

**Fort Monmouth Economic Revitalization Authority
Board Meeting
April 18, 2018
FMERA Offices, 502 Brewer Avenue, Oceanport, NJ**

MINUTES OF THE MEETING

Members of the Authority present:

- Robert W. Lucky – Vice-Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Lillian Burry – Monmouth County Freeholder Deputy Director – V
- Vito Perillo – Mayor of Tinton Falls – V
- Joseph Irace – Oceanport Borough Council President – V
- Dennis Connelly – Mayor of Eatontown – V
- Adam Sternbach – Associate Counsel, Authorities Unit, Office of the Governor – V
- Donna Sullivan – Real Estate Vice President, NJ Economic Development Authority – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection
- Sean Gleason, Special Assistant to the Commissioner, NJ Department of Labor & Workforce Development
- William Riviere, Principal Planner, NJ Department of Transportation

V – Denotes Voting Member

Members of the Authority not present:

- Sean Thompson, Division of Local Planning Services, NJ Department of Community Affairs

Also present:

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

The meeting was called to order by Vice-Chairman Robert Lucky at 7:02p.m., who led the meeting in the Pledge of Allegiance to the Flag of the United States of America.

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

The first item of business was the approval of the March 21, 2018 regular meeting minutes. A motion as made to approve the minutes by Dennis Connelly and seconded by Donna Sullivan.

Motion to Approve: DENNIS CONNELLY Second: DONNA SULLIVAN
AYes: 5

Joe Irace abstained from voting stating he was not at the March meeting.

Freeholder Burry arrived at 7:07p.m.

WELCOME

Vice-Chairman Robert Lucky welcomed attendees to the meeting. Dr. Lucky stated that copies of the Board package were available at the door, and the Board package was posted to the FMERA website in the afternoon to give the public the opportunity to review the information in advance of the meeting.

Dr. Lucky stated that the Board would consider one board action: 1) Consideration of Approval of the Authority's Comprehensive Annual Report for 2017, as required by Executive Order No. 37.

The Vice-Chairman went on to state that there will be two public comment periods at the meeting based on the Authority's public meeting protocol, 3 minutes per speaker for the first for agenda items only, and 5 minutes per speaker for the second for any FMERA business. The Vice-Chairman reiterated his request for the public's cooperation in keeping comments as brief as possible. The Vice-Chairman continued by stating that in his role he is required to conduct an orderly meeting and complete the meeting agenda in a reasonable time period. The Vice-Chairman concluded by stating that FMERA continues to welcome the public's constructive comments and ideas.

SECRETARY'S REPORT

Bruce Steadman stated that there will be no Board action regarding a Purchase and Sale Agreement & Redevelopment for the Lodging Area in Oceanport.

Mr. Steadman stated that Jennifer Lepore has been promoted to Accounting Manager. She has done an outstanding job of managing FMERA's finances for 5 years, including 4 successful external audits to satisfy State requirement, and 4 Army audits. Formerly Senior Finance Officer, Ms. Lepore will assume her new duties immediately. Further, she recently closed out the last of the federal OEA grants with full endorsement by OEA officials as having satisfied all of their requirements. Members of the Board congratulated Ms. Lepore.

Mr. Steadman reminded the Board that Dave Nuse is the organization's Treasurer, but that Ms. Lepore would be giving the Treasurer's Report.

TREASURER'S REPORT

Jennifer Lepore stated that 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. FMERA's independent accounting firm, CliftonLarsonAllen, LLP completed the 2017 audit and reported their findings to the Audit Committee on April 12th. 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.

Bruce Steadman stated that this was the last contracted year with CliftonLarsonAllen and FMERA will be issuing a new Request for Proposals (RFP) for Independent Auditor Services in the coming months.

PUBLIC COMMENT REGARDING BOARD AGENDA ITEMS (3 minutes re: Agenda Items)

There was no public comment.

EXECUTIVE DIRECTOR'S REPORT

Kristy Dantes, Director of Facilities and Infrastructure gave the following update on RFPs and Contracts that FMERA is currently working on:

Utilities:

- The first phase of a new water supply system on the Main Post is complete. The new 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 and should commence soon. 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.
- In accordance with a Board approved agreement, RPM Development has taken down a portion of the chain link perimeter fence along the Western bounds of Oceanport Avenue and North of the Main Post entrance, to enhance the view and marketability of the former Officer Housing. Most of the fence will be relocated along the Southern bounds of the Allison Hall and Lodging parcels. RPM has also pointed and refurbished the brick monuments on either side of the Oceanport Avenue East gate entrance. The sliding security gate at the entrance will be removed and given to the County of Monmouth.
- FMERA issued two RFPs on February 2nd; for Environmental Consulting Services and Surveying Services. Responses were due on March 2nd. FMERA received 11 compliant proposals for Environmental Consulting Services. At the March meeting, the Board approved awarding a contract to Langan Engineering & Environmental Services, Inc. to serve as the Authority's environmental consultant. FMERA received 15 compliant proposals for Surveying Services. The evaluation committee is reviewing the proposals and will bring a recommendation to the May Board meeting.

