

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: April 18, 2018

SUBJECT: Agenda for Board Meeting of the Authority

1. **Call to Order – Dr. Robert Lucky, Vice-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 – Dr. Robert Lucky, Vice-Chairman**
6. **Secretary's Report**
7. **Treasurer's Report**
8. **Public Comment Regarding Board Action Items**
9. **Executive Director's Report:**
 - Update on Requests for Proposals (RFPs) and Contracts
 - Update on Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – Robert Lucky
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Sean Thompson, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

- a. Consideration of Approval of the Authority's Comprehensive Annual Report for 2017, as Required by Executive Order No. 37.

There will be no action at tonight's meeting on the following item:

- b. Consideration of Approval of a Purchase and Sale Agreement & Redevelopment Agreement for the Lodging Area in Oceanport.

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Adjournment**

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: April 18, 2018

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 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. First Quarter 2018 Financial and Operational Summary

FMERA staff is preparing the first quarter financial and operational summary for 2018. Staff will be meeting to review the quarter and assess the quarter's performance against the 2018 organization goals and budget.

2. 2017 Comprehensive Annual Report

FMERA's independent accounting firm, CliftonLarsonAllen, LLP, completed the 2017 audit and reported their findings to the Audit Committee at their April 12th meeting. The auditors issued an unmodified opinion with regard to FMERA's financial statements, which is their highest opinion. The Annual Report and the audited financial statements serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 and the June 2012 and October 2016 Economic Development Conveyance agreements with the Army. Based on the Audit Committee's review, the Committee recommended the presentation of the 2017 Comprehensive Annual Report for Board approval at tonight's meeting.

Executive Director's Report

1. Update on RFPs and Contracts

- Utilities:

- The first phase of a new water supply system on the Main Post is complete. This water main encompasses the Historic District, and serves the North and South Main Post historic housing, Triumphant Life, Family Promise, Barker Circle, the Physical Fitness Center, the FMERA

office, and future development on Sherrill and Saltzman Avenues. Laterals to connect existing buildings to the new water line are being designed now. Phases two and three of the new water system, which will expand the first phase to the South and to the West, are in the design stage.

- A new sanitary backbone project along Sherrill Avenue is in the final permitting process. This main will serve the North historic housing and buildings along the North side of the Main Post. The next segments of the new sanitary system are in the concept phases, and will serve the southern Main Post, as well as several Oceanport Avenue and Wilson Avenue parcels.
- In Charles Wood, FMERA is working toward setting a closing date with JCP&L on the transfer of the Charles Wood power grid and substation
- Requests for Proposals: FMERA issued two RFPs on February 2, 2018 for Surveying Services and Environmental Consulting Services. Responses were due by 12:00p.m. on March 2, 2018. FMERA received 15 compliant Surveying Services proposals and 11 compliant Environmental Consulting Services proposals. An evaluation committee has evaluated the Environmental Services proposals and FMERA has awarded a contract to Langan Engineering & Environmental Services, Inc., a land development engineering and environmental consulting services firm. Surveying Services proposals will be evaluated in time for the May meeting.

2. Update on RFOTPs

The following is a town-by-town summary of the status of our redevelopment projects.

