



TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: December 17, 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**
8. **Public Comment Regarding Board Action Items**
9. **Executive Director’s Report:**
 - Update on Meetings with Army Representatives
 - Update on Requests for Proposals (RFPs) and Contracts
 - Update on Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert 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 – Gina Fischetti, Chairwoman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Other Board Actions**

- Consideration of Approval of FMERA's 2015 Budget and Authorization of FMERA's Executive Director to Submit Grant Requests to the Office of Economic Adjustment (OEA) as Necessary
- Consideration of Approval to Terminate the Offer to Purchase Process for Russel Hall and Approval to Issue a new Request for Offers to Purchase (RFOTP) for Russel Hall
- Consideration of Approval to Extend the Exclusive Negotiations Period for a Purchase Agreement Pursuant to the RFOTP for Officer Housing
- Consideration of Approval to Make Child Development Center Available through the Offer to Purchase Process

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Adjournment**

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
- Michael Collins, Assistant Counsel, Authorities Unit, Office of the Governor – V
- Lillian Burry, Monmouth County Freeholder – V
- George Jackson, Eatontown Borough Administrator – V
- Gerald Turning, Mayor of Tinton Falls – V
- Michael Mahon, Mayor of Oceanport – V
- Tim Lizura, President and COO, NJ Economic Development Authority (NJEDA) – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection (DEP)
- John Raue, Senior Policy Advisor to the Commissioner, NJ Department of Labor & Workforce Development (DOL)

V - Denotes Voting Member

Members Not Present

- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs (DCA)
- Jonathan Lowy, Regional Manager, Government and Community Relations, NJ Transit (NJT)

Also present:

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

II.

The meeting was called to order by Chairman James V. Gorman at 7:01p.m., who led the meeting in the Pledge of Allegiance.

In accordance with the Open Public Meetings Act, FMERA Secretary Bruce Steadman announced that notice of the meeting was sent to the Asbury Park Press and the Star Ledger at least 48 hours prior to the meeting, that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House, and the FMERA and the NJEDA websites.

The first item of business was the approval of the October 15th meeting minutes. A motion was made to approve the minutes by Gerald Turning and seconded by Robert Lucky.

Motion to Approve: GERALD TURNING Second: ROBERT LUCKY
AYes: 7

Lillian Burry abstained from voting stating she was not at the October meeting.
George Jackson abstained from voting stating he was not at the October meeting.

III. WELCOME

Chairman James V. Gorman welcomed attendees to the meeting. Mr. Gorman stated that copies of the Board package were available at the door, and 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's public comment protocol established at the February Board meeting will continue to be followed.

Mr. Gorman stated that there were two Board Actions: Consideration of Approval of Professional Planning Consultant Services and Consideration of Approval to extend the Exclusive Negotiations Period for a Purchase Agreement Pursuant to the RFOTP for Pinebrook Road Commerce Center. No Board action will be taken on the Consideration of Approval to extend the Exclusive Negotiations period for a Purchase Agreement Pursuant to the RFOTP for Russel Hall.

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

IV. SECRETARY'S REPORT

Bruce Steadman stated that no action will be taken regarding extending the Exclusive Negotiations period for Russel Hall.

V. TREASURER'S REPORT

Bruce Steadman, on behalf of Beverlee Akerblom, stated that the budget process for 2015 continues. FMERA is conducting budget sessions and drafting the fiscal plan. The draft 2015 FMERA budget will be forwarded to the Audit Committee for its review. The 2015 FMERA Budget is scheduled to be brought before the Board for its consideration and approval at the December Authority Meeting. Mr. Steadman stated that the Authority is preparing its preliminary appropriation request to the New Jersey Office of Management and Budget for inclusion in the State's Fiscal Year 2016 Budget. The request will reflect the Authority's dedication to controlling costs, and eliminating unnecessary spending. The State appropriation is required to satisfy the local match requirement of the federal grant received through the Office of Economic Adjustment (OEA).

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

Tom Mahedy of Wall Township asked who the evaluation committee was for the Professional Planning and Consulting Services and the Pinebrook Commerce Center. Mr. Mahedy asked what process was used to evaluate political contributions. Mr. Mahedy asked why the Board action regarding Russel Hall was removed from the agenda. Mr. Mahedy asserted that furniture and equipment were moved into Russel Hall to sweeten the deal with Kiely Realty Group and asked who moved the items to Russel Hall. Mr. Mahedy asked what political contributions have been made by Kiely on a state and local level.

Bruce Steadman answered Mr. Mahedy by stating that the names of the evaluation committee members are not made known. Mr. Steadman stated that the confidentiality allows the process to go unimpeded and makes for better discussion and recommendations for the Board. Mr. Steadman stated that the RFP process includes a technical proposal and fee proposal that are evaluated separately by different groups. Mr. Steadman stated that the political contributions review process has been discussed in the past and it is a requirement by New Jersey Treasury. Mr. Steadman stated that with respect to Russel Hall, FMERA initially anticipated that the negotiations would require an additional 45 days, but currently that is not necessary. Mr. Steadman stated that no furniture has been moved in to Russel Hall to improve the deal with Kiely Realty Group.

VII. EXECUTIVE DIRECTOR'S REPORT

Rick Harrison, Director of Facilities Planning stated that FMERA and the Army have been holding discussions over the past 20+ months on the future transfer of the balance of the Main Post, to be accomplished under a Phase 2 Memorandum of Agreement (MOA). Staff submitted the Phase 2 EDC application on July 1, 2014, and it is currently under review by the Army. FMERA's goal was to seek Board approval to execute the Phase 2 MOA with the Army by December of 2014; however the process has encountered some delay in the Army Office of General Counsel (OGC). FMERA special BRAC Counsel David Knisely has been following-up with the OGC in hopes of moving the process along. FMERA continues to raise this and other issues on our weekly conference calls with the Army BRAC office.

Mr. Harrison stated that our third auction was held on October 29th which drew a large number of registered bidders and generated revenue; however a full accounting of expenses and final sales figures are not yet complete. FMERA expects all items sold in the first three auctions will be removed from our property by December 3rd. The next auctions will take place at the Myer Center on December 10th, 11th and possibly the 12th. A complete listing and schedule can be found at the auctioneer's Group website: www.theauctioneersgroup.com.

Mr. Harrison stated that while the season is winding down with the onset of colder weather, some golf course upgrades are in progress and the membership drive is still underway. Gibbs Hall has been getting a lot of use as well. The golf course will be open throughout the winter - weather permitting. The marina operations are winding down as the boating season ends; however there is progress on the marina restaurant and bar which are planned to open before the end of the year in time for the holidays. FMERA continues to work on the transition of the Phase 1 property, specifically the many complex utility issues, insurance coverage and environmental permitting and inspection requirements. FMERA Senior Environmental Officer, Joe Fallon, is monitoring our water allocation permit, our Title V requirements and is developing a spill containment plan, in accordance with NJDEP regulations.

Dave Nuse, Director of Real Estate Development gave the following update on our Requests for Offers to Purchase:

In Tinton Falls, there are four RFOTPs going out by the end of the year. They include:

- Charles Wood Area Fire Station, located on Corregidor Road, which will be posted on our website this Friday, November 14th;
- Parcel F-1, a 38-acre site that includes the Myer Center and Building 2705, which is targeted to go out next week;
- Parcel F-2, a 15-acre site proposed for Veterans Housing;
- Parcel F-3, the gas station and shopette site on Hope Road, which are both slated to be issued by the end of the year.
- FMERA received two proposals on October 17th for the Satellite Drive Parcel, a 1.5 acre building lot zoned for office, research or institutional use, and FMERA is currently in negotiations with prospective redevelopers on four other parcels:
- Parcel C, a mixed use town center project consisting of 243 units of housing and approximately 50,000 sf of retail space;
- Parcel C1, comprised of 45 single family homes, both to be developed by Lennar Corporation;
- Fabrication Shops, 45,000 sf of light industrial and flex space, where we're in negotiations with Pinebrook Commerce Center LLC; and
- The Pistol Range, where the Board has selected Kiely Realty LLC as purchaser.