Dave Nuse, Director of Real Estate Development and Deputy Executive Director, gave an overview on property sales and RFOTPs:

Currently, about 69% of the Fort's 1,126 acres is sold, under contract, in negotiations, or entering the request for proposals process.

In Oceanport, FMERA has sold 8 properties:

- Patterson Army Hospital on Main Street, owned by AcuteCare Health System;
- Officer Housing units, sold to RPM Development last January. RPM is in the process of renovating the 117 historic housing units. The first 48 units, including veteran's preference affordable housing, will be ready for occupancy this spring;
- Main Post Chapel, sold to Triumphant Life Church;
- Russel Hall, the former Garrison Headquarters building, sold to TetherView, a private cloud computing services company from New York;
- Oceanport Municipal Complex, a 13-acre property on Murphy Drive sold to the Borough of Oceanport last August;
- Fitness Center, sold to Fort Partners last fall, and currently undergoing renovations;
- Monmouth County emergency homeless shelter; a 3-acre property on Murphy Drive;
- Dance Hall, a 16,000 square-foot building on Brewer Avenue, sold earlier this month for commercial and retail uses.

Also in Oceanport, FMERA is under contract to convey Building 501, located next to the Main Post Chapel, to Family Promise of Monmouth County.

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

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- Marina, on Oceanport Creek, approved for exclusive negotiations with AP Development Partners, and currently operating as a marina/public boat ramp and restaurant;
- Squier Hall Complex, a 27-acre site containing historic Squier Hall, currently under negotiations with the sole bidder, zoned for office/research, educational and open space uses;
- Allison Hall, a 12-acre parcel on Oceanport Avenue, planned for retail, office and hotel uses;

- Barker Circle, located in the historic district in Oceanport, which is zoned for housing, office and retail uses;
- Lodging Area, a 15-acre site on Parkers Creek planned for new residential construction, along with the renovation of 2 historic buildings. The PSARA for the Lodging Area is in final review and will be presented at the next Board meeting.

In Eatontown, FMERA has sold the former Army Motor Pool to Monmouth County, and has executed agreements for the sale of the following properties:

- Howard Commons site on Pinebrook Road, where American Properties proposed to construct approximately 200 single family detached homes and 51 affordable housing units;
- Eatontown Barracks, 6 buildings across from the Bowling Center on the Main Post, that Kenneth Schwartz will acquire this spring to redevelop into an arts and cultural center use;
- Suneagles Golf Course, where Martelli Development proposes to renovate Gibbs Hall and construct 75 residential units. The golf course would be protected by a 40-year deed restriction.

Staff is in discussions regarding the following Eatontown properties:

- Parcel B, the planned site of a mixed-use town center, where FMERA has initiated negotiations with the second-ranked bidder;
- Building 1123 and adjacent land at the corner of Avenue of Memories and Wilson Avenue, which will provide facilities for the Borough of Eatontown's Department of Public Works.

In Tinton Falls, FMERA has sold 5 properties:

- Parcel E, to Commvault;
- Building 2525, to RADAR Properties, the affiliate of Aaski Technology;
- Child Development Center to Trinity Hall High School, which has begun work to expand the facility by 22,000 sf;
- Recreation Center and Swimming Pool, transferred to the Monmouth County Park System;
- Shopette and Gas Station on Hope Road, sold to the Monmouth County Park System in February, for use in conjunction with the County's Recreation Center.

FMERA has signed contracts on another 4 projects in Tinton Falls:

- Fabrications Shops, 45,000 square feet of flex space on Pinebrook Road, anticipated to close this spring;
- Pistol Range, under contract to Kiley Realty;
- Myer Center, where the NJEDA's has commenced demolition to prepare the 36-acre site for redevelopment;
- Parcels C and C1, with Lennar Corporation, which is approved for 288 residential units over the two parcels, and up to 58,000 square feet of retail development. The 2 parcels recently received Planning Board approval. Closings are planned for this spring.

Additionally, FMERA is about to sign a contract to sell the Charles Wood Fire Station on Corregidor Road to Commvault for commercial use.

FMERA plans to issue 5 Requests for Offers to Purchase this month, covering property in Eatontown and Oceanport. Please visit FMERA's website, www.fortmonmouthnj.com, for more information on our projects and our upcoming Requests for Offers to Purchase.

Sarah Giberson, Senior Marketing & Development Officer, stated that 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 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.

Mr. Steadman thanked Kenneth J. Kloo and the NJDEP for their help on the number of environmental projects that NJDEP is working on with the Army.

Mr. Steadman thanked the Boroughs of Oceanport, Eatontown, and Tinton Falls and the County of Monmouth for their continued support and excellent working relationships on various operational issues.

