



**TO:** Members of the Board

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

**DATE:** January 15, 2014

**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:**
  - 2015 State Appropriation Request
  - Fiscal Year 2013 Audit
8. **Public Comment Regarding Agenda Items**
9. **Executive Director’s Report:**
  - Update on Meetings with Army Representatives
  - Update on Requests for Offers to Purchase (RFOTPs)
  - Update on Marketing Effort
  - Action Items for Next Month
10. **Committee Reports**
  - Audit Committee – Robert Ades, Chairman
  - Real Estate Committee – James V. Gorman, Chairman
  - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
  - Historical Preservation Staff Advisory Committee – Robert Ades, Chairman
  - Housing Staff Advisory Committee – Charles Richman, Chairman
  - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

- Consideration of Approval of a Purchase & Sale Agreement and Redevelopment Agreement with HovWest for Howard Commons.
- Consideration of Approval for FMERA Staff to Enter into Exclusive Negotiations for a Purchase Agreement Pursuant to the Request for Offers to Purchase (RFOTP) for Russel Hall

12. **Other Items**

13. **Public Comment**

14. **Adjournment**

Fort Monmouth Economic Revitalization Authority  
Board Meeting  
December 18, 2013  
FMERA Offices, 502 Brewer Avenue, Oceanport, NJ

**MINUTES OF THE MEETING**

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

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) - V
- Robert Ades, Vice Chairman, Public Member – V
- Dr. Robert Lucky, Public Member – V
- Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor – V
- Lillian Burry, Monmouth County Freeholder – V
- Gerald Tarantolo, Mayor of Eatontown – V
- Michael Skudera, Mayor of Tinton Falls – V
- Michael Mahon, Mayor of Oceanport – V
- Tim Lizura, President and Chief Operating Officer, New Jersey Economic Development Authority (NJEDA) - V
- Charles Richman, Deputy Commissioner, NJ Department of Community Affairs (DCA)

**V - Denotes Voting Member**

**Members Not Present**

- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection (DEP)
- Mary Ellen Clark, Assistant Commissioner, NJ Department of Labor & Workforce Development
- Jonathan Lowy, Regional Manager, Government and Community Relations, NJTransit (NJT)

**Also present:**

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

II.

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

In accordance with the Open Public Meetings Act, FMERA Executive Director and 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 November 13<sup>th</sup> meeting minutes. A motion was made to approve the minutes by Robert Ades and seconded by Mayor Mahon.

Motion to Approve: ROBERT ADES      Second: MAYOR MAHON  
AYes: 7

### 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 in response to public comment 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 Board will continue to evaluate this effort in the future.

Mr. Gorman extended best wishes for a joyous Holiday season. Mr. Gorman stated that there has been substantial progress in 2013 to restore jobs and economic vitality to the Communities. Mr. Gorman thanked the dedicated FMERA staff, headed by Executive Director Bruce Steadman, for their hard and professional work and the accomplishments made during 2013. Mr. Gorman thanked Al Koeppe, NJ Economic Development Authority Chairman, Michele Brown, NJ Economic Development Authority CEO and Tim Lizura for their continuing support. Mr. Gorman stated that the Board is encouraged of the prospects for an excellent 2014. Mr. Gorman gave thanks to Mayor Michael Skudera, as it is his last Board meeting, for his service and wished him well in his future endeavors.

Mr. Gorman stated that there will be two Board Actions, Consideration of Approval of FMERA's 2014 Budget and Authorization of FMERA's Executive Director to submit grant requests to the Office of Economic Adjustment (OEA) as necessary, and the Consideration of Approval to make the Chapel available through the Offer to Purchase Process.

The Chairman went on to state that there will be two comment periods at the meeting. The first comment period is for agenda items only and the Chairman asked for the public's cooperation in keeping their comments as brief as possible. The Chairman explained that the second public comment period is towards the end of the meeting agenda and is open to the full range of FMERA business. The Chairman reiterated his request for the public's cooperation in keeping comments as brief as possible due to the full agenda. 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.

Mayor Tarantolo arrived at 7:05p.m.

### IV. SECRETARY'S REPORT

Mr. Steadman stated that the Board package was posted to the FMERA website at 1:55p.m. Mr. Steadman stated that Langan-Matrix would not be presenting at tonight's meeting, but will present at the January meeting when additional NJ Department of Environmental Protection (NJDEP) information becomes available.

### V. TREASURER'S REPORT

Beverlee Akerblom, Director of Finance and Administration stated that the Authority submitted its preliminary appropriation request to the New Jersey Office of Management and Budget for inclusion in the state's fiscal year 2015 budget. The request is under the Authority's 2014 appropriation, and reflects the Authority's dedication to controlling costs, eliminating unnecessary spending, as well as the Authority's transition to the implementation of the Phase 1 EDC agreement. The State appropriation is required to satisfy the local match requirement of the federal grant received through the OEA. As FMERA advances the land transfer and redevelopment strategy, and opportunities for revenue through sales and leasing as well as other sources develop, state appropriation requirements are projected to be reduced further.

Ms. Akerblom stated that the Authority's grant amendment request for additional funds in support of the Authority's operations was approved by the OEA. The funds requested from the OEA are consistent with amounts approved by the members of the Authority and provide funding for expenses not previously funded

under the grant including additional support for the occupancy costs associated with its offices in the former Post Library building, such as utilities, repairs and maintenance expenses.

Lillian Burry arrived at 7:10p.m.

## VI. PUBLIC COMMENT REGARDING AGENDA ITEMS

Tom Mahedy of Wall Township referred to the Board memo regarding the projected sales for 2014 of \$19MM. Mr. Mahedy stated that he has a difference of opinion to any private broker commissions being paid, and that FMERA should not be using a private broker as the Fort property is a public entity. Mr. Mahedy asked what the process was for hiring a Master Broker. Mr. Mahedy objected to the Army receiving any proceeds from the sale of property and he was in favor of the homeless funds. Mr. Mahedy stated that the Memorandum of Agreement (MOA) between FMERA and the Army should be revised. Mr. Mahedy referred to the Board memo regarding the projections of the income payments from the Suneagles Golf Course to be lower in 2014. Mr. Mahedy stated that more money should be asked for the liquor license at the golf course.

Mr. Mahedy stated that the Chapel should be kept in trust as a public entity.

Mr. Steadman stated that the selection process for the Master Broker was a competitive Request for Proposal (RFP) process and the Army was adamant that FMERA should have a national broker to provide marketing and sales expertise. Mr. Steadman stated that FMERA does not have a choice in the matter of the payments to the Army. The Base Realignment and Closure (BRAC) law requires the Army to sell the property to maximize the value and return the proceeds to the U.S. Treasury.