In Eatontown, FMERA plans to issue the following three RFOTPs:

- The re-issuance of the Howard Commons site on Pinebrook Road, zoned for 275 townhouses and up to 15,000 sf of retail space, to be issued this month;
- An expanded Parcel B, the mixed-use town center parcel fronting Route 35, which will call for up to 250,000 sf of retail space and 302 housing units;
- Suneagles Golf Course, which includes a 10-acre area zoned for construction of a new hotel/conference center.

In **Oceanport**, FMERA is in Exclusive Negotiations on 2 parcels:

- Officer Housing Parcel, consisting of 117 historic housing units, where RPM Development has been selected as redeveloper;
- Russel Hall, the 40,000 sf former Garrison Headquarters building, where we're in exclusive negotiations with Kiely Realty, LLC.
- FMERA has initiated negotiations with the proposers on two other properties, the Fitness Center and the Marina.
- The next RFOTP to be issued in the Oceanport section of the Fort will be for Building 552, a former recreation center across the street from the Chapel.

Please visit our website, www.fortmonmouthredevelopment.com, for more information and to obtain copies of our RFOTPs.

Mr. Nuse gave the following update on FMERA's marketing efforts of the Fort:

- FMERA worked with the Monmouth-Ocean Development Council (MODC) on their October 17th event, which was held at Gibbs Hall. The program highlighted Monmouth County's contributions to technological research, while addressing the future of R&D in the County and on Fort Monmouth. Presenters included Dr. Robert Lucky and CommVault's director of marketing.
- Over the past month, FMERA responded to several press inquiries. The Fort's redevelopment was featured in NJ Business Magazine, the Star Ledger, GlobeSt, and the Asbury Park Press, and was also covered by WOBN radio and NJ 101.5.
- FMERA staff continues to work with our marketing consultant, Weblinx, on the refinement of the FMERA brand and the redesign of our website. FMERA holds weekly conference calls with Weblinx and hopes to launch the newly designed website by year's end.
- FMERA continues to work with Cushman & Wakefield, the Authority's Real Estate Broker, to market the Fort property. FMERA and Cushman conduct, on average, a half-dozen tours per week. The level of interest in the Fort remains high.

Mr. Steadman concluded the report with the following action items:

- Continued work with the N.J. Department of Environmental Protection and our consulting team 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
- Upgrades to Howard Commons, including landscaping, the screening on the fences, streetlights and more patrolling.

Mayor Turning stated that the Tinton Falls Council meeting will have an action to approve the upgrades on Corregidor and Hope Roads. Mayor Turning also stated that CommVault has received their Certificate of Occupancy and thanked the Board and the State of New Jersey for all their work for this project.

Mayor Mahon asked when the current exclusive negotiations ends for Russel Hall ends. Mr. Nuse answered November 19th. Mayor Mahon asked for a status of the negotiations for the Marina and the Fitness Center.

Mr. Nuse answered both are ongoing, and expected to conclude soon. Dave Nuse explained that based on the Sales Rules, FMERA has the option to go straight to a contract with the developer without using exclusive negotiations if both seller and buyer agree.

VIII. COMMITTEE REPORTS

a) AUDIT COMMITTEE (ROBERT ADES, CHAIRMAN):

Robert Ades stated that the Committee met on October 23rd and discussed the following:

- Discussion regarding FMERA's 2014 Financial and Operational summary;
- Discussion regarding the Proposed Phase 2 EDC Financing;
- Discussion regarding the FMERA Auctions;
- Discussion regarding payments to the Homeless Fund;
- Discussion regarding the Memorandum of Understanding (MOA) for Phase 2. FMERA anticipates presenting the MOA to the Board at the January meeting.

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

Chairman Gorman stated that the Committee met on November 5th and discussed the following:

- Discussion regarding the Professional Planning Consultant contract. The Committee reached a consensus and agreed to recommend approval to enter into a contract with Phillips Preiss Grygiel, LLC to the Board.
- Discussion regarding the request to extend the exclusive negotiations period for the Pinebrook Road Commerce Center. The Committee reached a consensus and agreement to recommend approval to extend the exclusive negotiations period by 60 days to the Board.
- Discussion regarding the request to extend the exclusive negotiations period with Kiely Realty for Russel Hall. The Committee reached a consensus and agreed to recommend approval to extend the exclusive negotiations period an additional 45 days to the Board.
- Discussion regarding the Driverless Technology Project
- Update on Officers Housing
- Update on Parcels C & C1
- Update on Current & Upcoming RFOTPs
- Update on Broker Marketing

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

Kenneth J. Kloo stated that the Committee did not meet this month, but is scheduled to meet on December 1st.

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

Robert Ades stated that the Committee is scheduled to meet on November 13th.

e) HOUSING STAFF ADVISORY COMMITTEE (GINA FISCHETTI - CHAIRWOMAN):

Bruce Steadman, on behalf of Gina Fischetti, stated that the Committee is scheduled to meet on November 17th.

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

Lillian Burry stated that the Committee did not meet this month. Ms. Burry stated that she is looking forward to working with Tinton Falls on the Veterans project and thanked Mayor Turning for agreeing to have the project

built in Tinton Falls. Mayor Turning stated that he welcomes the project and it is important to give back to Veterans for their service.

IX. BOARD ACTIONS

A) The first item before the consideration of approval of Professional Planning Consultant Services.

Candice Valente read the resolution which is attached hereto and marked Exhibit 1.

A motion was made to approve by Gerald Turning and was seconded by Robert Lucky.

Motion to Approve: GERALD TURNING Second: ROBERT LUCKY
AYes 9

B) The second item before the Board was the consideration of approval to extend the Exclusive Negotiations period for a Purchase Agreement Pursuant to the RFOTP for Pinebrook Road Commerce Center

Candice Valente read the resolution which is attached hereto and marked Exhibit 2.

A motion was made to approve by Gerald Turning and was seconded by Michael Mahon.

Motion to Approve: GERALD TURNING Second: MICHAEL MAHON
AYes 9

X. OTHER ITEMS

Michael Collins thanked FMERA for the tour that he attended with members of the NJEDA Board.

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

Bob English of Eatontown asked when the RFOTPs for Howard Commons, Parcel B, and the Suneagles Golf Course will be issued because meeting minutes from August and September state that they were going to be issued within 30 days of those minutes. Mr. English asked for confirmation that the RFOTP for Howard Commons will be issued by the end of November.


Tom Mahedy of Wall Township asked if a Board member can work for CommVault. Mr. Mahedy asserted that former Mayor Skudera did not vote on matters related to CommVault because he worked for the company. Mr. Mahedy asserted that Kiely was given all the work in the Charles Wood area by Tinton Falls. Mr. Mahedy asserted that the former gas station in Tinton Falls is contaminated. Mr. Mahedy asserted that Freeholder Burry wrote a letter stating that the County wanted to buy the remaining Fort property, but the citizens do not want the liability due to the contamination. Mr. Mahedy stated that political contributions made by all corporations should be posted on the FMERA website. Mr. Mahedy asserted that when an item is sold at the auction, cash is exchanged between the auctioneer and the buyer. Mr. Mahedy asked who is overseeing the auctions for FMERA. Mr. Mahedy asked what items are being given to Kiely in Russel Hall.

Bruce Steadman answered Mr. English by stating that in working with the Army on these Phase 1 properties, the Army often makes suggestions and requires changes on the marketing of the property. Mr. Steadman stated that FMERA also entertains many developers and investors who express interest in the properties and it is sometimes necessary, in order to get the best list of bidders, to change the timing of when the RFOTP is issued. Mr. Steadman stated that the RFOTP for Howard Commons will be issued within the next two weeks and that Parcel B and the Golf Course are still being marketed and will be issued at the same time after the Howard Commons RFOTP.

