

**Fort Monmouth Economic Revitalization Authority
Board Meeting
August 15, 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
- Teri O’Connor – Monmouth County Administrator – V
- Gary Baldwin –Tinton Falls Borough Council President – V
- Dennis Connelly – Mayor of Eatontown – V
- Patti Cooper – Oceanport Councilwoman – V
- Brian Wilton – Senior Counsel, Authorities Unit, Office of the Governor – V
- Juan Burgos – Finance & Development Manager, NJ Economic Development Authority – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection
- Sean Thompson, Director, Division of Local Planning Services, NJ Department of Community Affairs
- William Riviere, Principal Planner, NJ Department of Transportation

V – Denotes Voting Member

Members of the Authority not present:

- Sean Gleason, Special Assistant to the Commissioner, NJ Department of Labor & Workforce Development

Also present:

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

The meeting was called to order by Vice-Chairman Robert Lucky at 7:00p.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 July 18th regular meeting minutes. A motion as made to approve the minutes by Dennis Connelly and seconded by Gary Baldwin.

Patti Cooper abstained from voting stating she was not at the July meeting.

Motion to Approve: DENNIS CONNELLY Second: GARY BALDWIN
AYes: 6

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 the First Amendment to the Purchase and Sale Agreement with Triumphant Life Church Assembly of God for the Chapel Parcel in Oceanport.

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 continued by stating that FMERA continues to welcome the public's constructive comments and ideas. Finally, due to the number of designees at the Board table, Vice-Chairman asked each to introduce himself/herself and his/her affiliation for the benefit of the other attendees.

TREASURER'S REPORT

Jennifer Lepore, FMERA Manager of Accounting, stated that the budget process for 2019 is about to get underway. In the coming weeks, FMERA staff will hold budget sessions and begin drafting the 2019 FMERA Budget. The budget will then be presented to the Audit Committee for their review. The 2019 FMERA budget is scheduled to be brought to the Board for its consideration and approval at the December meeting.

SECRETARY'S REPORT

Bruce Steadman stated the next meeting scheduled for September 19th Board will be the Authority's annual meeting.

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 Utilities and Infrastructure, RFPs and Contracts:

Utilities and Infrastructure:

- The sanitary line installation along Sherrill Avenue, which will serve the former family housing and development along the North side of the Main Post is substantially complete.
- The design of the next two water main projects underway.
- Building 700, the former Recruitment Command building on Saltzman Avenue, has been razed by Army contractors and environmental clean-up actions have commenced.
- The Army Corp. of Engineers will award a contract within the next 30 days, to place a 2-foot vegetative soil cap across nine closed landfills, totaling approximately 50 acres. The Army Corp. anticipates awarding a contract in August with field work commencing in October.
- Two soil removal actions in the Squier Hall Phase II parcel are scheduled to begin in early September and last two weeks. FMERA is diligently working with Army personnel to take possession of the property by late fall.

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

Currently, about 70% 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 to date:

- Patterson Army Hospital, on Main Street, owned by AcuteCare Health System;
- Officer Housing units, sold to RPM Development and currently being marketed;
- Main Post Chapel, sold to Triumphant Life Church;
- Russel Hall, the former Garrison Headquarters building, sold to TetherView;
- Oceanport Municipal Complex; 13-acre property on Murphy Drive sold to the Borough of Oceanport;
- Fitness Center, sold to FM Partners and currently undergoing renovations;
- Monmouth County Homeless Shelter, a 3-acre property on Murphy Drive that Monmouth County broke ground on in August;
- Dance Hall, a 16,000 square-foot building on Brewer Avenue, sold to Regional Development Group for commercial uses (a microbrewery, coffee house and event space).

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 has signed a contract to sell the Lodging Area, a 15-acre site on Parkers Creek planned for 185 residential units, to Somerset Development.

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

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- 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 parcel on Oceanport Avenue, planned for retail, office and hotel uses; and
- Barker Circle, located in the historic district in Oceanport, planned for housing, office and retail uses.

Last month the Board approved a contract with AP Development Partners' purchase of the Marina, on Oceanport Creek, which is currently operating as a restaurant and marina.