Mr. Steadman stated that the MOA has now become the contract which is for Phase 1 of the Economic Development Agreement (EDC). Mr. Steadman stated that the obligations to the Homeless funds came forth from the submissions to the Housing and Urban Development (HUD). Mr. Steadman stated that the Operator agreement for Suneagles will be for the next several months until a Request for Offer to Purchase (RFOTP) is issued.

## VII. EXECUTIVE DIRECTOR'S REPORT

Rick Harrison, Director of Facilities Planning stated that FMERA and the Army continue to advance the Phase 2 MOA discussions with the Army. At the last conference call with the Army, FMERA and the Army have agreed on a path forward to continue discussions throughout the holiday season. FMERA BRAC counsel David Knisely continues to play a critical and positive role in advancing our position, and discussions have been both frank and productive, addressing the major issues on the table. FMERA believes that we are currently on track to have an executed Phase 2 MOA with the Army before second quarter 2014.

Dave Nuse, Director of Facilities Planning gave the following summary of the status of the RFOTPs that FMERA has issued:

### Howard Commons

- At the July meeting, the Board authorized FMERA staff to enter into exclusive negotiations with HovWest Land Acquisition, LLC for the sale and redevelopment of Howard Commons.
- This 64-acre parcel on Pinebrook Road in Eatontown is intended to be developed into 275 units of housing and 15,000 sf of retail space.
- HovWest and FMERA entered into exclusive negotiations on August 28, 2013 and discussions are on-going.
- FMERA expects to bring a Purchase & Sale Agreement to the Board for approval at the January meeting.

### **Officer Housing**

- FMERA staff issued an RFOTP for the Officer Housing parcel in Oceanport on January 16, 2013.
- These 117 historic housing units are planned for renovation consistent with the Fort's Reuse Plan.
- Proposals were due on April 1, 2013 and two proposals were received.
- FMERA staff and an Army representative have evaluated and ranked the proposals in accordance with our Sales Rules, and we held an initial meeting with the higher ranked proposer in September. FMERA is currently awaiting the Army's appraisal on the property.

### **Parcels B, C and C1**

- On March 26, 2013 FMERA publicly issued separate RFOTPs for Parcels B, C and C1. Proposals for all three parcels were due on June 10, 2013. Four developers submitted proposals on Parcel B, three submitted proposals for Parcel C, and three submitted proposals for Parcel C1, with some firms submitting multiple scenarios for redevelopment.
- Parcel B is a 55-acre mixed-use tract located along the Fort's Route 35 frontage in Eatontown.
- Parcel C is a 39-acre tract in Tinton Falls that's planned as a mixed-use town center.
- Parcel C1 is a 12-acre housing tract also located in Tinton Falls.
- FMERA staff and an Army representative have evaluated and ranked the proposals in accordance with the Authority's sales rules. FMERA initiated meetings with the highest ranked firms in October and discussions are on-going. FMERA anticipates bringing recommendations to the Board in the 1<sup>st</sup> Quarter of 2014.

### **Russel Hall**

- An RFOTP was issued for Russel Hall on September 6.
- Russel Hall is a 42,000 SF, 4-story office building located within the Fort's historic district in Oceanport.
- One proposal was received on November 7.
- Staff has reviewed the proposal and held a positive meeting with the bidder and plan to provide additional information to the Board in January.

### **Parcel V-1**

- FMERA issued an RFOTP on September 6 for Parcel V-1, and 2 proposals were received on December 6<sup>th</sup>.
- Parcel V-1 is a 10-acre tract in Eatontown, which is proposed as the site of a Veterans Community.
- Staff is in the process of forming an Evaluation Committee that will review and score the proposals.

### **The Fabrication Shops (a/k/a Pinebrook Road Commerce Center).**

- RFOTP for the Fabrication Shops was issued on September 6.
- The Fabrication Shops consist of 5 flex/industrial buildings and 1 small administration building on 6.5 acres in Tinton Falls.
- The buildings are well-suited for small business use.
- 3 proposals were received on November 20. Staff has begun evaluating the proposals in accordance with our Sales Rules.

There are currently two open RFOTPs:

### **The Marina**

- FMERA issued an RFOTP for the Marina property in Oceanport on October 25.
- The property consists of a 71-slip marina, boathouse and launch ramp on 3.9 acres.
- Proposals are due by January 27, 2014.

### **Pistol Range**

- FMERA posted an RFOTP for the indoor Pistol Range in Tinton Falls on November 22.
- The Range is an 11,000 sf building completed in 2006 that's equipped with 10 indoor firing stations.
- The Range will be open for walk-thrus on January 9 and February 4 between 10 am and 4 pm.
- Proposals are due by February 24.

FMERA anticipates issuing several additional RFOTPs over the next few months. They include:

- Charles Wood Fire House in Tinton Falls, a 12,000 sf structure on Corregidor Road built in 2001. The RFOTP will be issued this Friday, December 20;
- Fitness Center in Oceanport, which includes a pool, basketball and racquetball courts, and a health club, targeted for release in early January;
- Fort Chapel in Oceanport, which will be considered by the Board this evening; and
- Suneagles Golf Course in Eatontown, which is slated to be issued in March.

Our RFOTPs and our marketing flyers are posted on FMERA's website, [www.fortmonmouthredevelopment.com](http://www.fortmonmouthredevelopment.com).

Katie Hodes, Marketing and Development Officer stated that FMERA continues to work with Cushman & Wakefield (Cushman) the Authority's Master Broker, to market the Fort property. FMERA and Cushman conduct, on average, a half a dozen tours per week of the Property. In addition, FMERA, Cushman and the Partnership for Action have been meeting monthly to expand our efforts and utilize additional resources that will enhance the marketing of the Fort.

On Thursday, December 12, 2013, FMERA and Cushman were two of the sponsors of the New Jersey Technology Council's Data Summit and Expo (the Summit) at Gibbs Hall. The Summit brought over 225 professionals from the technology sector to the Fort property. The Summit was a great success and provided FMERA and Cushman with an opportunity to showcase the Fort's assets. We look forward to following-up with contacts made at the Summit. Ms. Hodes thanked Tim Lizura and Mayor Skudera for their participation at the Summit.

Mayor Skudera stated that the Summit was very well prepared and he was happy to be a part of the Summit.

