

**TO:** Members of the Board

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

**DATE:** November 2, 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. **Approval of Special Board Meeting Minutes**
6. **Approval of Special Board Meeting Executive Session Minutes**
7. **Welcome – James V. Gorman, Chairman**
8. **Secretary's Report**
9. **Treasurer's Report**
10. **Public Comment Regarding Board Action Items**
11. **Executive Director's Report:**
  - Update on the Phase 2 Economic Development Conveyance (EDC)
  - Update on Requests for Proposals (RFPs) and Contracts
  - Update on Requests for Offers to Purchase (RFOTPs)
  - Update on Marketing Effort
  - Action Items for Next Month
12. **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

13. **Board Actions**

- a. Consideration of Approval of Fifth Amendment to Purchase and Sale Agreement & Redevelopment Agreement for Parcels C & C1 in Tinton Falls
- b. Consideration of Approval of Second Amendment to Purchase and Sale Agreement & Redevelopment Agreement for Officer Housing Parcel in Oceanport

14. **Other Items**

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

- Responses to questions submitted online or in writing

16. **Adjournment**

## MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman  
Executive Director

DATE: November 2, 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 Grant Application; Update on Meetings with Army Representatives; Update on Requests for Proposals (RFPs) and Other Contracts; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort; and Action Items for Next Month.

### Treasurer's Report

1. 2017 Budget Overview

The budget process for 2017 continues. Once complete, the draft 2017 FMERA Budget will then be forwarded to the Audit Committee for its review. The 2017 FMERA Budget is scheduled to be brought before the Board for its consideration and approval at the December Authority meeting.

2. Phase 2 Financing

The Monmouth County Improvement Authority, the Monmouth County Board of Chosen Freeholders and FMERA's Board have approved the issuance of approximately \$34 million in taxable notes to enable the Authority to complete the purchase of the Phase 2 properties from the Army. The notes will be issued in two series: approximately \$23 million with a term of one year; and approximately \$10 million with a one-year term but subject to a six-month call. The notes will be backed by a Monmouth County guaranty. The financing closing is tentatively scheduled for mid-November.

### Executive Director's Report

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

FMERA and the Army have concluded discussions on the impending transfer of the balance of the Main Post, 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 (EDC) application on July 1, 2014, and it has been approved by the Army. At the April 2016 meeting of the Board, staff presented a substantially final form of the Phase 2 MOA, which the Board approved. The Army and FMERA are working toward a mid-November 2016 closing with the Army. The public comment period for the Phase 2 Finding of Suitability to Transfer (FOST), the Army's environmental history document, closed at the end of May, and the final Phase 2 FOST has been posted to the Army's digital repository at <http://www.pica.army.mil/FtMonmouth/>.

2. Update on RFPs and Contracts

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

Auctioneer

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

Utilities

FMERA continues to plan for upgrades to utility systems, and to work with the public utilities and our subcontractors to ensure required utilities are safe and operational. The Oceanport Engineer, under an MOU between the Borough and FMERA, is completing work on design of a water main extension to accommodate the historic district development, the fitness center, FMERA offices and additional pending sales in the area surrounding the historic district. The draft plans should be delivered this week. FMERA is also discussing roadways, public rights of way and easements with the three Boroughs and the County of Monmouth. The transfer agreement for the Charles Wood Electrical system to JCP&L was approved at the April board meeting and is complete. This agreement will also serve as a template for a Phase 2 electrical agreement which is currently under discussion. FMERA is also working toward an MOU with Two Rivers Water Reclamation Authority to define the terms and responsibilities for the future maintenance and operation of the existing sanitary sewer system and the transition to a proposed new system serving the Oceanport area of the Fort.

Suneagles Golf Course

LINX Golf Management, FMERA's operator, reports –

The month of October will see increases across the board from last year. Month to date is up significantly. Rounds, membership, merchandise etc. Nothing but compliments from players regarding course conditions. Memberships are still available, for more information please contact Ken in the golf shop. Not sure what to get as a gift for that person? A Gift Certificate from the golf shop is your answer.

