; and

WHEREAS, FMERA does not intend to provide or engage in providing public utility services, including electric distribution services to the various lots that comprise the Charles Wood Property, which FMERA is marketing and selling to interested individuals and entities; and

WHEREAS, as a result of its due diligence work and its review of the electric service needs of the Charles Wood Property and the consideration of the likely or possible electric service needs associated with future development of the Charles Wood Property, JCP&L has advised FMERA of its interest and determination to accept the transfer from FMERA of the Charles Wood Distribution System under the terms and conditions set forth in the attached agreement; and

WHEREAS, the Real Estate Committee has reviewed the agreement and recommends that the Board approve the transfer of certain Charles Wood property electrical facilities to JCP&L;

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Authority approves entering into an Agreement for Transfer of Certain Charles Wood Property Electrical Facilities with Jersey Central Power & Light (JCP&L) on terms substantially

consistent to those set forth in the attached memorandum and agreement with final terms acceptable to the Executive Director and the Attorney General's Office. The Executive Director or other staff authorized to execute documents pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

2. 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: April 20, 2016

EXHIBIT 4

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Agreement for Transfer of Certain Charles Wood Property Electrical Facilities

DATE: April 20, 2016

Summary

I am requesting the Members to consider approving an Agreement for Transfer of Certain Charles Wood Property Electrical Facilities (the "Agreement") to Jersey Central Power and Light Company (JCP&L) a New Jersey Public utility and complete the transactions set forth therein.

Background

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

In accordance with the federal Base Realignment and Closure law, Fort Monmouth was closed September 15, 2011. FMERA took title to the Phase One Properties, including all of Charles Wood (CWA) (with the exception of some environmental carve-outs). FMERA with the assistance of our On-Call Property Maintenance contractor, Chenega Operations Services LLC, has been maintaining the CWA electrical facilities. The Charles Wood Distribution System Substation is electrically supplied by JCP&L's 34.5kV sub-transmission lines through a single billing meter billed by JCP&L to the U.S. Army prior to June 6, 2014 and, thereafter and currently, billed to FMERA. FMERA does not intend to provide or engage in providing public utility services, including electric distribution services to the various lots that comprise the Charles Wood Property, which, as aforesaid, FMERA is marketing and selling to interested individuals and entities.

The Agreement will transfer the CWA electrical facilities to JCP&L in exchange for JCP&L's agreement to operate and maintain electrical service to FMERA owned facilities and the facilities of tenants and purchasers of FMERA property in the CWA. As part of this agreement, FMERA and its tenants and purchasers will meter their facilities and become direct customers of

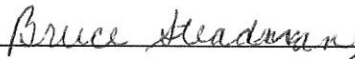
JCP&L. The master meter will be disconnected and FMERA and its tenants and purchasers will be billed by JCP&L according to actual usage as metered.


In consideration of the payment of One Dollar and the other benefits and consideration to FMERA and its transferees and potential transferees as set forth herein, FMERA shall deliver to JCP&L a bill-of-sale for the Charles Wood Distribution System, for no additional consideration by or from JCP&L. FMERA will also transfer and deliver all easement, right of way and related rights by Easement Agreement and convey ownership of the Charles Wood Substation by Quitclaim Deed to JCP&L, both in recordable form, for the Charles Wood Distribution System, at no cost to JCP&L. Pursuant to the Agreement, if FMERA is the holder of any easements, rights of way or related property interests relating to the Charles Wood Distribution System, or any portion thereof, it shall assign and transfer the same to JCP&L. FMERA acknowledges and agrees that the value and benefit to FMERA, and to its implementation of the Reuse Plan, from the transactions set forth herein is sufficient consideration and reasonably equivalent value for the conveyance of the Charles Wood Distribution System and the other rights and interests being conveyed under this Agreement.

The attached Agreement is in substantially final form. The final document will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends Board approval of the Agreement with JCP&L.

Recommendation

In summary, I am requesting the Members' approval to enter into an Agreement for Transfer of Certain Charles Wood Property Electrical Facilities with JCP&L and complete the transactions set forth therein.