Bruce Steadman thanked the FMERA staff for their incredible work and efforts which is reflected in the 65-70% areas of the Fort property that is being marketed by the issuance of RFOTPs.

Mr. Steadman thanked Monmouth County for all of their work and efforts. Mr. Steadman thanked the Army Caretakers staff.

Mr. Steadman thanked the three host Mayors for the high level monthly meetings with the three boroughs.

Bruce Steadman gave an update on the Action Items for next month:

- Continued work with the N.J. Department of Environmental Protection and Langan-Matrix 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

## VII. COMMITTEE REPORTS

### a) AUDIT COMMITTEE (ROBERT ADES, CHAIRMAN):

Robert Ades stated that the Committee met on December 8<sup>th</sup> and discussed the following:

In addition to administrative matters and the approval of prior audit committee meeting minutes, the Audit Committee meeting highlights include:

- The review with Clifton Larson & Allen (CLA), the Authority's new auditor, of their 2013 Audit Work Plan, risk-based approach, internal control procedures, and the results of their most recent external peer review as mandated by Executive Order 122 (McGreevey) and the Committee's Charter.
- Review and discussion of FMERA's 2014 Draft Consolidated Budget and the supporting memorandum; the 2014 draft Non-Economic Development Conveyance Budget and the draft 2014 EDC Budget. The Committee voted to approve the referral of the 2014 Draft Consolidated Budget to the Board for its consideration and approval at tonight's meeting.

The meeting included a private session between the Committee members and the Auditors, without staff present. The next meeting of the Audit Committee will be to review the 2013 Comprehensive Annual Report and Audited Financial Statements including a review of the 2013 Audit results with the auditors.

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

Chairman Gorman, stated that the Committee met on December 11<sup>th</sup> and discussed the following:

- Overview and discussion of the Chapel Parcel. Authority staff recommends proceeding with the Offer to Purchase process for the Chapel, rather than Sealed Bids. The Committee discussed the reasons to proceed with the RFOTP process. The Committee discussed the parking on the north portion of the parcel and the possibility of shared parking or municipally owned parking. The Committee agreed to recommend making the Chapel Parcel available through the offer to purchase process to the full Board.
- Overview of the Phase 2 EDC agreement negotiations. The Committee was pleased with the progress made by the FMERA Staff.
- Discussion on FMERA and HovWest Land Acquisition LLC (HovWest) negotiations for Howard Commons. The Committee is hopeful that the demolition of the property can proceed promptly.
- Discussion on Russel Hall and the one principal negotiation item that needs to be resolved prior to entering into Exclusive Negotiations.
- Overview of the plan change amendments that are expected to be needed in the near future. Each plan change amendment would go before the Board individually, in accordance with the Committee's wishes.
- Update on AcuteCare
- Update on Parcels B, C & C1
- Update on Pinebrook Road Commerce Center
- Update on Parcel V-1
- Update on Pistol Range
- Update on Charles Wood Firehouse
- Update on the Fitness Center
- Update on Officers Housing
- Update on Auctioneer Services
- Update on Broker Marketing Effort
- Update on Golf Course Operator RFP
- Update on Open Space Inventory



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

Bruce Steadman, on behalf of Kenneth J. Kloo, stated that the Committee met on December 5<sup>th</sup> and discussed the following:

- Update on the redevelopment effort, which included a status update on each RFOTP that has been issued or will soon be issued. The discussion was to address any environmental issues that may occur on any of these parcels.
- Discussion regarding the Army's indication there is an ongoing study by the Army and NJDEP of the underground heating oil tanks (UHOTs) on the Officer Housing Parcel. All of the UHOTs were removed in the late 2000s. The Army's Finding of Suitability to Transfer will address the UHOTs.
- Discussion on the four 1 thousand gallon UHOTs on the Pistol Range Parcel, that the NJDEP issued a No Further Action (NFA) letter in 1993.
- Update on the Motor Pool Parcel and that it is leased to the County of Monmouth and there are 5 monitoring wells off-site.

Tim Lizura thanked the FMERA staff and the Committee Chairs for their volunteer efforts for each of the Committees.

d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (ROBERT ADES, CHAIRMAN):

Robert Ades stated that the Committee met on December 16<sup>th</sup> and discussed the following:

- Discussion on the one compliant proposal for the Officers Housing, and the proposal's use of the Northern section of housing to be for sale market rate housing and the Southern section to be rentals, with half of the rentals units set aside as affordable.
- Discussion regarding the one proposal received for Russel Hall. The proposal generates questions regarding parking, the heliport and the use of land adjacent to the parade ground acreage.
- Discussion on the Main Post Chapel and the possibility of carving off the Northwest corner (1.68 acres) of the parade grounds in order to accommodate necessary parking of 200 spaces. The Committee agreed that the reshaping for the Chapel and Russel Hall parcels would allow for the parade grounds to be rectangular in shape and would make this their recommendation to the Real Estate Committee.
- Discussion on Barker Circle, which is within the historical district, and the potential redevelopment of the 4 buildings on the parcel. The Committee will have further discussion regarding Barker Circle as the parcel is further investigated.

e) HOUSING STAFF ADVISORY COMMITTEE (CHARLES RICHMAN, CHAIRMAN):

Charles Richman stated that the Committee met on December 10<sup>th</sup> and discussed the following.

- Discussion regarding the affordable housing placement within the Howard Commons property.
- Discussion regarding the affordable housing having dedicated parking spots as opposed to an open parking lot.
- Discussion regarding the first phase of the Howard Commons demolition to take place near the Eatontown elementary school.
- Discussion on Officers Housing RFOTP and the delay due to the Army appraisal process.
- Discussion regarding Parcels, B, C, C1 and the continued reliance on the Reuse Plan and the assurance that the affordable units be maintained per the Reuse Plan

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

Lillian Burry stated that the Committee did not meet this month. Ms. Burry stated that the County would like to compliment the FMERA staff for the incredible and professional work in 2013. Ms. Burry stated that the Committee awaits the results of the evaluation of the Parcel V-1 proposals.

VIII. Board Actions

A) The next item before the Board was the consideration of approval of FMERA's 2014 Budget and Authorization of FMERA's Executive Director to submit grant requests to the Office of Economic Adjustment (OEA) as necessary.

Bruce Steadman read the resolution which is attached hereto and marked Exhibit 1.

Bruce Steadman stated that the board memo mirrored the resolution and provided additional backup information.

A motion was made to approve by Lillian Burry and was seconded by Mayor Tarantolo.