Routine maintenance on the course and equipment is underway for the entire month of October. Leaf removal and mulching has begun. Buttoning up all leaks on irrigation system prior to winterization in late Nov. Weekly spray applications of greens continue through mid Nov.

Had a few large fundraisers in Gibbs in the past month. Building is holding up with the exception of the ongoing leaks. As reported at our last meeting the membership drive is underway and we are pleased to announce that there will be no increase in membership rates for the next golf season. Members will receive 5 free guest passes.

### Property Management/Maintenance

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

### Marina

The Marina is gearing up for fall football season and continues to draw nice crowds.

### 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.

At its August 2016 meeting, the Board authorized FMERA staff to execute a contract for the Dance Hall parcel. The Dance Hall is a 16,000 square-foot former recreation building on Brewer Avenue, planned for commercial and retail uses, including entertainment and restaurant purposes.

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

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

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

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

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

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

FMERA issued an RFOTP for the Suneagles Golf Course on October 7, 2016. FMERA is seeking proposals for a use consistent with the plan, namely reuse of the Golf Course and construction of a hotel/conference center, or for an alternate use which includes the reuse of the Golf Course and up to 75 residential units within the 10-acre former Megill Housing area. Responses to the RFOTP are due by noon on December 7, 2016.

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

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

FMERA has executed contracts on another five projects:

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

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

FMERA has also received Board approval to issue an RFOTP for Parcel F-2, 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, continue to conduct several tours per week, as the Fort begins a new round of property sales with the transfer of the Phase 2 property. In addition, FMERA served as a community sponsor of the 2016 Asbury Agile event on October 7<sup>th</sup>, which brought together tech entrepreneurs, innovators and students for a day of discussions and informal networking that grew from the Jersey Shore Tech meetups. FMERA staff continues to research potential options for high-value technology buildings included in the Phase 2 property.

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

Please refer to our website, [www.fortmonmouthnj.com](http://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

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Approved By: Bruce Steadman

Prepared by: Candice Valente

**ADOPTED**  
**November 2, 2016**

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

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

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

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

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

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

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

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

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



**THEREFORE, BE IT RESOLVED THAT:**

1. The Authority approves the amendment to the Purchase and Sale Agreement and Redevelopment Agreement with Lennar Corporation for Parcel C and Parcel C1 in Tinton Falls, on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the amendment and take any necessary actions to effectuate the selection of Lennar Corporation as the purchaser of Parcel C and Parcel C1.

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

Dated: November 2, 2016  
ATTACHMENT

**EXHIBIT 1**

**MEMORANDUM**

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Fifth Amendment to Purchase and Sale & Redevelopment Agreement with Lennar for Parcels C & C1 in Tinton Falls

**DATE:** November 2, 2016

**Request**

I am requesting that the members of the Board approve the fifth amendment to the Purchase and Sale & Redevelopment Agreement (PSARA) with US Home Corporation, a wholly owned subsidiary of Lennar Corporation (Lennar) for Parcels C and C1 in the Tinton Falls Reuse Area.

**Background**

FMERA issued two Requests for Offers to Purchase (RFOTPs) in connection with the planned redevelopment of Parcels C and C1 in Tinton Falls on March 26, 2013. Lennar, a national homebuilding and real estate development company, submitted the highest scoring proposals for both Parcels C and C1. As the leading proposer for both Parcels C and C1, Lennar's submission was combined into a single PSARA. The proposals call for a total of 288 residential units, 20% of which will be affordable to low- and moderate-income households. At the Authority's April 23, 2014 meeting, the Board authorized staff to enter into exclusive negotiations with Lennar. The parties continued to negotiate beyond that date, and staff presented the fully negotiated business terms for Lennar's purchase and redevelopment of the property in August 2015.