In **Oceanport**, FMERA closed on the Fitness Center on September 26, 2017 enabling Fort Partners, LLC, to renovate and expand the facility to emphasize basketball, fitness, and swimming programs, medically based fitness and wellness programs, and individualized and group training and classes, along with related and ancillary uses including a pro shop and health café. On August 16, 2017 FMERA closed on a 13-acre parcel on Murphy Drive in Oceanport, where the Borough purchased the property for their new municipal complex. FMERA closed on the Russel Hall building and associated property on June 23, 2017. TetherView Property Management, LLC, a private cloud computing services company relocated from New York to the 40,000 square-foot former Garrison Headquarters building. The company had been occupying the building under a lease prior to the closing and has already completed extensive renovations for new and current tenants. Russel Hall currently houses a variety of businesses including tech companies, medical offices, and an architecture firm, among others. FMERA closed on the Main Post Chapel on February 27, 2017 when Triumphant Life Assembly of God Church purchased the approximately 16,372 square foot building for use as a house of worship. FMERA also closed on the Officer Housing parcels on January 13, 2017 with RPM Development. The company is renovating the 117 historic housing units, creating 68 market-rate for sale units, and 48 rental units; twenty (20%) percent of the total units will be available to low- and moderate-income households. Rental units are expected to go on the market in early 2018. FMERA sold the Dance Hall parcel to AP Development Partners/Regional Development Group on April 4th. The developer plans to renovate the Dance Hall as a microbrewery, coffee house, and banquet facility.

Also in Oceanport, FMERA has executed a contract on the following parcel:

- Building 501, an approximately 1.7-acre site identified for conveyance to Family Promise of Monmouth County via a Legally Binding Agreement (LBA). The finalized LBA, a supporting Administrative Letter and a Purchase and Sale Agreement with the company were approved by the Board at the September 2017 meeting.

FMERA is in negotiations for the sale and redevelopment of the following 6 properties:

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital.
- Marina, approved for exclusive negotiations with AP Development Partners, LLC, and currently operating as a marina/public boat ramp and restaurant.
- Squier Hall Complex, an approximately 31-acre site currently under negotiations with the sole bidder, where the RFOTP called for office/research, institutional/civic (including educational) and/or open space/recreation uses. The future developer has secured a commitment from a state university for use of the site, contingent upon an executed PSARA with FMERA. Squier Hall is eligible for the National Register of Historic Places and will be retained.
- Lodging Area, a 15-acre site located on Parkers Creek currently under negotiations with the lead bidder, where the RFOTP called for medium density residential, institutional/civic and/or office/research & development uses.
- Allison Hall, the 13-acre parcel which includes the reuse of the historic building, as well as retail, office/research & development and open space/recreation uses.
- Barker Circle, an approximately 19.5-acre parcel in the historic district which includes the repurposing of buildings 205, 206, 207, 208, and 287, as well as the Main Post Firehouse and Kaplan Hall, for residential, office and other commercial uses.

FMERA intends to issue the following RFOTPs:

- The Commissary, the 53,700± sf former Army supermarket; and the Post Exchange (PX) complex, a series of four circa 1970 wood-frame buildings totaling 45,626± sf, along with Building 812, a 5,563± sf building constructed in 1941 for use by the Army Service Corps;
- The Warehouse District, consisting of five general purpose administrative buildings (Buildings 909 through 913) constructed in 1943 and two circa 1954 warehouse buildings (975 and 976) totaling 77,589± sf; and
- The Post Office Area, including the 7,641± sf former Post Office (Building 1005), constructed in 1971; Tickets & Tours (Building 1010), a 2,600± sf building constructed in 1970; Building 800, a 14,964± sf administration and classroom building dating to 1942; and Building 801, the 9,267± sf recreation equipment checkout facility built in 1941.
- Parties bidding on the Commissary and PX and/or the Warehouse District will have the option of also bidding on the 1000 Area Parking parcel, a 5± acre lot that will provide off-street parking for the buildings that adjoin it.

In **Eatontown**, FMERA has initiated negotiations with the second-ranked bidder on Parcel B. The Authority's RFOTP called for the development of a mixed-use town center along Route 35 totaling approximately 250,000 square feet of retail and 302 housing units.