Motion to Approve: LILLIAN BURRY Second: MAYOR TARANTOLO  
AYes 9

B) The next item before the Board was the consideration of approval to make the Chapel available through the offer to Purchase Process.

Bruce Steadman read the resolution which is attached hereto and marked Exhibit 2.

Bruce Steadman stated that the board memo mirrored the resolution and provided additional backup information.

A motion was made to approve by Mayor Tarantolo and was seconded by Lillian Burry.

Motion to Approve: MAYOR TARANTOLO Second: LILLIAN BURRY  
AYes 9

IX. Other Items

Mayor Skudera stated that tonight's meeting was his last Board meeting and it has been a pleasure and honor to work with each Board member over the years. Mayor Skudera stated that the FMERA staff has done an outstanding job with the redevelopment and that there has been a lot of progress made and foresees more in the future to replace and possibly increase the jobs that were lost due to the closure. Mayor Skudera stated that there has already been jobs replaced and that there has been a lot of interest in the redevelopment.

Public Comment

Bob English of Eatontown asked if the meetings can be recorded and posted to the FMERA website and was answered no. Mr. English asked if all of the four Parcel B proposals received were in compliance. Dave Nuse stated that all of the proposals were compliant with one proposer submitting multiple scenarios.

Mr. English asked what the State of NJ can do to assist in helping make commercial properties more marketable on the Fort property. Mr. Steadman stated that the State of NJ does not have a specific program geared towards the Fort property. Mr. Steadman stated that any proceeds to FMERA are invested back into the proceeds of the property which may help to attract future buyers. Mr. Steadman stated that any time FMERA works with a developer or an entrepreneur that satisfy the State's requirements for incentives, then these incentives may be available to further strengthen the deal.

Tim Lizura stated that the FMERA staff is meeting with the NJ Partnership for Action in order to utilize all of the State's resources. Mr. Lizura stated that an incentive package was provided to CommVault to invest in the

Fort property. Mr. Lizura stated that the Governor signed the Economic Opportunity Act 2013 which is tailored to drive job growth and assist BRAC facilities, such as Fort Monmouth, which are targeted for these incentives.

Mr. English asked if the State's role is to provide funds for upgrades and demolition to the facility for companies that are moving on to a property.

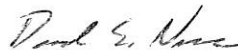
Mr. Steadman stated that FMERA is hoping to complete as many as/is, where/is sales as possible which puts the onus on the buyer as it relates to improvements within the interior of their own boundaries of their parcel, and a pro-rated share of any improvements outside the boundaries of the parcel.

Tom Mahedy of Wall Township stated that the Pistol Range was built in 2006 when the Fort was closing and questioned if the range was built for a private entity in order that it has to be sold to a private entity in the future. Mr. Mahedy stated that the range should be used as an animal shelter.

Mr. Mahedy stated that the public should be allowed to attend the Staff Advisory Committee meetings. Mr. Mahedy stated that there has been a lot of money and grants have been given to commercial properties, especially CommVault and AcuteCare who do not need the money. Mr. Mahedy stated that the budget states that a vehicle will be purchased for tours, of which taxpayers will pay for but Cushman & Wakefield will benefit through the commissions received.

There being no further business, on a motion by Robert Ades seconded by Mayor Mahon and unanimously approved by all voting members present, the meeting was adjourned at 8:25p.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.



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David E. Nuse - Assistant Secretary

**ADOPTED**  
**December 18, 2013**

Resolution Regarding the  
**2014 Consolidated Calendar Year Budget, and**  
**the Office of Economic Adjustment Grant Requests**

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

**WHEREAS**, the 2014 Consolidated Calendar Year Budget includes an Economic Development Conveyance (EDC) Budget, representing the projected 2014 sales and financial activity under the approved EDC Agreement with the Army; a Non-EDC Budget, representing the funding of qualified expenses received from the U.S. Department of Defense's Office of Economic Adjustment (OEA) and the requisite local match from the State of New Jersey; and a Capital Budget, representing the Authority's investment in the implementation of the Reuse Plan; and

**WHEREAS**, the Audit Committee reviewed the 2014 Consolidated Calendar Year Budget and recommends it to the Authority for approval; and

**WHEREAS**, the Authority desires to adopt its 2014 Consolidated Calendar Year Budget.

**THEREFORE, BE IT RESOLVED THAT:**

1. The Authority approves the 2014 Consolidated Calendar Year Budget, as described in the attached memorandum.
2. The Authority authorizes the Executive Director to take all necessary actions to submit grant requests to the Office of Economic Adjustment for federal funds in an amount not to exceed \$2,150,062 to support the Authority's operations for the 2014 calendar year as necessary.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

**EXHIBIT 1**

**ADOPTED**  
**December 18, 2013**

Resolution Regarding  
**Approval to Make the Chapel**  
**Available through the Offer to Purchase Process**

**WHEREAS**, section 9(j) of the Fort Monmouth Economic Revitalization Authority Act (“Act”) authorizes the Authority to issue Requests for Proposals and section 9(bb) “[t]o purchase at any sale, upon such terms and at such prices as it determines to be reasonable, and take title to the property, real, personal, or mixed, so acquired and similarly sell, exchange, assign, convey or otherwise dispose of any property”; and

**WHEREAS**, in accordance with Section 19:31C-2.5(a) of FMERA’s Rules for the Sale of Real and Personal Property, “[b]efore advertising a particular parcel of real property and accompanying personal property as being available for sale through the offer to purchase process, the Board shall review and approve a recommendation of the Director and FMERA [staff] to offer the property for sale through the offer to purchase process”; and

**WHEREAS**, the Chapel (Building 500) is a 16,372 sf facility located in Fort Monmouth’s Oceanport Reuse Area; and

**WHEREAS**, the facility was built in 1962 and contains a 600 seat sanctuary, along with seven offices and is connected to a school facility with 15 classrooms, a commercial kitchen, large assembly room and an activity room; and

**WHEREAS**, the proposed parcel is approximately 5 acres and can accommodate 200 off-street parking spaces, in accordance with the Land Use Rules. The Reuse Plan envisions this property maintaining its use; however, a plan change may be required to accommodate necessary parking as the boundaries of the Parade Ground are not clearly defined; and

**WHEREAS**, authority staff recommends proceeding with the Request for Offer to Purchase (RFOTP) process for the Chapel in Oceanport; and

**WHEREAS**, the property is located outside of the Fort’s Phase One project area, so FMERA’s ability to sell the property will be contingent on execution of a Phase Two Economic Development Conveyance (EDC) Agreement with the Army; and

**WHEREAS**, FMERA staff believe that issuance of an RFOTP at this time could facilitate the attraction of one or more purchasers; and

**WHEREAS**, given the building’s prominent location within the Historic District, its past and potential future role as an important component of the Fort, the interest expressed by potential purchasers, and the need to coordinate the timing of this sale with the terms and timing of the Phase Two EDC Agreement, staff believes that negotiation with respondents may be necessary to ensure that the objectives of the Reuse Plan are properly met, and that the value of

the property, and adjacent tracts, are maximized; and

**WHEREAS**, the Real Estate Committee has reviewed and discussed making the Chapel available through the offer to purchase process and recommends it to the full Board for approval.