**Purchase and Sale & Redevelopment Agreement**

The PSARA approved by the Board included the following terms, which remain unchanged:

Lennar will pay \$15.2 million for the property, reflecting the combined amount of its proposals for Parcels C and C1 (\$12 million and \$3.2 million, respectively). Pursuant to FMERA's June 25, 2012 Economic Development Conveyance Agreement with the Army, FMERA will receive 20% of the net sale proceeds from Parcel C and 37% of the net sale proceeds from Parcel C1, with the Army receiving the remainder. Closing will occur within 30 days of satisfaction of the conditions precedent to closing, which include: Lennar completing due diligence and obtaining all approvals necessary to develop the project; receipt of a final remediation document from

either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional; an amendment to the Reuse Plan to accommodate the project; and the consent of the NJEDA Board. The parties will endeavor to satisfy these contingencies within 15 months of expiration of the due diligence period. Lennar will have the option of extending its 12-month time period for obtaining project approvals by an additional six months if it has not obtained them within the initial timeframe. FMERA will convey the property to Lennar 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. Parcel C1 contains two environmental carve-out areas that are still Army-owned. The Army is in the process of pursuing unrestricted No Further Action determinations from the New Jersey Department of Environmental Protection for these former septic fields. FMERA's closing with Lennar is also contingent on the Army's conveyance of these carve-out areas to FMERA free of any environmental restrictions.

The project will consist of the development of approximately 243 residential units (townhomes, stacked townhomes and/or apartments) and 58,000 sf of retail and other non-residential uses on Parcel C, and approximately 45 single-family detached homes on Parcel C1. Twenty percent of the 288 total residential units will be affordable homes, and will be located on Parcel C. FMERA and/or the Affordable Housing Alliance will have an option to acquire up to twenty of the affordable homes for use as permanent supportive housing units, as required by FMERA's legally binding agreement for the accommodation of special needs populations. Lennar will commence construction of the project no later than 60 days after closing, and complete construction within five years. Provided the purchaser is diligently pursuing completion of the project, Lennar shall have the right to extend the time period for completing the project for an additional three years. FMERA will have a right to repurchase the property if construction is not timely commenced or completed. The purchaser will also be obligated to create 35 permanent jobs at the property within five years of closing, or pay a penalty of \$1,500 for each job not created.

The PSARA was executed on December 1, 2015 and Lennar subsequently began their due diligence investigations. These investigations required more time and, under the Executive Director's discretion to administer the Board-approved PSARA, two amendments to the PSARA were executed, extending the due diligence investigations to June 1, 2016. Lennar identified additional environmental testing required for Parcel C1 related to its prior non-residential uses and a third amendment to the PSARA was approved in June to proceed with the redevelopment of Parcel C while environmental investigations continued on Parcel C1. This included the: (1) separation of the due diligence periods of Parcel C and Parcel C1; (2) renewal and extension of the Parcel C due diligence period through July 8, 2016; (3) renewal and extension of the Parcel C1 due diligence period for an additional 8 weeks, through August 10, 2016; (4) all time periods which run from the due diligence period were separated with respect to Parcel C and Parcel C1; and (5) in the event that its due diligence investigations caused Lennar to determine that Parcel C1 is not suitable for its intended use, Lennar had the ability to terminate the agreement with respect to Parcel C1 and proceed with the acquisition and redevelopment of Parcel C. The purchase price was to be allocated between Parcel C and Parcel C1 as proposed: \$12 million for Parcel C and \$3.2 million for Parcel C1. Should Parcel C1 have been terminated, the full deposit would have been applied against the purchase price for Parcel C at closing.



Lennar has completed the additional environmental testing requested for Parcel C1 and is ready to proceed with the development of both Parcel C and C1. In order to satisfy requirements for Lennar's corporate approval of the purchase, a proportional allocation of the deposit funds for each of the Parcels must be established.