Bruce Steadman 

ATTACHMENT: Agreement for Transfer of Certain Charles Wood Property Electrical Facilities
Prepared by: Rick Harrison

ATTACHMENT

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



ADOPTED
April 20, 2016

**Resolution Regarding
Authorization for FMERA to Amend the Purchase and Sale Agreement and
Redevelopment Agreement with FM Partners, LLC for the Fitness Center**

WHEREAS, FMERA issued a Request for Offers to Purchase (RFOTP) for an approximately 7.75 acre parcel and Building 114, the Fitness Center, in March of 2014 and FMERA received one proposal on May 28, 2014, from FM Partners, LLC (FM Partners); and

WHEREAS, the Fitness Center parcel is located within the Phase 2 area of the Main Post and sale of the parcel is contingent on the negotiation of a Phase 2 Economic Development Conveyance Agreement (EDC) with the Army; and

WHEREAS, at the Authority's June 17, 2015 meeting, the Board authorized FMERA staff to enter into a Purchase and Sale Agreement and Redevelopment Agreement (PSARA) with FM Partners; and

WHEREAS, the terms of the PSARA included FM Partners paying \$3,450,000 and closing within 30 days of satisfaction of conditions precedent, including FM Partners completing due diligence and obtaining all approvals necessary to develop the project; and

WHEREAS, the PSARA was executed on August 11, 2015 and FM Partners subsequently began their due diligence activities, which required an expanded timeline extended through May 15, 2016 per the Executive Director's authority as granted by the Board; and

WHEREAS, further due diligence investigations produced significant new findings that will limit the redevelopment of the parcel as proposed and produce unforeseen redevelopment costs; and

WHEREAS, negotiations with FM Partners have lead to the attached amendment to the PSARA with the following revisions to material terms in the PSARA: (1) termination of the due diligence period and acceptance of the property in as-is condition; (2) reduction of the purchase price to \$2,300,000; and (3) agreement by FMERA to clear or cause to be cleared the State's Tidelands claim on the property, which may occur before or after closing; and

WHEREAS, redevelopment of the Fitness Center parcel will require an amendment to the Reuse Plan to allow FM Partners' sign on the water tower and because the property boundaries differ from those depicted in the Reuse Plan and encompass three different development districts; 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 FM Partners, LLC for the Fitness Center 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 FM Partners, LLC as the purchaser of the Fitness Center 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: April 20, 2016
ATTACHMENT

EXHIBIT 5

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Approval of an Amendment to the PSARA for the Fitness Center with FM Partners, LLC

DATE: April 20, 2016

Request

I am requesting that the Board approve an amendment to the Purchase and Sale Agreement and Redevelopment Agreement (PSARA) for Building 114 with FM Partners, LLC (FM Partners) revising the sale price for the property. This will enable FM Partners to move forward with securing approvals for the purchase.

Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Fitness Center parcel on March 14, 2014. The Fitness Center parcel consists of 7.174 acres of land and Building 114, the 32,250 sf Fitness Center, constructed in 1952; Building 562, a New Jersey Natural Gas Company facility; and Building 752, a sewage lift station. The property also includes a water tower that is no longer in use or needed for redevelopment. The RFOTP called for the successful bidder to take down the water tower no later than five years following closing. The parcel is divided into two sub-parcels by a 0.654 acre strip of land owned by Jersey Central Power & Light Company, which runs through the property just south of Building 114. Title to the property is subject to: (i) a yet to be created easement for future use of the existing sewage lift station; and, (ii) an easement for New Jersey Natural Gas Company’s continued use of the existing natural gas facility. A map of the Fitness Center parcel is attached. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the reuse of the Fitness Center as a health club.

The RFOTP was advertised in the Asbury Park Press and the Star Ledger, and posted to the FMERA, NJEDA and New Jersey State Business Portal websites. The response date for offers to purchase the property was May 28, 2014.

FMERA received one proposal for the Fitness Center parcel, from FM Partners. An evaluation team comprised of FMERA staff members scored the proposal independently, according to

criteria and weightings contained in the RFOTP and FMERA's Rules for the Sale of Real and Personal Property (N.J.A.C. 19:31C-2 et seq.). The evaluators recommended that FMERA proceed to negotiations with FM Partners.

FM Partners' proposal calls for the renovation and expansion of Building 114 for medically based fitness programming, aquatic programming, and individualized and group training and classes, along with related and ancillary uses including a pro shop, a health café and off-street parking. At its May 21, 2015 meeting, the FMERA Board authorized staff to: (i) execute a Lease in Furtherance of Conveyance with the Army for the Fitness Center parcel; and (ii) enter into a sublease with FM Partners for the Fitness Center parcel. The lease from the Army to the Authority will run for a term of thirty (30) years, ending on May 11, 2045, or until the Army conveys the property. The Army issued a Final Finding of Suitability to Lease for the property in April 2015, indicating that it meets federal and state environmental standards for the intended use.