**THEREFORE, BE IT RESOLVED THAT:**

1. The Authority approves making the Chapel in Oceanport available through the offer to purchase process, as set forth in the attached memorandum.

2. The Authority authorizes the Executive Director to take all necessary actions to effectuate the issuance of the Request for Offer to Purchase and the notice of availability for sale through the offer to purchase process.

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

ATTACHMENT

Dated: December 18, 2013

**EXHIBIT 2**



## MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman  
Executive Director

DATE: January 15, 2014

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 Status of the Federal Grant and FMERA Financials; Update on Meetings with Army Representatives; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort and Action Items for Next Month.

### Treasurer's Report.

#### 2015 State Appropriation Request

The Authority has submitted an appropriation request to the New Jersey Office of Management and Budget (OMB) for their review and inclusion in the state's fiscal year 2015 budget. The Authority's 2015 funding request of \$245,135 is less than the Authority's 2014 state appropriation, and reflects the Authority's dedication to controlling costs, eliminating unnecessary spending, as well as the transition to implementation of the Phase 1 Economic Development Conveyance (EDC) agreement. The State appropriation is required to satisfy the local match requirement of the federal grant received through the Office of Economic Adjustment (OEA). As FMERA advances the land transfer and redevelopment strategy, and opportunities for revenue through sales and leasing develop, future state appropriation requirements will be reduced.

#### Fiscal Year 2013 Audit

The Authority's Independent Auditors, Clifton Larsen Allen, have begun work on their initial audit of the Authority's 2013 operations. 2013 represents the Authority's first full year of operation under the Phase 1 EDC Agreement. The Auditors will report on the Authority's financial statements and accompanying notes, as well as the Phase 1 EDC agreement. Additionally, the auditors will report on the Authority's internal controls and compliance in accordance with Government Auditing Standards and OMB Circular A-133. FMERA staff looks forward to the start of the Auditors' field work the week of February 3, 2014.

#### Budget

Spending continues to be strictly monitored.

## Executive Director's Report.

### 1. Update on Meetings with Army Representatives

FMERA and the Army continue to have regular discussions on the future transfer of the balance of the Main Post, to be accomplished under a Phase 2 Memorandum of Agreement (MOA). The meetings and conference calls are productive and are helping to further a positive working relationship that will result in a revitalized former Fort Monmouth, and job creation. FMERA hopes to have an executed Phase 2 MOA with the Army by the second quarter of 2014.

### 2. Update on RFOTPs

The following is a summary of the status of the RFOTPs that FMERA has issued:

#### Officer Housing

FMERA staff issued an RFOTP for the Officer Housing in the Historic District of the former Fort on January 16, 2013. The Officer Housing is intended for residential reuse consistent with the Fort Monmouth Reuse and Redevelopment Plan. The property is located outside of the Fort's Phase One project area, so FMERA's ability to sell the property will be contingent on execution of a Phase 2 EDC Agreement with the Army. Proposals for the Officer Housing were due on April 1, 2013 and two proposals were received. FMERA staff evaluated the proposals in accordance with the Authority's sales rules, and staff has begun negotiations with the higher ranked proposer.

#### Howard Commons

FMERA will present a recommendation for approval of a Purchase & Sale Agreement and Redevelopment Agreement with HovWest for Howard Commons at tonight's meeting of the Authority. 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 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 approximately 15,000 sf of ancillary retail/commercial space. In accordance with the Reuse Plan, 20% of the new units will be affordable housing qualified.

#### Parcels B, C and C1

On March 26, 2013 FMERA publically issued RFOTPs for Parcels B, C and C1. Proposals for each of the three parcels were due on June 10, 2013. Four proposals were received for Parcel B, three proposals were received for Parcel C, and three proposals were received for Parcel C1, with some firms submitting multiple scenarios for redevelopment. FMERA staff evaluated the proposals in accordance with the Authority's Sales Rules, and has begun discussions with the highest ranked proposers.

Parcel B is a 55-acre tract located along the Fort's Route 35 frontage in the Main Post's Eatontown Reuse Area. The Reuse and Redevelopment Plan calls for Parcel B to be developed as a high quality lifestyle center, with approximately 150,000 square feet of retail, restaurant, entertainment and other uses in a Main Street format, along with 302 mixed-income apartments.



Parcel C is in the Tinton Falls Reuse Area and is planned as a mixed-use town center. The 39-acre lot can accommodate up to 239 newly constructed residential units, along with up to 107,000 square feet of retail and other commercial development.

Parcel C1 is a 12-acre tract also located in the Tinton Falls Reuse Area. In accordance with the Reuse Plan amendment #1, the property can accommodate up to 49 newly constructed residential units.

#### Parcel V-1

At the May meeting of the Authority, the Board approved making Parcel V-1 available through the offer to purchase process. Parcel V-1 is a 10-acre tract in the Eatontown section of the former Fort Monmouth which is being put out for bid for the purpose of establishing a Veterans Community. An RFOTP was publically issued for the parcel on September 6, 2013. Proposals were due on December 6, 2013 and two were received. The property is located outside of the Fort's Phase One project area, so FMERA's ability to sell the property will be contingent on execution of a Phase 2 EDC Agreement with the Army. We look forward to a great project that will acknowledge the outstanding service to our country by military veterans. The two proposals received are currently being evaluated and scored.

#### Russel Hall

FMERA staff issued an RFOTP for Russel Hall on September 6, 2013. Russel Hall is a 42,300 sf, four-story administration building located on Sanger Avenue in the Oceanport Reuse Area of the Fort. FMERA staff has determined that Russel Hall will require a parcel measuring approximately 6.5 acres. The property is located outside of the Fort's Phase One project area, so FMERA's ability to sell the property will be contingent on execution of a Phase 2 EDC Agreement with the Army. Proposals were due on November 7, 2013 and one proposal was received. FMERA staff will present a recommendation to enter into exclusive negotiations, in accordance with the Authority's Sales Rules for the Board of Directors' consideration at tonight's meeting of the Authority.