Bruce Steadman answered Mr. Mahedy by stating that former Mayor Skudera worked for K. Hovnanian and not CommVault and therefore abstained from voting with regards to K. Hovnanian and Howard Commons. Mr. Steadman stated that Kiely Contracting was working for NJ American Water in the Charles Wood area and FMERA was not involved in bidding the construction project. Mr. Steadman stated that FMERA has no knowledge that the County wants to buy the remaining Fort property, but that the County Improvement Authority is one option of funding for FMERA to purchase the property with FMERA borrowing funds and then repaying them. Mr. Steadman stated that he would follow up regarding the gas station. Mr. Steadman stated that there is a strict process that is followed regarding the auctioneer and there is oversight by FMERA and the Attorney General's office. Mr. Steadman stated that there has been nothing moved into Russel Hall for Kiely Realty Group.

There being no further business, on a motion by Gerald Turning seconded by Michael Mahon and unanimously approved by all voting members present, the meeting was adjourned at 8:02 p.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its Board Meeting.



Bruce Steadman - Secretary

ADOPTED
November 12, 2014

Resolution Regarding the
**Selection of the Professional Planning Consultant Pursuant
to the Professional Planning Consultant Services
Request for Proposals**

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, section 9(j) of the Act authorizes the Authority to issue Requests for Proposals (RFPs) and section 9(i) to retain licensed professional planners and other consultants; and

WHEREAS, on September 5, 2014, the Authority issued a Request for Proposals for Professional Planning Consultant Services with bid submissions due by October 6, 2014; and

WHEREAS, the Authority received bids from two eligible bidders; and

WHEREAS, technical proposals were evaluated by three independent evaluators and fee proposals were evaluated by the RFP coordinator and FMERA’s Finance Officer; and

WHEREAS, the fee scores were added to the technical proposal scores with the resulting high scoring firm being Phillips Preiss Grygiel, LLC (PPG); and

WHEREAS, the evaluation committee recommends the selection of PPG; and

WHEREAS, the Real Estate Committee has reviewed and discussed entering into a contract with PPG and recommends approving the selection.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority authorizes the selection of Phillips Priess Grygiel LLC as the Professional Planning Consultant and authorizes the Executive Director to take all necessary actions to effectuate the selection. FMERA’s contract with PPG will be subject to the availability and receipt of funding from the United States Department of Defense, Office of Economic Adjustment.

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

the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

Dated: November 12, 2014

EXHIBIT 1

ADOPTED
November 12, 2014

Resolution Regarding
**Approval to Extend the Exclusive Negotiating Period with Pinebrook Commerce Center,
LLC for Pinebrook Road Commerce Center**

WHEREAS, Pinebrook Road Commerce Center consists of 5 acres of land and eight (8) buildings, six (6) of which are planned for reuse and two (2) of which are planned for demolition; and

WHEREAS, the Fort Monmouth Economic Revitalization Authority (FMERA) issued a Request for Offers to Purchase (RFOTP) for the Pinebrook Road Commerce Center, former fabrication shops in Tinton Falls, on September 20, 2013; and

WHEREAS, on November 20, 2013, FMERA received three proposals to the RFOTP, which were scored independently by an evaluation committee, and Pinebrook Commerce Center, LLC (PCC), received the highest score for their proposal, and submitted the highest price proposal as well; and

WHEREAS, at the Authority's May 21, 2014 meeting, the Board authorized FMERA staff to enter into exclusive negotiations with PCC for a purchase agreement pursuant to the RFOTP for Pinebrook Road Commerce Center; and

WHEREAS, by letter dated October 1, 2014, the Executive Director extended the exclusive negotiating period for an additional thirty days as permitted by the Authority's Sales Rules; and

WHEREAS, FMERA staff and PCC have made significant progress toward the negotiation of a mutually acceptable Purchase and Sale Agreement (PSA) for Pinebrook Road Commerce Center, and staff believes that there is a likelihood that further negotiation will result in agreement over business terms; and

WHEREAS, the Real Estate Committee has reviewed and discussed extending the exclusive negotiating period and recommends approving the sixty (60) day extension to the full Board.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority authorizes a sixty (60) day extension of the exclusive negotiating period, to December 29, 2014, as set forth in the attached memorandum, and authorizes the Executive Director to take all necessary actions to effectuate the extension.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays

excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

Dated: November 12, 2014

EXHIBIT 2



MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: December 17, 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 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. Consolidated Budget

The FMERA team presented the 2015 FMERA Budget to the Audit Committee at their December meeting. Based on their review, the Audit Committee recommended that the 2015 Consolidated Budget be submitted to the Authority at its December 17, 2014 meeting.

Budget Highlights

- Favorable budget variance is projected for the Authority's fiscal year 2014.
- 2014 Grant revenue lower than budgeted as operating expenses were lower than projected, and grant revenue is a product of the expenses incurred
- EDC expenses are under budget for 2014 due to the slower than projected transfer of the Phase 1 property

Executive Director's Report

1. Update on Meetings with Army Representatives

FMERA and the Army have been holding discussions since 2012 on the future 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 application on July 1, 2014, and it is currently under review by the Army. A draft MOA is currently under review by staff and the Army. Our goal is to seek approval from the Board to execute the Phase 2 MOA with the Army in January 2015.

2. Update on RFPs and Contracts

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

Auctioneer

FMERA has held five auction events on October 1st, 15th, and 29th, and December 10th and 11th. The auctions have been orderly and FMERA expects they will be profitable although final numbers have not been tabulated. All net proceeds will be invested in the redevelopment in accordance with State and Federal regulations. The auctions have been conducted in accordance with accepted practices, with oversight by FMERA and the Attorney General's office.

Suneagles

The Suneagles Golf Course will be open through the winter however play has slowed. The membership drive is coming to a close and has been successful. Promised improvements to the course are well along. We have also been addressing some significant maintenance issues at Gibbs Hall.

Property Management/Maintenance

Our property management/maintenance team, Chenega Operations Services, has been quite busy helping our auctioneer team and keeping our property presentable and secure, for both marketing purposes and keeping our employees and tenants safe and comfortable. Corregidor Road and Pearl Harbor Avenue are open to the public and are now maintained by the Borough of Tinton Falls. The area south of Corregidor and east of Pearl Harbor has been cordoned off from traffic for security and protection of remaining assets in that area. We are also reconfiguring some of the utility infrastructure to minimize usage and expense.

3. Update on RFOTPs

The following is a summary of the status of the RFOTPs recommended for action at tonight's meeting:

Officer Housing

FMERA staff issued an RFOTP for the Officer Housing in the Historic District of the former Fort on January 16, 2013, and two proposals were received on April 1, 2013. The Officer Housing is intended for residential reuse consistent with the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan). At the April 2014 meeting of the Authority, the Board approved the recommendation to enter into exclusive negotiations with RPM Development Group in accordance with the Authority's Sales Rules. The property is located outside of the Fort's Phase One project area, so FMERA's ability to sell the property is contingent on execution of a Phase 2 EDC Agreement with the Army.

At the May 2014 meeting of the Authority, the Board approved FMERA staff entering into a Lease with the Army and a Sublease with RPM for the property, enabling RPM to undertake due diligence and pursue financing and project approvals in advance of FMERA's execution of the Phase 2 EDC Agreement. The portion of the Officer Housing located south of the Parade Grounds has received preliminary major site plan and subdivision approval from the Oceanport Planning Board. Staff will present a recommendation to extend the exclusive negotiations term at tonight's meeting.