Negotiations with FM Partners resulted in terms that were incorporated into a Purchase and Sale Agreement and Redevelopment Agreement (PSARA) presented to the FMERA Board in June 2015. FM Partners and FMERA agreed to a purchase price of \$3,450,000 for the property, reflecting the amount of its proposal. 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; FM Partners 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; an amendment to the Reuse Plan; and the consent of the New Jersey Economic Development Authority's Board. The parties will endeavor to satisfy these contingencies within six months of execution of the PSARA. FM Partners 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 FM Partners 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 commence renovation of the Fitness Center within three months of closing and complete the renovations within twelve months of obtaining a temporary certificate of occupancy, incurring a minimum investment of \$750,000. In the event that FM Partners completes the initial renovations and receives a certificate of occupancy within twelve months without expending the entire \$750,000, it shall have an additional twelve months to expend the balance on additional improvements to the property. In the event that FM Partners does not commence or complete renovations as specified above, FMERA may exercise a right to repurchase the project from FM Partners. The purchaser will also be obligated to create and/or relocate a minimum of 50 new full-time equivalent jobs at the property within three years of obtaining a certificate of occupancy.

Redevelopment of the Fitness Center parcel will require an amendment to the Reuse Plan, because the property boundaries differ from those depicted in the Reuse Plan and to allow FM Partners' sign on the water tower. The 7.828 acre parcel offered through the RFOTP conforms

to the existing street configuration, not the proposed street locations shown in the Reuse Plan. Additionally, the 7.828 acre parcel straddles three districts in the Land Use Rules, the Green Tech Campus, the Horseneck Center and the Education/Mixed-Use Neighborhood. A Reuse Plan amendment will be required to address these deviations and reconcile the Reuse Plan and Land Use Rules.

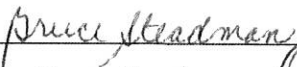
The PSARA was executed on August 11, 2015 and FM Partners subsequently began their due diligence investigations. These investigations required an expanded timeline to complete due diligence, which has been extended through May 15, 2016 via the Executive Director's authority as granted by the Board in approving the PSARA. Further investigations produced significant new findings that will limit the redevelopment of the parcel, which include: (1) Coastal Area Facility Review Act (CAFRA) study and permitting based on the site's location in a CAFRA zone; (2) an existing Tidelands claim by the State of New Jersey; (3) identification and potential relocation of a 60" culvert storm water pipe that runs through the property; (4) identification and engineering costs related to wetlands; and (5) JCP&L's fee ownership of a 0.654 acre subparcel, as opposed to an easement interest.


Amendment

FMERA and FM Partners have continued negotiations related to the site issues in an effort to fulfill the obligations and terms agreed to in the PSARA as approved by the Board. These negotiations have lead to the attached amendment to the PSARA with the following revisions to material terms in the PSARA: (1) termination of the due diligence period and acceptance of the property in as-is condition; (2) reduction of the purchase price to \$2,300,000; and (3) agreement by FMERA to clear or cause to be cleared the State's Tidelands claim on the property, which may occur before or after closing. The \$1,150,000 reduction in the purchase price was determined based on the costs related to the relocation of the culvert water pipe, CAFRA permitting, wetlands delineation, JCP&L subparcel acquisition, and potential changes in the design and scope of the project due to these issues. In consideration for this price reduction, the purchaser will bear over \$1,100,000 in unforeseen renovation costs relating to the condition of the building. Note that the adjusted sale price remains in excess of the property's appraised value. All other material terms of the PSARA as presented to the Committee and the Board will remain unchanged. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

Staff requests that the Board approve the Authority's execution of the amendment to the PSARA with FM Partners revising the sale price for the Fitness Center parcel in the Oceanport Reuse Area.