#### Fabrication Shops (Pinebrook Road Commerce Center at Fort Monmouth)

At the June meeting of the Authority, the Board approved making the Fabrication Shops (buildings 2501 – 2504, 2506 and 2507) available through the offer to purchase process. The five fabrications shops (buildings 2502-2504, 2506 and 2507) consist of flex (industrial/office) space in varying configurations. There is also a small building (building 2501) on site that is well-suited for use as office space. The buildings together total approximately 44,000 sf. The Parcel is located off of Pinebrook Road in the Tinton Falls Reuse Area of Fort Monmouth. An RFOTP for the parcel was issued on September 20, 2013, proposals were due on November 20, 2013 and three were received. Staff has begun evaluating the proposals in accordance with the Authority's Sales Rules.

#### Marina

On October 25, 2013 an RFOTP was issued for the Marina Parcel in Oceanport. The Marina Parcel is 3.9 acres and is located on Oceanport and Riverside Avenues in the 400 area of the former Fort property. The Property consists of a 71-slip marina and boat launch ramp on Oceanport Creek; a 2,600 sf boat house (Building 450) constructed in

1986 and associated off-street parking. The Reuse Plan contemplates a marina/public boat ramp/restaurant on the property with the reuse of the existing marina building (Building 450). Proposals are due by noon on January 27, 2014.

Pistol Range

On November 22, 2013 an RFOTP was issued for the Pistol Range. The Pistol Range (Building 2627) is a one story 11,110 sf building, equipped with 10 indoor firing lanes. The range was constructed in 2006. The facility sits on a 1-acre parcel in the Tinton Falls Reuse Area of the former Fort Monmouth. The range was constructed in 2006. The pistol range's planned 1-acre parcel represents the minimum lot size needed to accommodate required parking and building set-backs. The Request for Offers to Purchase (RFOTP) allows respondents the option to provide alternate proposals that include the purchase of additional adjacent land and/or buildings. Proposals are due by noon on February 24, 2014.

3. Marketing Update

FMERA continues to work with Cushman & Wakefield (Cushman), the Authority's Master Broker, to market the Fort property. FMERA and Cushman conduct, on average, a half a dozen tours per week of the Property. In addition, FMERA, Cushman and the Partnership for Action have been meeting monthly to expand our efforts and utilize additional resources that will enhance the marketing of the Fort.

Please refer to our website, [www.fortmonmouthredevelopment.com](http://www.fortmonmouthredevelopment.com), for more information.

4. Action Items for Next Month.

- Continued work with the N.J. Department of Environmental Protection and Langan-Matrix 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: Katie Hodes

**ADOPTED**  
**January 15, 2014**

Resolution Regarding the  
**Authorization for**  
**the Fort Monmouth Economic Revitalization Authority (FMERA)**  
**to Enter into a Purchase and Sale Agreement and Redevelopment Agreement**  
**(“PSA&RA”)**  
**with HovWest Land Acquisition, LLC (“HovWest”) for Howard Commons**

**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**, on December 14, 2012 FMERA issued and publically advertised a Request for Offers to Purchase (“RFOTP”) for Howard Commons with a response date of January 28, 2013; and

**WHEREAS**, 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; and

**WHEREAS**, FMERA received proposals from six development entities: American Properties at Monmouth, LLC, BNE Real Estate Group/Sterling Properties Joint Venture; Fieldstone Associates, LP, HovWest, Somerset Development, LLC and US Home Corporations, a wholly owned subsidiary of Lennar Corporation. Five of the six respondents provided compliant proposals, and American Properties was deemed non-responsive; and

**WHEREAS**, all proposals were scored independently by an evaluation committee, and HovWest received the highest score; and

**WHEREAS**, HovWest also submitted the highest price proposal; and

**WHEREAS**, as provided in the Authority’s Rules for the Sale of Real and Personal Property, the FMERA Staff determined during the evaluation process of the proposals received that there was a high likelihood that negotiating with HovWest will lead to an acceptable sales contract between FMERA and HovWest; and

**WHEREAS**, at the Authority’s July 17, 2013 Meeting, the Board authorized FMERA to enter in to exclusive negotiations with HovWest, in accordance with the Authority’s Sales Rules; and

**WHEREAS**, on August 28, 2013 HovWest executed the Exclusive Negotiations Agreement and provided an additional 10% deposit in accordance with the Authority’s Sales Rules; and

**WHEREAS**, the exclusive negotiations have resulted in the attached PSA&RA;  
and

**WHEREAS**, the Real Estate Committee has reviewed the attached PSA&RA and recommends it to the full Board of Directors for approval.

**THEREFORE, BE IT RESOLVED THAT:**

1. The Authority approves the selection of HovWest as the purchaser of the Howard Commons parcel in the Eatontown Section of the former Fort Monmouth property pursuant to the December 14, 2012 Request for Offers to Purchase, on terms substantially consistent to those set forth in the attached memorandum and the attached PSA&RA and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSA&RA and take any necessary actions to effectuate the selection of HovWest as the purchaser of the Howard Commons 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: January 15, 2014**  
**ATTACHMENT**

**EXHIBIT 1**



## MEMORANDUM

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Consideration of Approval of a Purchase & Sale Agreement and  
Redevelopment Agreement with HovWest for Howard Commons

**DATE:** January 15, 2014

### Request

I am requesting that the Members of the Board approve the execution of a purchase and sale agreement and redevelopment agreement (“PSA&RA”) with HovWest Land Acquisition, LLC of Edison, New Jersey (“HovWest”) for Howard Commons.

### Background

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Howard Commons site in Eatontown on December 14, 2012. 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 approximately 15,000 sf of ancillary retail/commercial space.

The RFOTP for Howard Commons was publically advertised, calling for respondents to submit proposals compliant with the Reuse Plan and FMERA’s proposed Land Use Rules. Respondents submitting a compliant proposal could also opt to submit one or more non-compliant, alternate proposals that, in the proposer’s judgment, constituted a higher and better use of the property. FMERA, however, would be under no obligation to consider non-compliant proposals, and any non-compliant proposal selected by FMERA would potentially require an amendment to the Reuse Plan. The RFOTP was advertised in the Asbury Park Press and the Star Ledger, and posted to the FMERA, New Jersey Economic Development Authority and New Jersey State Business Portal websites. The response date for offers to purchase Howard Commons was January 28, 2013, 45 days after the issuance of the RFOTP.