**Amendment**

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

All other material terms of the PSARA as presented to the Committee and the Board will remain unchanged. The attached Fifth Amendment to PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

The Real Estate Committee has reviewed the attached amendment and recommends Board approval.

**Recommendation**

In summary, I am requesting that the Board approve the proposed third amendment to the PSARA with Lennar for Parcels C and C1 in Tinton Falls.

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Bruce Steadman

Prepared by: Candice A. Valente and David E. Nuse

**ADOPTED**  
**November 2, 2016**

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

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

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

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

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

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

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

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

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

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

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

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

**THEREFORE, BE IT RESOLVED THAT:**

1. The Authority approves the amendment to the Purchase and Sale Agreement and Redevelopment Agreement with RPM Development for the Officer Housing Parcel in Oceanport, on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the amendment and take any necessary actions to effectuate the selection of RPM Development as the purchaser of the Officer Housing Parcel.

2. The Authority authorizes the Executive Director to negotiate the reconfiguration of the intersection of Gosselin and Saltzman Avenues adjacent to the Officer Housing Parcel in Oceanport, with final terms acceptable to the Executive Director and the Attorney General's Office.

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

Dated: November 2, 2016  
ATTACHMENT

**EXHIBIT 2**



**MEMORANDUM**

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Second Amendment to Purchase and Sale Agreement and Redevelopment Agreement with RPM for Officer Housing Parcel in Oceanport

**DATE:** November 2, 2016

**Request**

I am requesting that the members of the Board approve the second amendment to the Purchase and Sale & Redevelopment Agreement (PSARA) with RPM Development (RPM) for the Officer Housing Parcel in the Oceanport Reuse Area, and delegate FMERA staff the authority to negotiate a mutually agreeable realignment of the intersection of Gosselin and Saltzman Avenues.

**Background**

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

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

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

#### **Purchase and Sale & Redevelopment Agreement**

The PSARA approved by the Board included the following terms:

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

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

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

#### **Amendment**

As a condition precedent to closing with RPM, the parties must negotiate and execute both a Conditional Access Agreement and Infrastructure Agreement. FMERA staff is currently in discussions with RPM to prepare a final version of these Agreements to present to the Board for its approval. The Agreements will detail the obligations of both the Purchaser (RPM) and Seller (FMERA) for utility

upgrades and installations, as well as provides the access rights granted to the Purchaser to begin improvements to the buildings and land.

FMERA has also been in negotiations with the County of Monmouth in relation to the transfer of County Route 537/Avenue of Memories, which is adjacent to both the North and South Posts. As part of that transfer, the County will be realigning a portion of the road adjacent to Gosselin Avenue in the South Post. This will require a reconfiguration of the intersection of Gosselin and Saltzman Avenues. Obligations related to this reconfiguration must also be negotiated.

The ongoing negotiations between RPM and FMERA have led to the need to amend the PSARA with the following revisions to material terms:

The outside closing date is extended from December 1, 2016 to February 1, 2017. Should the County's acquisition of the Avenue of Memories cause the County to require an application for site approval from RPM, the approval period is extended an additional six months. Any delays related to FMERA's utility and infrastructure obligations will be considered a Force Majeure in the project's timeline.

In addition, the amendment provides FMERA staff with the authority to negotiate the design of a realignment of Gosselin and Saltzman Avenues with RPM and the County, subject to the approval of the County Engineer, FMERA staff, and the Attorney General's Office, prior to December 1, 2016. It is anticipated that the realignment work will be completed within six (6) months of closing with RPM.

The attached amendment is in substantially final form. The final terms 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.

### **Recommendation**

In summary, I am requesting that the Real Estate Committee recommend the Board approve the second amendment to the PSARA with RPM Development for the Officer Housing Parcel in the Oceanport Reuse Area, and delegate FMERA staff the authority to negotiate a mutually agreeable realignment of the intersection of Gosselin and Saltzman Avenues.

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Bruce Steadman

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