Russel Hall

FMERA staff issued an RFOTP for Russel Hall on September 6, 2013, with proposals due on November 7, 2013. Russel Hall is a 42,300 sf, four-story administration building located on Sanger Avenue in the Oceanport Reuse Area of the Fort, on 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. At the January 2014 meeting of the Authority, the Board approved the recommendation to enter into exclusive negotiations with the sole proposer, Kiely Realty Group, LLC, in accordance with the Authority's Sales Rules; the Board subsequently approved extending the exclusive negotiations term another sixty (60) days at the June 2014 meeting of the Authority. At the May 2014 meeting of the Authority, the Board approved a Lease with the Army and Sublease with Kiely, although the Sublease was never finalized or executed. The Board approved additional extensions to the exclusive negotiations term, for a total of 75 days. Staff will present a recommendation to end negotiations with Kiely, terminate the RFOTP process for Russel Hall and issue a new RFOTP.

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

Parcels C and C1

On March 26, 2013 FMERA publically issued RFOTPs for Parcels C and C1, with proposals for each of the parcels due on June 10, 2013. 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 subsequently engaged in discussions with the highest ranked proposers. 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. At the April 2014 meeting of the Authority, the Board approved the recommendation to enter into exclusive negotiations with Lennar Corporation in accordance with the Authority's Sales Rules, and extended the exclusive negotiations term at the September 2014 meeting.

Parcels V-1 and F-2

Parcel V-1 was a 10-acre tract in the Eatontown section of the former Fort which was 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. Both bidders proposed paying nominal consideration to acquire and redevelop the property into a veterans community. At the June 18, 2014 meeting of the Authority, the Board authorized FMERA staff to terminate the RFOTP process without awarding a contract. At its September meeting, the Authority approved the issuance of a new RFOTP for a veterans project in the Tinton Falls Reuse Area, on a 15-acre site to be known as Parcel F-2. The RFOTP for F-2 was issued on December 12, 2014 and proposals are due on March 13, 2015.

Fabrication Shops (Pinebrook Road Commerce Center at Fort Monmouth)

At the June 2013 meeting of the Authority, the Board approved making the Pinebrook Road Commerce Center (buildings 2501 – 2504, 2506 and 2507) available through the offer to purchase process. The five fabrications shops consist of flex (industrial/office) space in varying configurations. There is also a 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. At the May 2014 meeting of the Authority, the Board approved the recommendation to enter into exclusive negotiations with the highest ranked proposer, Pinebrook Commerce Center, LLC (PCC), in accordance with the Authority's Sales Rules. At the November 2014 meeting of the Authority, the Board approved an extension of the exclusive negotiations period with PCC for an additional sixty (60) days.

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. The Property consists of a 71-slip marina and boat launch ramp on Oceanport Creek, a 2,600 sf boat house constructed in 1986 and associated off-street parking. The Reuse Plan contemplates a marina/public boat ramp/restaurant on the property and the reuse of the existing boat house. Proposals were due on January 27, 2014 and two were received. At the August 2014 meeting of the Authority, the Board approved entering into exclusive negotiations with the one compliant proposer, AP Development Partners, LLC (APDP). FMERA staff released a Request for Proposals (RFP) for a Marina Operator in the interim, and received one proposal from APDP. The operator opened the marina for boat traffic on June 28, 2014 and for refreshments on the July 4th holiday weekend. The boat house is projected to re-open as a restaurant in early 2015.

Pistol Range

On November 22, 2013 an RFOTP was issued for the Pistol Range. The Pistol Range is a one-story 11,110 sf building, equipped with 10 indoor firing lanes, in the Tinton Falls Reuse Area of the former Fort. The range was constructed in 2006. The facility sits on a 1-acre parcel, which represents the minimum lot size needed to accommodate required parking and building set-backs. The RFOTP allowed respondents the option to provide alternate proposals that included the purchase of additional adjacent land and/or buildings and the use of the property for non-governmental purposes. Proposals were due on

February 24, 2014 and five were received. At the May 2014 meeting of the Authority, the Board approved the recommendation to enter into exclusive negotiations with Kiely Realty Group, LLC, the highest ranked proposer, in accordance with the Authority's Sales Rules.

Charles Wood Firehouse

On December 20, 2013 an RFOTP was issued for the Charles Wood Firehouse in the Tinton Falls Reuse Area of the Fort. The Firehouse is a 10,000 sf structure on Corregidor Road, built in 2001. The permitted principal land use for the 2.3 acre parcel of land and building is institutional/civic reuse in the Fort's Reuse Plan. Proposals were due on March 20, 2014 and one proposal was received. Subsequently, the one proposer retracted its proposal. FMERA staff issued a second RFOTP on November 14, 2014 in accordance with the Authority's Sales Rules. Proposals are due on January 12, 2015.

Fitness Center

On March 14, 2014 an RFOTP was issued for the Fitness Center in the Oceanport Reuse Area of the Fort. The property consists of 7.75 acres of land and three buildings, as well as all of the fitness equipment located within Building 114. The property is intended to be reused as a fitness center as set forth in the Reuse Plan, although other uses will be considered. FMERA set \$1,950,000 as the minimum bid amount for the property. Proposals were due May 28, 2014, and one proposal was received. Staff has evaluated the proposal in accordance with the Authority's Sales Rules and is negotiating a purchase agreement with the sole proposer. The property is located outside of the Fort's Phase One project area, so FMERA's ability to sell the property is contingent on execution of a Phase 2 EDC Agreement with the Army.

Satellite Road Parcel 1

On August 14, 2014, an RFOTP was issued for a 1.5 acre parcel in the Tinton Falls area of the former Fort, bordering Satellite Road and Fire Line Drive. The property is in the Tinton Falls Tech/Office Campus and permitted uses include office/research, institutional/civic and open space/recreation. Proposals were due on October 17, 2014. An evaluation team is currently reviewing the proposals, and FMERA staff plans to make a recommendation at a subsequent meeting.

Parcel F-1

On December 5, 2014, FMERA issued an RFOTP for a 38 acre parcel in the Tinton Falls Reuse Area of the former Fort, which contains the 673,450 square foot Myer Center and the 47,592 square foot Night Vision Lab, as well as several support buildings. The Reuse Plan contemplates the renovation and reuse of both the Myer Center and the Lab as part of an office/high tech industry business campus. The RFOTP allows for either a proposal that is consistent with the Reuse Plan or an alternate commercial use, including but not limited to sports, entertainment, and/or hospitality uses. This may include the demolition of the two buildings. Proposals are due March 6, 2015.

The following is a summary of the status of RFOTPs that FMERA will be reissuing:

Howard Commons

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 Reuse Plan calls for the demolition of the existing improvements 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. At the January 2014 meeting of the Authority the Board approved a Purchase & Sale Agreement and Redevelopment Agreement (PSARA) for Howard Commons with HovWest Land Acquisition, LLC (HovWest). The Authority and HovWest executed the PSARA effective as of May 19, 2014. HovWest has exercised its right under the PSARA to withdraw from the project. HovWest noted that higher than expected groundwater caused them to make this decision. At the August 2014 meeting of the Authority, the Board approved the termination of the RFOTP process and the issuance of a new RFOTP for Howard Commons, in accordance with the Authority's Sales Rules. Staff expects to issue a new RFOTP for Howard Commons later this month.

Parcel B

On March 26, 2013 FMERA publically issued an RFOTP for Parcel B, a 55-acre tract located along the Fort's Route 35 frontage in the Main Post's Eatontown Reuse Area. The Reuse 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. Proposals were due on June 10, 2013 and four proposals were received. At the February 2014 meeting of the Authority, the Board authorized FMERA staff to terminate the RFOTP process without awarding a contract and issue a new RFOTP for Parcel B, in accordance with the Authority's Sales Rules. The new RFOTP for Parcel B will seek proposals that meet the Reuse Plan's goal of creating a lifestyle town center, as an exciting and attractive gateway to the Fort.