Mr. Steadman thanked Donna Sullivan and the NJEDA for their help with the Myer Center demolition project.

Mr. Steadman congratulated Freeholder Burry regarding the ribbon-cutting ceremony for the new Veterans Services Office which opened on April 5th at Russel Hall. He noted that Freeholder Burry has been working for several years to develop a veterans-focused service bureau here at the Fort, and congratulated her on the successful opening of this new County office.

Bruce Steadman gave an update on FMERA action items:

- 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/

a) AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Robert Lucky, stated that the Committee met on April 12th and discussed the following:

- Review and discussion of the Authority's 2017 Comprehensive Annual Report and the Audited Financial Statements. The Committee agreed that the report was both detailed and informative regarding the Fort redevelopment. The Committee discussed the Authority's net position and total and capital assets and liabilities. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Presentation by the Authority's auditor's CliftonLarsonAllen detailing the Authority's 2017 auditor's findings with the following results:
- Report includes an unmodified opinion for the Authority which is the highest opinion.
- Financial Statements are presented fairly in all material respects.
- No material weaknesses were noted on the Internal Controls over Financial Reporting, Compliance, and Other Matters.

b) REAL ESTATE COMMITTEE (ROBERT LUCKY)

Robert Lucky stated that the Committee met on April 10th and discussed the following:

- Discussion regarding the Lodging Area in Oceanport
- Other items of discussion:
 - Allison Hall
 - Barker Circle
 - Parcel B
 - Howard Commons

- Suneagles Golf Course
- Upcoming closings
 - Charles Wood Fire Station
 - Parcels C & C1
 - Eatontown Barracks
- Update on RFOTPs

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

Kenneth J. Kloo stated that the Committee did not meet this month, but will be meeting on May 7th.

d) HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (JAY COFFEY, CHAIRMAN)

Joe Irace, on behalf of Jay Coffey, stated that the Committee did not meet this month.

e) HOUSING STAFF ADVISORY COMMITTEE (SEAN THOMPSON, CHAIRPERSON)

Bruce Steadman, on behalf of Sean Thompson, stated that the Committee did not meet this month.

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

Lillian Burry stated that the Committee did not meet this month. Ms. Burry stated that on April 5th there was a ribbon cutting ceremony for the new Veterans Resource Center at Russel Hall. Ms. Burry stated that the ceremony was very well received. Ms. Burry thanked the attendees, participants and Tetherview for their hospitality.

BOARD ACTIONS

A) The next item before the Board was Consideration of Approval of the Authority’s Comprehensive Annual Report for 2017, as required by Executive Order No. 37.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Donna Sullivan and was seconded by Dennis Connelly.

Mayor Perillo asked for clarification on the concurrent and the nonconcurrent liabilities from Authority’s Financial Statements report.

Ms. Lepore stated that in 2016, the Loan Payable under current liabilities in the amount of \$33,525,000 represented the loan from Monmouth County for the purchase of the Phase 2 property from the Army. The notes were issued as 1-year obligations and because there was no guarantee that MCIA would issue subsequent notes, it was considered a current liability. When the notes matured in 2017, approximately \$10,000,000 was paid down and the balance of the principal was rolled over as 2-year obligations, which then made it a long-term liability in 2017 versus a current liability in 2016.

Motion to Approve: DONNA SULLIVAN Second: DENNIS CONNELLY
 AYes: 7

OTHER ITEMS

Mayor Perillo asked why greens fees and membership fees at Suneagles were going to be increased.

Bruce Steadman stated that the golf course business today is essentially a break-even business. He stated that he believed Martelli Signature Homes would have to invest as much as approximately \$3MM on irrigation and on-course upgrades to tee boxes, sand traps, green complexes, vegetation, and possibly \$3-\$4MM on upgrades at Gibbs Hall. Mr. Steadman stated that for Martelli to recoup their investment at Suneagles, they would need to receive income from such items as membership fees, bookings for parties and weddings at Gibbs Hall, and selling the planned 75 new golf course homes as described in their proposal.

Freeholder Burry asked if there will be a Veterans discount at Suneagles as in previous years. Kara Kopach stated that she would contact Martelli and follow up with Freeholder Burry regarding this question

Mayor Perillo stated that recently he visited the Pro Shop at Suneagles to inquire about a personal membership and was told a normal membership fee would be \$5,000 per year. Mayor Perillo stated that he asked the person at the Pro Shop what kind of discount was available for the Mayor of Tinton Falls. The Mayor stated that he was told that he would receive a 50% discount and that the membership fee would be \$2,500. Mayor Perillo stated that he paid a \$200.00 deposit towards the \$2,500 membership.

PUBLIC COMMENT REGARDING ANY FMERA BUSINESS (5 minutes re: any FMERA business)

There was no public comment.

There being no further business, on a motion by Lillian Burry seconded by Joe Irace and unanimously approved by all voting members present, the meeting was adjourned at 7:45p.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
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