Also in Eatontown, FMERA has approved or executed contracts on 3 parcels:

- Howard Commons, where American Properties at Monmouth, LLC, plans to build up to 251 residential units on approximately 64 acres on Pinebrook Road. American Properties will first be responsible for demolishing the existing housing units on the property.
- Eatontown Barracks, 6 buildings on Semaphore Avenue on an approximately 4.4-acre parcel, where FMERA entered into a PSARA with Kenneth Schwartz for the development of a commercial arts-related project, including studio, performance and gallery space, as well as short-term residential units for artists.
- Suneagles Golf Course, where FMERA has executed a PSARA with Martelli Development, LLC, to maintain and upgrade the existing Golf Course, renovate historic Gibbs Hall, and construct 75

new housing units. Martelli will continue to operate the course in the interim so it can remain open to the public as the redevelopment progresses.

Staff is in discussions with the Borough of Eatontown for potential reuse of Building 1123, a former general office building at Saltzman and Wilson Avenues, by the Borough's Department of Public Works. Staff expects to present a recommendation to the Board at an upcoming meeting.

FMERA intends to issue the following RFOTPs:

- Expo Theater, an 18,883sf entertainment facility built in 1968, previously used as a live theater and cinema; and adjacent properties, including Dean Field and portions of the M3, M5, and M8 landfills, as optional sub-parcels. At the December 2017 meeting, the Board authorized FMERA staff to make Expo Theater and adjacent properties available through the offer to purchase process.
- The Bowling Center, an approximately 2.8-acre parcel including Building 689, is an approximately 17,599 sf, 20-lane bowling and Building 682, a 4,720-sf wood frame building to be demolished by the selected bidder.

In **Tinton Falls**, FMERA closed on Parcel F-3 on February 23rd. The Monmouth County Park System purchased the property to develop in conjunction with the adjacent Fort Monmouth Recreation Center and Swimming Pool. The former gas station and convenience store site, located along Hope Road, will allow the County to expand services and public open space amenities currently offered at the Recreation Center. FMERA closed on the Fort Monmouth Recreation Center on February 23rd, which had previously been leased by Monmouth County.

FMERA has approved or executed contracts on another four projects in Tinton Falls:

- Parcels C and C1, with Lennar Corporation, approved for 288 residential units over the two parcels, and up to 58,000 square feet of retail development, was recently approved by the Borough's Planning Board. Closings are expected in the first half of 2018.
- Fabrications Shops (Pinebrook Road Commerce Center), 45,000 square feet of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC, which is slated to close imminently.
- Pistol Range and Satellite Road Parcel, with Kiely Realty Group for the reuse and upgrading of the former Pistol Range, and additional office and commercial uses on the combined approximately 5-acre parcel.
- Charles Wood Fire Station, with Commvault Systems, Inc. for the adaptive reuse of the Fire Station as corporate office space and swing space for Commvault's existing corporate campus and recreation uses on the open space on the property.

On June 26, 2017, the New Jersey Economic Development Authority (NJEDA) issued an invitation to bid on the abatement, demolition and site improvements for the former Myer Center and the adjacent building 2705. Bids were due on July 28th and 9 bids were received. NJEDA reviewed the submitted bids and has selected Tricon to provide remediation and demolition services. On September 20th, 2017, the Board approved a Purchase and Sale Agreement with NJEDA for the approximately 36-acre parcel. Work began in January 2018. Information regarding the abatement and demolition of the former Myer Center and Building 2705 is available on our website, www.fortmonmouthnj.com.

3. Marketing Update

This spring, FMERA will be focused on increasing press coverage and media placement to promote the redevelopment of the Fort, in particular focusing on the McAfee Complex and the 400 Area. The McAfee Complex is envisioned as a future tech campus and innovation center, and the 400 Area as a mixed-use development that will become a new Oceanport neighborhood.

With support from the Riddle team, FMERA has secured placement in several relevant industry publications, including NJ Business Magazine, Northeast Real Estate Business Magazine, Real Estate New Jersey, and Association of Defense Communities. Additionally, FMERA will be filming a segment with NJTV highlighting the growth of its tech community and other successful Fort Monmouth projects.