Main Post Chapel

On March 14th, 2014 an RFOTP was issued for the Main Post Chapel in the Oceanport Reuse Area of the Fort. The property encompasses 5 acres of land and a 16,372 square foot structure, consisting of a chapel, an administrative wing, a classroom wing, and a kitchen. The Chapel is intended to be reused as a house of worship, per the Authority's Reuse Plan. The Property is in the Oceanport Horseneck Center and the Historic District, although the structure is not considered historic. FMERA set \$1,530,000 as the minimum bid amount for the property. Proposals were due on May 9, 2014, and two proposals were received. The compliant proposer has decided to retract its proposal. As there are no compliant proposals, FMERA will proceed with issuing a second RFOTP in accordance with the Authority's Sales Rules.

Upcoming RFOTPs

FMERA plans on issuing additional RFOTPs over the next few months, including: the Suneagles Golf Course in Eatontown, Parcel F-3 in Tinton Falls, and the former Dance Hall in Oceanport.

3. Marketing Update

We continue to work with our marketing consultant, Weblinx, Inc., on the refinement of the FMERA brand and the redesign of our website. We hold weekly conference calls with Weblinx and hope to launch our newly designed website shortly after the new year.

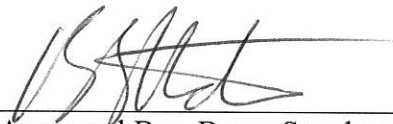
FMERA has responded to several press inquiries, and the Fort's redevelopment was featured in the Asbury Park Press and Star Ledger over the past month.

As always, we continue 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. The level of interest in the Fort property remains high.

Please refer to our website, 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



Approved By: Bruce Steadman

Prepared by: Candice Valente

ADOPTED
December 17, 2014

Resolution Regarding
2015 Consolidated Budget and the Office of Economic Adjustment Grant Requests

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

WHEREAS, the 2015 Consolidated Budget includes an Economic Development Conveyance (EDC) Budget, representing the projected 2015 sales and financial activity under the approved Phase 1 EDC Agreement and the Phase 2 EDC Agreement which is projected to be executed by the 2nd quarter of 2015, encompassing the sale of eight parcels; and

WHEREAS, the 2015 Consolidated Budget also includes a Non-EDC Budget, representing the funding of qualified expenses received the U.S. Department of Defense's Office of Economic Adjustment (OEA) and the requisite local match from the State of New Jersey and FMERA's obligation; during the fiscal year OEA's support will decrease to 75% of the current level, the local match will remain at 10%, and the remaining amount will be FMERA's obligation; and

WHEREAS, the Audit Committee reviewed the 2015 Consolidated Budget and recommends it to the Authority for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the 2015 Consolidated Budget, as described in the attached memorandum.
2. The Authority authorizes the Executive Director to take all necessary actions to submit grant requests to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,725,579 to support the Authority's operations for the 2015 calendar year as necessary.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

Dated: December 17, 2014

EXHIBIT 1



MEMORANDUM

TO: Members of the Authority
FROM: Bruce Steadman
Executive Director
RE: 2015 Consolidated Budget
DATE: December 17, 2014

The draft 2015 Consolidated Budget, consisting of the draft 2015 Non-Economic Development Conveyance Budget and the draft 2015 Economic Development Conveyance (EDC) Budget, is enclosed for your review and consideration. FMERA staff has collaborated in the development of a Consolidated Budget which supports and enhances FMERA's Mission to *create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property*. The Consolidated Budget is also intended to expand the Authority's availability of funds while continuing to control costs and direct spending to advance the Authority on the path toward financial self-sufficiency.

2015 Budget Highlights

- Net Proceeds from projected Parcel Sales are approximately \$2.4 million
- Consolidated Net Operating Earnings projected to exceed \$1 million
- Favorable budget variances for 2014

The 2015 Consolidated Budget illustrates the Authority's progress in implementing the approved Phase 1 EDC Agreement and embarking on the economic redevelopment of the former Fort property. This year's budget includes: the EDC Budget, representing the projected 2015 financial activity under the approved Phase 1 EDC Agreement and the Phase 2 EDC Agreement which is projected to be executed by the 2nd quarter of the year; and the Non-EDC Budget representing the funding of qualified expenses received through the Office of Economic Adjustment (OEA), the local match and FMERA's obligation. During the fiscal year OEA's support will decrease to 75% of the current level, the local match will remain at 10%, and the remaining amount will be FMERA's obligation. FMERA will fund its obligation from EDC funds as the implementation of the EDC agreements moves forward.

The draft 2015 Budget Summary illustrates the Budget based on the 2015 projected parcel sales. Eight parcels are projected to be sold during 2015 for \$19,496,462. The projected Net Earnings from the parcel sales are \$2,408,068. The Land Costs for the parcel sales total \$14,036,120 and consist of \$12,787,936 in Payments to the Army and \$1,248,184 to the Homeless Accommodation under the terms of the EDC Agreement. Sales Commissions payable on the 2015 projected parcel sales amount to \$1,049,629.

The 2015 FMERA draft Non-EDC Budget's total expenses and costs of \$2,102,854 will be funded by federal grants of \$1,725,579 through OEA, the local match requirement of \$210,285 and FMERA's obligation of \$166,990 and are lower than 2014's level of \$2,603,668. This is mainly due to the decrease in 2015 Program Costs. The decrease in the 2015 Non-EDC's Budget's Program Costs to \$618,500 reflects the Authority's transition to implementation of the EDC Agreements upon completion of the Phase 2 EDC negotiations with the Army.

Operating Income of \$144,500 represents \$62,500 received under the Golf Course Operating Agreement and \$82,000 from income for the use of the Authority's cell tower.

FMERA's 2015 proposed EDC Budget's Direct Office and General and Administrative expenses of \$143,071 and \$67,000 respectively, represent amounts which do not qualify for funding under the terms of the federal grant. Miscellaneous Revenue of \$100,000 represents projected proceeds from the auctions of personal property transferred from the Army to the Authority. Interest Expense on Bonds Payable of \$58,650 represents the 3rd and 4th quarter interest payments on the bonds used to purchase the Phase 2 property from the Army. Closing with the Army is anticipated to take place in June 2015.

The 2015 Consolidated Program Costs of \$4,801,629 are higher than the 2014 Budget. This is due to the expected purchase of the Phase 2 parcels in the 2nd quarter of 2015 which will increase property carrying costs. In addition to higher property maintenance and utility costs, the 2015 EDC Budget's cost of carrying insurance on the Phase 2 property also increases. In addition, the Authority will begin reimbursing the Attorney General's Office for their legal services in 2015.

The Authority's 2015 proposed Capital Budget calls for outlays totaling \$1,903,000, comprised of: Short Term Capital Projects that include Infrastructure and Other improvement costs on properties transferred to the Authority which are funded out of this Consolidated Budget; and Long Term Capital Projects that include Infrastructure and Demolition & Renovations. The Long Term Capital Projects will be financed out of the Authority's cash reserve per the EDC Agreement; however no more than 25% of the total cash reserves will be used in 2015 for these projects.

The Authority's Audit Committee has reviewed the 2015 consolidated budget and recommends it to the Members of the Board for final review and approval.

Recommendation

Based on the above, the Members of the Board are asked to approve the attached draft 2015 Consolidated Budget.

The Members are also requested to approve authorizing the Executive Director to submit grant requests and any other necessary documentation to the Office of Economic Adjustment for federal funds in an amount not to exceed \$1,725,579.

A handwritten signature in black ink, appearing to read 'B Steadman', is written over a solid horizontal line.