Bruce Steadman 

Attachments: Parcel Map
Amendment to the PSARA
Prepared by: Candice Valente & Dave Nuse

ATTACHMENT
Fitness Center Parcel (including JCP&L subparcel)
7.878 acres per survey



ATTACHMENT

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



Resolution Regarding
**Approval of the Memorandum of Understanding between FMERA and Eatontown to
Contract for Engineering Services with Respect to Howard Commons**

WHEREAS, FMERA received proposals from three parties in response to its December 29, 2014 Request for Offers to Purchase (RFOTP) in connection with the planned redevelopment of the Howard Commons site in Eatontown; and

WHEREAS, the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) calls for the demolition of the existing improvements due to their age, condition, density and design, and their replacement with 275 dwelling units and up to 15,000 sf of ancillary retail/commercial space; and

WHEREAS, negotiations are currently underway with the highest scoring proposer to the RFOTP and that party's preliminary investigations of the site have uncovered the possible effect of freshwater wetlands and Wampum Brook that could impact the property's development potential; and

WHEREAS, FMERA staff will make approximately \$55,350 in funding available to the Borough of Eatontown through a Memorandum of Understanding to pay for the required engineering services related to a study entailing wetlands delineation, a stream corridor survey, and preparation of a flood hazard area verification application; and

WHEREAS, the final terms of the MOU will be subject to the approval of the Executive Director and the Attorney General's Office, as well as the Borough of Eatontown;

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes the memorandum of understanding between FMERA and the Borough of Eatontown to contract for engineering services for the Howard Commons parcel in Fort Monmouth on terms substantially consistent to those set forth in the attached memorandum and memorandum of understanding, with final terms of the agreement subject to approval by the Executive Director and the Attorney General's Office. The Executive Director or other staff authorized to execute documents pursuant to Operating Authority is authorized to do and perform all acts necessary to effectuate this action.

2. 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.

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Memorandum of Understanding between FMERA and Eatontown for Engineering Services with respect to Howard Commons

DATE: April 15, 2016

Request

I am requesting that the Board approve a memorandum of understanding between FMERA and the Borough of Eatontown to coordinate an engineering study for the Howard Commons parcel located within the Eatontown section of Fort Monmouth. This agreement will enable FMERA to assess the potential impact of wetlands and floodplains on Howard Commons and facilitate the redevelopment of the property.

Background

FMERA received proposals from three parties in response to its December 29, 2014 Request for Offers to Purchase (RFOTP) in connection with the planned redevelopment of the Howard Commons site in Eatontown. Howard Commons is a 63.67-acre tract on Pinebrook Road in the Fort's Charles Wood Area. The property is currently improved with 486 townhouse units constructed by the Army in 1953, along with a 3,853 sf general purpose building. The Army phased out the use of the townhouses over the past 10 years, with the last families vacating the property prior to the Fort's 2011 closure. The Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) calls for the demolition of the existing improvements due to their age, condition, density and design, and their replacement with 275 dwelling units and up to 15,000 sf of ancillary retail/commercial space. Negotiations are currently underway with the highest scoring proposer. That party's preliminary investigations of the site have uncovered the possible presence of freshwater wetlands that, if confirmed, could impact the property's development potential. In addition, Wampum Brook runs along the property's northern boundary from Hope Road to Pinebrook Road, further complicating the buildability of portions of the site.


The Borough of Eatontown has offered to assist FMERA in an assessment of the possible impacts of freshwater wetlands and Wampum Brook on the project area. FMERA will make \$55,350 in funding available to the Borough of Eatontown through a memorandum of understanding (MOU) to pay for the required study. The study will be performed by T&M Associates, the Borough's publicly procured municipal engineer, in accordance with the attached proposal. Specifically, the study will entail a wetlands delineation performed pursuant to New Jersey Department of Environmental Protection (NJDEP) methodology; a stream corridor survey


for the flood hazard area encompassing Wampum Brook; and preparation and submission of a flood hazard area verification application to NJDEP.

The Authority will enter into this agreement utilizing the attached draft MOU between FMERA and the Borough of Eatontown for this work. The attached MOU is in substantially final form. The final terms of the MOU will be subject to the approval of the Executive Director and the Attorney General's Office, as well as the Borough of Eatontown.

Recommendation

In summary, I am requesting that the Board approve a memorandum of understanding between FMERA and the Borough of Eatontown to coordinate an engineering study for the Howard Commons parcel located within the Eatontown section of Fort Monmouth. This agreement will enable FMERA to assess the potential impact of wetlands and floodplains on Howard Commons and facilitate the redevelopment of the property.



Bruce Steadman 

Attachments: Memorandum of Understanding, Proposal & Parcel Map
Prepared by: David E. Nuse

ATTACHMENT

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