FMERA has also been invited by the Kislak Real Estate Institute at Monmouth University to host a panel discussion on Fort Monmouth for the NJ Chapter of the Appraisal Institute's Annual Conference. Speakers include FMERA Executive Director Bruce Steadman, FMERA Director of Real Estate Development Dave Nuse, Lennar Regional Director of Land Bob Calabro, and Phillips Preiss Grygiel Leheny Hughes LLC Principal and City Planner Liz Leheny.

Please visit our website, www.fortmonmouthnj.com, for more information, Fort Monmouth news and to sign up for our monthly digital newsletters.

4. Action Items for Next Month.

- Continued work with the N.J. Department of Environmental Protection and U.S. Army 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
- Continued work on the water, sewer, and electric system improvements

Approved By: Bruce Steadman

Prepared by: Sarah Giberson

ADOPTED
April 18, 2018

Resolution Regarding
**Approval of Fort Monmouth Economic Revitalization Authority 2017 Comprehensive
Annual Report**

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

WHEREAS, the Authority selected its independent auditors, CliftonLarsonAllen LLP, pursuant to Executive Order No. 122 (McGreevey); and

WHEREAS, the Authority's independent auditors audited and accepted the Authority's financial statements for January 1, 2017 to December 31, 2017, and issued an unmodified opinion regarding the financial statements; and

WHEREAS, pursuant to Executive Order No. 122 (McGreevey), the Audit Committee reviewed the draft Comprehensive Annual Report for January 1, 2017 to December 31, 2017 and recommends presenting the Members with the Annual Report; and

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

THEREFORE, BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority's 2017 Comprehensive Annual Report and approve submitting the Report to the Governor's Authorities Unit, the State Treasurer, the United States Department of the Army and posting it on the Authority's website.
2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: April 18, 2018

EXHIBIT 1

MEMORANDUM

TO: Members of the Board
FROM: Bruce Steadman
Executive Director
RE: 2017 Comprehensive Annual Report
DATE: April 18, 2018

Request

I am requesting Board approval the Authority's 2017 Comprehensive Annual Report, as required under Executive Order No. 37 (2006).

Background

The Fort Monmouth Economic Revitalization Authority (FMERA) distributes the annual report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. To meet the requirements of Executive Order No. 37 (2006), the annual report is combined with the audited financial statements and serves as FMERA's Comprehensive Annual Report for 2017.

FMERA is required to comply with Uniform Grant Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) which is intended to promote sound financial management including effective internal controls with respect to federal awards administered by state and local governments. FMERA's independent accounting firm, CliftonLarsonAllen LLP ensures compliance with Uniform Grant Guidance. FMERA expended less than \$750,000 in 2017, therefore, was exempt from Federal audit requirements.

In addition, per the Economic Development Conveyance (EDC) agreements with the Army, FMERA is required to submit annual financial statements to the United States Department of the Army, certified by an independent Certified Public Accountant that account for the annual gross and net revenues received by FMERA from all sales and leases, or equivalent use of Phase 1 and Phase 2 parcels and the reinvestment of EDC proceeds during the conveyance period.

The audited financial statements for the year ended December 31, 2017 were prepared by FMERA staff pursuant to Generally Accepted Accounting Principles for a government entity. The financial statements include information for operational and EDC activities. The independent accounting firm of CliftonLarsonAllen, LLP has issued an unmodified opinion with regard to the 2017 financial statements which is their highest opinion.

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

On April 12, 2018, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2017 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also, pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit did not result in any findings of significant deficiencies or material weaknesses. Subsequent to its review of the report, the Committee recommended that the report be presented to the Board for approval.

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

Recommendation

In summary, I am requesting that the Board approve the Comprehensive Annual Report for 2017 as required under Executive Order No. 37 (2006) in order to submit the report to the Governor's Authorities Unit, the State Treasurer, the United States Department of the Army, and post to the Authority's website.

Bruce Steadman

Prepared by: Jennifer Lepore