Bruce Steadman
Executive Director

ATTACHMENTS

Prepared by: Jennifer Lepore



ATTACHMENT

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

ADOPTED
December 17, 2014

Resolution Regarding
**Approval to Terminate the Offer to Purchase Process for Russel Hall and Approval to
Issue a New Request for Offers to Purchase for 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, FMERA issued a Request for Offers to Purchase (RFOTP) for the Russel Hall site in Oceanport on September 6, 2013, and received one proposal from Kiely Realty, LLC (Kiely); and

WHEREAS, the Board authorized FMERA staff to enter into exclusive negotiations with Kiely at its January 2014 meeting, and to extend the exclusive negotiations period for an additional sixty (60) days at the June 2014 meeting and an additional thirty (30) days at the August 2014 meeting; and

WHEREAS, the Board authorized FMERA staff to execute a Lease in Furtherance of Conveyance with the Army for Russel Hall and to enter into a sublease with Kiely for Russel Hall at the May 2014 meeting, in order to enable Kiely to seek approvals and obtain financing and permits in advance of closing; and

WHEREAS, the sublease to Kiely was never executed, and at the October 2014 meeting, the Board authorized a final forty-five (45) day extension of the exclusive negotiations period; and

WHEREAS, while FMERA staff and Kiely made significant progress toward the negotiation of a mutually acceptable Purchase and Sale Agreement, the parties disagree over the reactivation of the former heliport located on the Russel Hall parcel, and FMERA believes that further negotiation will not result in final agreement over business terms; and

WHEREAS, pursuant to Kiely’s request dated November 25, 2014, FMERA’s counsel has returned the Initial and Additional Deposits to Kiely with accrued interest; and

WHEREAS, the Real Estate Committee recommends that the Board authorize FMERA staff to terminate the RFOTP with respect to Russel Hall, end negotiations with Kiely and authorize the issuance of a new RFOTP for Russel Hall;

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Authority approves ending negotiations with Kiely Realty, LLC, terminating the Offer to Purchase

process with regard to Russel Hall in Fort Monmouth's Main Post Area and the issuance of a new Request for Offer to Purchase.

2. The Authority authorizes the Executive Director to take all necessary actions to effectuate the termination of the Russel Hall Request for Offers to Purchase process, including returning the deposit with any accrued interest to the bidder, and the issuance of the new Request for Offer to Purchase.

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: December 17, 2014

EXHIBIT 2



MEMORANDUM

TO: Members of the Authority

FROM: Bruce Steadman
Executive Director

RE: Ending Negotiations and Closing out the Offer to Purchase Process for
Russel Hall

DATE: December 17, 2014

Request

I am requesting that the Board authorize the Fort Monmouth Economic Revitalization Authority (FMERA) staff to end negotiations with Kiely Realty, LLC, close out the Offer to Purchase process with regard to Russel Hall on Fort Monmouth's Main Post, and issue a new Request for Offers to Purchase, in accordance with FMERA's approved sales rules.

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 42,300 sf former Garrison Headquarters building (#286) constructed in 1936, and the accompanying paved and parking areas, a former helipad, and green space. 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. 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, LLC (Kiely), of Long Branch, New Jersey. Kiely's proposal, as submitted, was compliant with the RFOTP and proposed a commercial office use instead of an institutional office use, so an amendment to the Reuse Plan would be needed to complete the sale. 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.

At the Authority's January 15, 2014 meeting, the Board authorized staff to enter into exclusive negotiations with Kiely. Pursuant to the Sale Rules, Kiely made an additional deposit of 10% of the proposed purchase price to be credited to Kiely at closing and executed a letter agreement confirming that the forty-five day exclusive negotiations period commenced on April 22, 2014. As provided under the Sale Rules, the negotiations were exclusive in that FMERA agreed 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 agreed to terminate negotiations and discussions for the purchase of other competing property during the exclusive negotiating period. Both parties agreed to keep all negotiations confidential to the extent permissible under New Jersey law. By letter dated June 4, 2014, the Executive Director extended the exclusive negotiating period for an additional thirty days, as permitted by the Sale Rules.

Additionally, at the May 21, 2014 meeting of the Authority, the Board authorized FMERA staff to: (i) execute a Lease in Furtherance of Conveyance with the Army for Russel Hall; and (ii) enter into a sublease with the Kiely Realty Group for Russel Hall, all upon final terms acceptable to the Executive Director and the Attorney General's Office. The sublease was intended to enable Kiely to apply for site plan and other approvals from the Borough of Oceanport, and to obtain financing and building permits in advance of closing. FMERA entered into a lease with the Army for Russel Hall, but the sublease to Kiely was not executed. At the June 18, 2014 meeting of the Authority the Board authorized a sixty (60) day extension of the exclusive negotiating period, which was further extended by thirty (30) days at the August meeting. Finally, at the October 15, 2014 meeting of the Authority, the Board authorized a forty-five (45) day extension of the exclusive negotiating period. The exclusive negotiations period expired on November 18, 2014.

While FMERA staff and Kiely made significant progress toward the negotiation of a mutually acceptable Purchase and Sale Agreement for Russel Hall, staff believes that further negotiation will not result in final agreement over business terms, as the parties disagree over the reactivation of the former heliport located on the Russel Hall parcel. Kiely maintains that the operation of the heliport as a commercial enterprise is essential to the financial viability of its project. FMERA staff has concluded, however, that the heliport's close proximity to the Officer Housing parcel makes its location unsuitable for daily commuter service. Pursuant to Kiely's request of November 25, 2014, FMERA's counsel has returned the Initial and Additional Deposits to Kiely with accrued interest. Consequently, staff does not anticipate selling Russel Hall at this time, and requests that the Board authorize the termination of the RFOTP process and the issuance of a new RFOTP as soon as prospects are identified. This action does not affect Kiely's status with respect to the Pistol Range Parcel in Tinton Falls, where the Board has selected Kiely Realty, LLC as prospective purchaser/redeveloper.

The Real Estate Committee recommends that the Board authorize FMERA staff to end negotiations with Kiely, close out the Offer to Purchase process with regard to Russel Hall and issue a new RFOTP, in accordance with FMERA's sales rules.

Recommendation

In summary, I am requesting that the Authority Board authorize FMERA staff to end negotiations with Kiely Realty, LLC, close out the Offer to Purchase process with regard to Russel Hall on Fort Monmouth's Main Post, and issue a new Request for Offers to Purchase, in accordance with FMERA's approved sales rules.

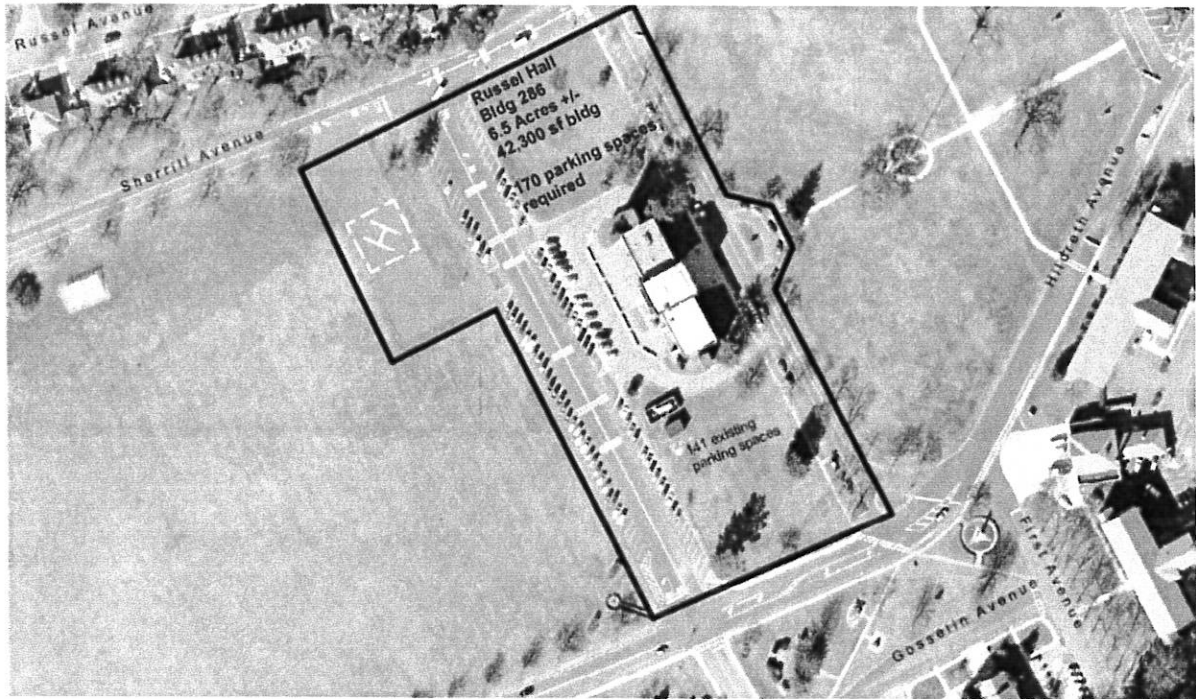


Bruce Steadman

Attachment: Parcel Map
Prepared by: David E. Nuse

ATTACHMENT #1
Description of Property

Property fronting on Sanger Avenue, bordered by Wallington Avenue and the heliport to the west, Saltzman Avenue to the south and Sherrill Avenue to the north. Fort Monmouth/Oceanport, Monmouth County, New Jersey, consisting of approximately 6.5 acres, shown in the following aerial maps.