FMERA received proposals from six development entities: American Properties at Monmouth, LLC; BNE Real Estate Group/Sterling Properties Joint Venture; Fieldstone Associates, LP; HovWest; Somerset Development, LLC; and US Home Corporation, a wholly owned subsidiary of Lennar Corporation. Five of the six respondents provided compliant proposals; American Properties was deemed to be non-responsive because it proposed detached single-family homes, which are not permitted in Howard Commons under the Reuse Plan or proposed Land Use Rules. Fieldstone, Lennar and Somerset also elected to submit one or more alternate proposals. The proposals were distributed to five evaluators, including a representative of the Army, who scored the proposals independently, according to criteria and weightings contained in the RFOTP and the Authority's Sales Rules.

The evaluation team submitted their scores for compilation and met on February 21 and 22, 2013. The team reviewed the scoring and agreed that the HovWest proposal was compliant with the Reuse Plan and warranted the highest score. Of the five compliant proposals received, HovWest also submitted the highest price proposal. HovWest is an affiliate of Hovnanian Enterprises ("Hovnanian"), which is publicly-traded on the NYSE. Founded in 1959, Hovnanian is one of the nation's largest homebuilders, with \$1.13 billion in total revenue and 192 communities in development in 2011. HovWest proposes to demolish the existing improvements and construct 275 two- and three-bedroom for-sale townhomes on the Howard Commons site, of which 20% would be reserved as affordable housing. Consistent with the Reuse Plan, the development would include retail development on the corner of Hope and Pinebrook Roads, and 20.4 acres of open space and public recreational amenities. A copy of HovWest's conceptual site plan is attached.

As part of its process to adopt Land Use Rules, FMERA staff and our planning consultant determined in May that a change to the Fort's permitted principal land uses was warranted that would affect the Howard Commons site. Specifically, to eliminate any inconsistency between the Reuse Plan and the proposed Land Use Rules, staff recommended revising the proposed Land Use Rules to allow townhouses consisting of attached single units at a minimum of four units per structure within the Howard Commons Project Area. By letter dated May 23, 2013, staff invited the five compliant proposers to submit any modifications to their proposals because of this contemplated Land Use Rules change. Three of the proposers, Fieldstone Associates, Lennar and Somerset Development, submitted additional materials by the June 14, 2013 deadline. On June 25 the evaluation team reconvened, reviewed the modifications, and reconfirmed its earlier determination that HovWest submitted the highest-ranked proposal. The Board approved the final adoption of FMERA's Land Use Rules, including the revision affecting Howard Commons described above, at the June 10, 2013 meeting of the Authority.

The Board authorized FMERA staff to enter into exclusive negotiations with HovWest at its July 2013 meeting, and extended the exclusive negotiations period at the November 2013 meeting of the Authority. Staff is pleased to report that negotiations with HovWest have resulted in terms that we are recommending to the Committee for action by the full Board.

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

Authority staff, with assistance from the firm of DeCotiis, FitzPatrick & Cole and the Attorney General's Office, has negotiated a PSA&RA for the sale and redevelopment of Howard Commons. HovWest will pay \$7,225,000 for the property, reflecting the amount of its proposal. The purchaser will demolish the existing buildings in two phases: HovWest will apply for demolition permits for the east side of Pinebrook Road within 2 months of closing and complete demolition no later than 6 months thereafter, and it will apply for demolition permits for the west side of Pinebrook Road within 10 months of closing and complete that phase of demolition no later than 6 months thereafter. The purchaser will also be obligated to create 26 on-site full-time jobs in the commercial development on the property within 2 years of receiving a temporary or permanent certificate of occupancy. To the extent that HovWest fails to achieve 26 new jobs at the property, it will pay the Authority a penalty of \$1,500 for each job not created, which the purchaser shall secure with a bond, letter of credit or promissory note acceptable to FMERA. In the event that HovWest does not complete the entire project within 7 years of closing, FMERA will have the option of repurchasing the uncompleted portions of the property for the greater of HovWest's initial purchase price plus its improvement costs or its then-current appraised value.

Subject to FMERA's approval, HovWest may assign its development rights and obligations and deed the commercial tract to a qualified commercial developer for an anticipated price of \$1,000,000. Upon assignment HovWest and the commercial assignee will each be responsible for obtaining approvals and meeting the development obligations of the PSA&RA for their respective sub-parcels.

In addition to purchaser's satisfactory completion of due diligence and other standard contingencies, the closing of title is contingent on HovWest obtaining all approvals necessary to develop the project, and receiving a final remediation document from either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional. Closing is also subject to FMERA obtaining title from the Army with acceptable environmental covenants. The parties will endeavor to satisfy these contingencies within 18 months of purchaser's completion of due diligence. HovWest will have the option of extending this time period for an additional 6 months if it has not obtained approvals within the 18 month timeframe. If HovWest uses this approval extension period, then \$50,000 of the purchaser's \$1,083,750 deposit shall become non-refundable. An additional \$100,000 of the deposit shall become non-refundable when HovWest receives non-appealable preliminary or final site plan or subdivision approval for the project. If HovWest defaults and FMERA terminates the PSA&RA, FMERA will retain \$500,000 of the deposit monies as liquidated damages.

The Authority will convey the property to HovWest 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. If FMERA elects to remove a title encumbrance or remediate any contamination on the property to facilitate closing but then fails to do so prior to the scheduled closing, the purchaser may escrow a corresponding portion of FMERA's share of the net sale proceeds so purchaser may address the title or environmental issue.

The draft PSA&RA is in substantially final form. The final form of the document may be subject to revision, although the basic terms and conditions will remain consistent with its

current form. The final terms of the PSA&RA will be subject to the approval of the Executive Director and the Attorney General's Office.

**Recommendation**

In summary, I am requesting that the Board of Directors authorize FMERA staff to execute a Purchase & Sale Agreement and Redevelopment Agreement with HovWest Land Acquisition, LLC for Howard Commons, and any related documents as generally outlined above, on final terms acceptable to the Executive Director and the Attorney General's Office.