ADOPTED
December 17, 2014

Resolution Regarding
**Approval to Extend the Exclusive Negotiating Period with RPM Development, LLC, for
the Officer Housing**

WHEREAS, on January 16, 2013, FMERA issued and publicly advertised a Request for Offers to Purchase (RFOTP) for the Officer Housing parcel with a response date of March 1, 2013, 45 days after the issuance of the RFOTP, in connection with the planned redevelopment of the Officer Housing in Oceanport; and

WHEREAS, the Officer Housing includes 117 historic residential units in single, duplex and four-plex configurations, surrounding and adjacent to the Parade Ground, located on two parcels of 26.5 acres and 10 acres; and

WHEREAS, FMERA received two proposals for the Officer Housing, and one proposal was deemed non-compliant because it did not include the required 20% set-aside for affordable housing, per the RFOTP and the Authority's Rules for the Sale of Real and Personal Property; and

WHEREAS, RPM Development, LLC (RPM), received the highest score for their proposal; and

WHEREAS, at the Authority's April 23, 2014 meeting, the Board authorized staff to enter into exclusive negotiations with RPM, based on the recommendation of the Real Estate Committee; and

WHEREAS, the exclusive negotiating period commenced on October 7, 2014 and by letter dated November 19, 2014, the Executive Director extended the exclusive negotiating period for an additional thirty days as permitted by the Authority's Sales Rules; and

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

WHEREAS, the Real Estate Committee has reviewed and discussed extending the exclusive negotiating period and recommends approving an extension to February 28, 2015 to the full Board.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority authorizes an extension to February 28, 2015 of the exclusive negotiating period, as set forth in the attached memorandum, and authorizes the Executive Director to take all necessary actions to effectuate the extension.

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

ATTACHMENT

Dated: December 17, 2014

EXHIBIT 3



MEMORANDUM

TO: Members of the Authority

FROM: Bruce Steadman
Executive Director

RE: Consideration of Authorization for FMERA Staff to Extend the Exclusive Negotiations Period for a Purchase and Sale & Redevelopment Agreement Pursuant to the Request for Offers to Purchase for the Officer Housing Parcel

DATE: December 17, 2014

Request

I am requesting that the Board authorize FMERA staff to extend the exclusive negotiations period with RPM Development, LLC (RPM) for a purchase and sale & redevelopment agreement (PSARA) pursuant to the Request for Offers to Purchase (RFOTP) for the Officer Housing parcel in Oceanport, in accordance with the Authority's Rules for the Sale of Real and Personal Property (Sales Rules).

Background

FMERA issued a Request for Offers to Purchase (RFOTP) in connection with the planned redevelopment of the Officer Housing parcel in Oceanport on January 16, 2013. The Officer Housing 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. A map of the Officer Housing area is attached. 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.

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 Officer Housing was March 1, 2013.

FMERA received two proposals for the Officer Housing. However, one proposal was deemed non-compliant because it did not include the required 20% set-aside for affordable housing. An evaluation team, comprised of three FMERA staff, scored the proposal independently, according to criteria and weightings contained in the RFOTP and the Sales Rules. As part of their analysis, the evaluators reviewed the RPM proposal for compliance with the Reuse Plan in all aspects. The evaluators agreed that the RPM proposal was compliant with the Reuse Plan, and recommended that we proceed to exclusive negotiations.

RPM is a New Jersey-based real estate development organization with over two decades of experience. They have nearly 120 employees in three offices throughout New Jersey. The company has completed 12 historic preservation projects and has expertise in all aspects of real estate including development, construction, residential and commercial leasing, and property management.

RPM's proposal calls 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. One of the single family homes on the South Post is proposed to be renovated and used as a community room for tenants. RPM plans to restore the exteriors and renovate the interiors of the North Post and South Post homes, as well as provide 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. As provided in the Sales Rules, FMERA staff determined during the evaluation process that there is a high likelihood that negotiating with RPM will lead to an acceptable sales contract between the parties. Accordingly, at its meeting of April 23, 2014, the Board authorized staff to enter into exclusive negotiations with RPM for a PSARA pursuant to FMERA's RFOTP for the Officer Housing Parcel.

In accordance with FMERA's Rules for the Sale of Real and Personal Property, (N.J.A.C. 19:31C-2 et seq.), the exclusive negotiating period commenced on October 7, 2014 and was extended by the Executive Director for an additional thirty (30) days, as permitted by N.J.A.C. 19:31C-2.16(b). The exclusive negotiations period runs through December 20, 2014.

Additionally, at the May 21, 2014 meeting of the Authority, the Board authorized FMERA 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, all upon final terms acceptable to the Executive Director and the Attorney General's Office. 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. FMERA entered into a lease with the Army for the Officer Housing Parcel and executed the sublease with RPM on September 5, 2014. RPM subsequently applied for and received site plan and subdivision approval from the Oceanport Planning Board for the South Post.

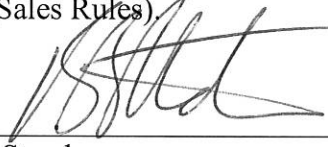
Based on the progress made to date by FMERA and RPM toward the negotiation of a PSARA for the Officer Housing, and the work undertaken by RPM in pursuing approvals to develop the project, I am requesting that the Committee recommend the Board extend the exclusive negotiations period with RPM through February 28, 2015.

In addition to successfully completing negotiations, FMERA's execution of a contract to sell the Officer Housing property to RPM will be contingent upon final approval of the terms and conditions of sale by the FMERA Board at a future date, in the Board's sole and absolute discretion. FMERA's sale of the property to RPM will be contingent on the execution of a Phase 2 Economic Development Conveyance Agreement (or an amendment to our Phase 1 EDC Agreement to include this parcel) and FMERA's acquisition of title from the U.S. Army.

The Real Estate Committee recommends that the Board Members authorize the FMERA staff to extend the exclusive negotiating period with RPM through February 28, 2015.

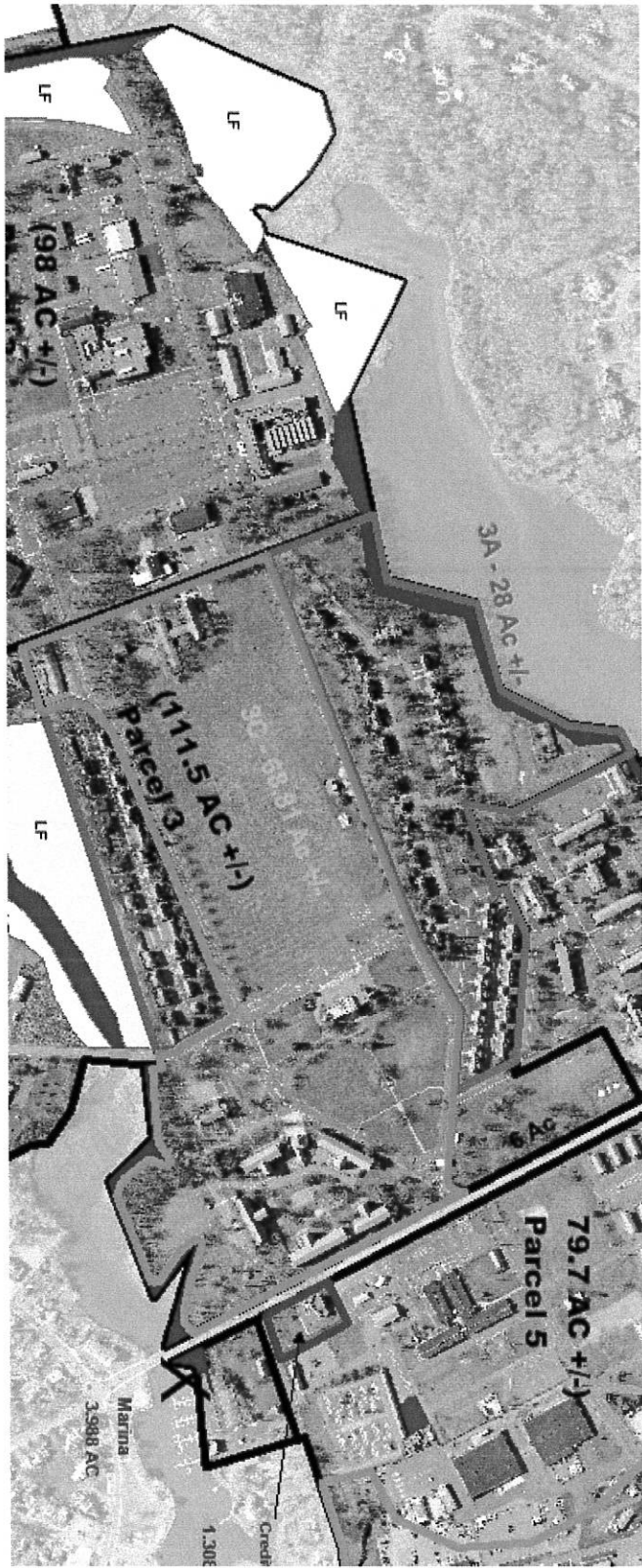
Recommendation

In summary, I am requesting that the Board of Members authorize FMERA staff to extend through February 28, 2015 the exclusive negotiations period with RPM Development, LLC for a Purchase and Sale & Redevelopment Agreement pursuant to the Request for Offers to Purchase (RFOTP) for the Officer Housing Parcel in Oceanport, in accordance with the Authority's Rules for the Sale of Real and Personal Property (Sales Rules).



Bruce Steadman

Attachment: Officer Housing parcel map
Prepared by: Candice Valente & David E. Nuse



ADOPTED
December 17, 2014

Resolution Regarding
Approval to Make the Child Development Center Available through the Offer to Purchase Process

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, section 9(j) of the Act authorizes the Authority to issue Requests for Proposals and section 9(bb) “[t]o sell, exchange, assign, convey or otherwise dispose of any property” “upon such terms and at such prices as it determines to be reasonable”; 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 Child Development Center (CDC), also known as Building 2290, is a 19,600 square foot, single-story facility built in 1996 located on a 7.4 acre parcel along Corregidor Road in the Tinton Falls Reuse Area; and

WHEREAS, the parcel was envisioned for an institutional reuse in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) for the Tinton Falls School District; and

WHEREAS, this parcel is a Phase One property in FMERA’s 2012 Economic Development Conveyance Agreement with the Army, and FMERA took ownership of all of the CDC from the Army by deed dated May 29, 2014; and

WHEREAS, the Borough of Tinton Falls has indicated the CDC is no longer needed for the School District, and non-institutional use will require an amendment to the Reuse Plan; and

WHEREAS, FMERA staff recommends proceeding with the offer to purchase process for the CDC because staff has received specific interest in the commercial reuse of the parcel and the property’s location along Hope Road and adjacent to the new CommVault headquarters increases its redevelopment potential, and the Request for Offers to Purchase (“RFOTP”) process will enable FMERA to negotiate a mutually acceptable Reuse Plan amendment; and

WHEREAS, the Real Estate Committee has reviewed and discussed making the CDC available through the offer to purchase process and recommends it to the full Board of the

Members for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves making the Child Development Center in Tinton Falls 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 17, 2014

EXHIBIT 4



MEMORANDUM

TO: Members of the Authority

FROM: Bruce Steadman
Executive Director

RE: Making Available the Child Development Center in the Charles Wood Area through the Offer to Purchase Process

DATE: December 17, 2014

Request

I am requesting that the Members of the Authority authorize the Fort Monmouth Economic Revitalization Authority (FMERA) staff to make the Child Development Center and its adjacent property in Fort Monmouth's Tinton Fall Reuse Area available through the offer to purchase process, in accordance with FMERA's approved sales rules.

Background

The Child Development Center (CDC), also known as Building 2290, is a 19,600 square foot, single-story facility built in 1996 located off of Corregidor Road in Tinton Falls. The building is slated for reuse as a child development center in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan). The CDC sits on an approximately 7.4 acre parcel adjacent to Hope Road, and includes a recreational playground area.

The CDC was slated for an institutional use, as the Borough of Tinton Falls initially expressed interest in utilizing the space for the Tinton Falls School District. The Borough has indicated that this use is no longer needed. FMERA staff has received specific interest in the CDC for commercial reuse. Consequently, staff proposes to offer the building and adjacent land for sale through the Offer to Purchase process.

The Members of the Authority approved the Rules for the Sale of Real and Personal Property (the Sale Rules) at the August 17, 2011 Meeting of the Authority. In accordance with Section 19:31C-2.5(a) of the Sale Rules, before 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 to offer the property for sale through the Offer to Purchase process. In its determination to use the Offer to Purchase process, the Board also may consider various factors including, but not limited to, purchase price, jobs to be created and timing, to determine whether the offer to purchase process will enhance the economic value to FMERA or Fort Monmouth. After the RFOTP is issued and offers are received and negotiated, the Director and FMERA staff shall present a

recommendation to the Board to accept an offer, to terminate negotiations regarding offers, or to take other appropriate action.

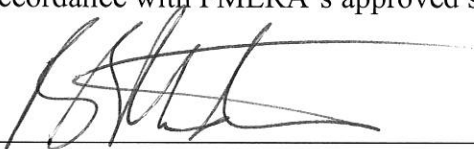
Authority staff recommends proceeding with the offer to purchase process for the CDC rather than sealed bids. This recommendation is based on several factors. First, a potential purchaser has expressed interest to FMERA staff in acquiring and renovating the property for commercial reuse which would require a Reuse Plan amendment. Second, the property's location directly adjacent to the CommVault project and along Hope Road increases its redevelopment potential. The RFOTP process will enable FMERA to negotiate a mutually acceptable Reuse Plan amendment. Accordingly, staff believes that negotiation with respondents may be necessary to ensure that FMERA's objectives are met, and that the value of the property is maximized.

Depending on the future use of the CDC, an amendment to the Reuse Plan may be necessary. Currently, this area is included in the Hemphill Neighborhood in the Tinton Falls Reuse Area, and the building is slated for institutional use. The Hemphill Neighborhood is also zoned for office/research and development (R&D) uses, but would require an amendment for use of the CDC as a commercial daycare center.

The Real Estate Committee recommends that the Members of the Authority authorize the FMERA staff to make the Child Development Center in Tinton Falls available through the offer to purchase process, in accordance with FMERA's Sales Rules.

Recommendation

In summary, I am requesting that the Members of the Authority authorize the FMERA staff to make the Child Development Center in Fort Monmouth's Tinton Falls Reuse Area available through the offer to purchase process, in accordance with FMERA's approved sales rules.



Bruce Steadman

Attachment: Proposed Parcel Map
Prepared by: Candice Valente



622.70' +/-

450.05' +/-

Child Care 7.4 Ac +/-