  
\_\_\_\_\_  
Bruce Steadman

Attachment: Purchase & Sale Agreement and Redevelopment Agreement  
Prepared by: David E. Nuse & Katie H. Hodes





**ATTACHMENT**

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

**ADOPTED**  
**January 15, 2014**

Resolution Regarding the  
**Consideration of Authorization for FMERA Staff to Enter into Exclusive Negotiations for  
a Purchase Agreement Pursuant to the Request for Offers to Purchase (RFOTP) for  
Building 286 (Russel Hall)**

**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**, on September 6, 2013, FMERA issued and publically advertised a Request for Offers to Purchase (RFOTP) for Building 286 (Russel Hall) with a response date of November 7, 2013, 62 days after the issuance of the RFOTP, in connection with the planned redevelopment of Russel Hall in Oceanport; and

**WHEREAS**, the Russel Hall parcel is approximately 6.5 acres in size, and includes the former Army office building #286 consisting of 42,300 square feet, with the accompanying paved and parking areas, and greenspace; and

**WHEREAS**, FMERA received one proposal from Kiely Realty Group, LLC (Kiely). Kiely’s proposal was compliant with the RFOTP and proposes a commercial office use instead of an institutional office use; so, an amendment to the Reuse Plan will be needed to complete the sale; and

**WHEREAS**, the proposal was scored independently by an evaluation committee; and

**WHEREAS**, as provided in the Rules for the Sale of Real and Personal Property, FMERA staff has determined during the evaluation process that there is a high likelihood that negotiating with Kiely will lead to an acceptable sales contract between the parties, and, if exclusive negotiations are approved, Kiely will make an additional deposit of 10% of the proposed purchase price that will be credited to Kiely at closing; and

**WHEREAS**, the FMERA Real Estate Committee recommends that the Board of Directors authorize the FMERA Staff to enter into exclusive negotiations with Kiely for a purchase agreement pursuant to the RFOTP for Russel Hall.

**THEREFORE, BE IT RESOLVED THAT:**

1. For the reasons expressed in the attached memorandum, the Authority authorizes the FMERA Staff to enter into exclusive negotiations with Kiely for a purchase agreement pursuant to the RFOTP for Russel Hall.

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: January 15, 2104  
ATTACHMENT

**EXHIBIT 2**



## MEMORANDUM

**TO:** Members of the Board

**FROM:** Bruce Steadman  
Executive Director

**RE:** Consideration of Authorization for FMERA Staff to Enter into Exclusive Negotiations for a Purchase Agreement Pursuant to the Request for Offers to Purchase (RFOTP) for Russel Hall

**DATE:** January 15, 2014

### Request

I am requesting that the Board of Directors authorize FMERA staff to enter into exclusive negotiations for a purchase agreement pursuant to the Request for Offers to Purchase (RFOTP) for Russel Hall, and in accordance with the Authority's Rules for the Sale of Real and Personal Property.

### Background

FMERA issued a Request for Offers to Purchase (RFOTP) in connection with the planned redevelopment of the Russel Hall parcel in Oceanport on September 6, 2013. The Russel Hall parcel is approximately 6.5 acres in size, and includes the former Army office building #286, known as Russel Hall, constructed in 1936, consisting of 42,300 square feet, and the accompanying paved and parking areas, and greenspace. The Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) calls for the reuse of the building as institutional office space by the Federal Emergency Management Agency. The RFOTP for Russel Hall allowed respondents to submit proposals to redevelop the property into office use, medical use or research use. Bidders were advised that FMERA is willing to undertake to amend the Reuse Plan to allow the property to be redeveloped for commercial office/medical/research use. The RFOTP was advertised in the Asbury Park Press and the Star Ledger, and posted to the FMERA, New Jersey Economic Development Authority (NJEDA) and New Jersey State Business Portal websites. The response date for offers to purchase Russel Hall was November 7, 2013, 62 days after the issuance of the RFOTP. Also, the property is located within the Fort Monmouth National Register Historic District and redevelopment is restricted accordingly.

FMERA received a proposal from one firm: Kiely Realty Group, LLC (Kiely), of Long Branch, New Jersey. Kiely's proposal, as submitted, was compliant with the RFOTP and proposes a commercial office use instead of an institutional office use; so, an amendment to the Reuse Plan will be needed to complete the sale. FMERA received no proposals from institutional (i.e. governmental) office users. The Kiely proposal was distributed to three evaluators, who scored

the proposal independently, according to criteria and weightings contained in the RFOTP and the Authority's Sales Rules.

Because only one proposal was received, the evaluators reviewed the Kiely proposal for compliance with the Reuse Plan in all aspects other than the institutional office vs. commercial office issue mentioned above. The evaluators agreed that the Kiely proposal was compliant with the Reuse Plan in all other aspects, and recommended to FMERA staff that we proceed to exclusive negotiations.

Kiely Realty Group, LLC proposes to purchase and renovate the building to house the management teams and home offices of three affiliated tenants: J. F. Kiely Construction Co., J. F. Kiely Service Co., and J. F. Kiely Group. The oldest of the Kiely companies dates back to 1952 with continuous family ownership in New Jersey, and a demonstrated record of successful business ventures and job creation. Due to continued growth and expansion needs, the three tenant companies will consolidate their out-of-state and in-state management teams under one roof, without closing their existing in-state operations. It should be noted that there will be no construction vehicles relocated to the Russel Hall property.

After meeting with Kiely representatives, FMERA staff is recommending that FMERA enter into exclusive negotiations with Kiely. As provided in the Sales Rules, FMERA staff has determined during the evaluation process that there is a high likelihood that negotiating with Kiely will lead to an acceptable sales contract between the parties. Kiely plans to close on the property by late summer 2014.

If this request is granted by the FMERA Board, Kiely will make an additional deposit of 10% of the proposed purchase price that will be credited to Kiely at closing. The negotiations will be exclusive in that FMERA will agree not to consider any other proposals and cease negotiations with any other parties for the purchase of the property and instead negotiate with Kiely in good and reasonable faith for the purchase and sale of Russel Hall. Kiely will agree in writing to terminate negotiations and discussions for the purchase of other competing property during the exclusive negotiating period. Both parties will agree to keep all negotiations confidential to the extent permissible under New Jersey law.

In addition to successfully completing negotiations, FMERA's execution of a contract to sell the Russel Hall property to Kiely will be contingent upon final approval of the terms and conditions of sale by the FMERA Board of Directors at a future date, in the Board's sole and absolute discretion.

The Real Estate Committee recommends that the Board of Directors authorize the FMERA Staff to enter into exclusive negotiations with Kiely for a purchase agreement pursuant to the RFOTP for Russel Hall.

**Recommendation**

In summary, I am requesting that the Board of Directors authorize FMERA staff to enter into exclusive negotiations with Kiely for a purchase agreement pursuant to the Request for Offers to Purchase (RFOTP) for Russel Hall, and in accordance with the Authority's Rules for the Sale of Real and Personal Property.



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Bruce Steadman

Prepared by: David E. Nuse