FMERA received multiple proposals on the Commissary & PX, the Warehouse District and the Post Office Area on July 16th, covering a combined 25 acres, and staff has begun reviewing those proposals.

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

- 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 is in 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;
- And the Howard Commons site on Pinebrook Road, approved for up to 275 new homes. Site conditions at Howard Commons continue to be challenging, and we hope to have additional information to share at next month's meeting.

FMERA currently has two Eatontown properties out for RFOTP, the Expo Theater and the Bowling Center. Proposals are due on August 20th.

In Tinton Falls, FMERA has sold 6 properties:

- Parcel E, where Commvault has constructed its world headquarters;
- Building 2525, the home of Aaski Technology and the Kiely Companies;

- Child Development Center, the site of Trinity Hall High School, which is constructing an expansion that will double the size of the facility;
- the Recreation Center and Swimming Pool, operated by the Monmouth County Park System, along with the former Shopette and Gas Station site on Hope Road;
- Charles Wood Fire Station on Corregidor Road, representing Commvault's first expansion on the Fort.

FMERA has contracts on another 4 projects in Tinton Falls:

- Fabrications Shops, future flex space on Pinebrook Road;
- Pistol Range, to be renovated and expanded by Kiley Realty;
- The 36-acre Myer Center site, where the Board has approved the assignment of NJEDA's PSA to RWJ Barnabas Health for a new health care campus;
- 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, and closings are planned for this summer.

FMERA plans to issue RFOTPs for the 2 remaining Tinton Falls properties, the Pulse Power Building and Building 2719, after Labor Day.

Sarah Giberson, Senior Marketing & Development Officer, stated that FMERA continues to focus on marketing the McAfee Complex and conducting outreach to prospective developers and partners in the technology space.

The Authority hosted a half-day information session & discussion at the McAfee Center on July 25th with interested site-selectors, developers, and industry professionals. More than two dozen people attended and toured the facility.

Attendees expressed a high-level of interest in the development of the McAfee Complex as a technology park or innovation center. Both professionals in the real estate industry and technology sector pointed to information technology and cyber security as opportunities, citing the expanding tech workforce and need to address challenges in a rapidly changing technology landscape. The recent announcement of RWJBH's plans to develop a health campus at the former Myer Center site also sparked conversation surrounding the potential for uses that would support RWJBH's initiatives.

The team is in the process of finalizing the core components of the Requests for Offers to Purchase and intends to issue an RFOTP in early fall, subject to Board approval. FMERA also plans to host a similar event for the 400 Area, planned as a mixed-use transit-oriented development, later this year.

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

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.

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. He noted that the EDA abatement and demolition project at the Myer Center in Tinton Falls is reportedly going well and on schedule, and thanked EDA for their ongoing work on this and other FMERA-related projects. Mr. Steadman thanked Mr. Kloof and the DEP for their ongoing support of the redevelopment of the Fort through their relationship with the Army on various environmental projects that the Army has underway.

Mr. Steadman also noted that although this month's agenda is light with regard to Board action items, he stated that he expected that the September Board agenda would have multiple action items and as a result it may be a long meeting. He thanked the Board members for the continued support, advice, and direction.

Dr. Lucky asked for a status of the RPM Development Officers Housing redevelopment.

Dave Nuse stated that on the North Post, 35 of the 68 homes have been released to the broker for sale; 28 of the 35 are under contract; the next group of homes are to be released after Labor Day; and the final group is to be released in spring 2019. On the South Post, 5 of the 48 homes have received Certificates of Occupancy, of the 5 homes, 3 are occupied and market rate and the other 2 are affordable units.

a) AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Robert Lucky stated that the Committee did not meet this month.

b) REAL ESTATE COMMITTEE (ROBERT LUCKY)

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

- Discussion regarding the 1st Amendment to the Purchase and Sale Agreement with Triumphant Life Church. Under the terms of the PSA, the Purchaser had the option to construct a 115-space parking lot on the Property within twelve months of closing. Purchaser engaged in the design process for the parking lot and has indicated to FMERA that it will require an additional seventy-five days to complete construction of the parking lot. Purchaser has also agreed to provide a promissory note to FMERA guaranteeing the completion of the parking lot within that time frame. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Other items of discussion:
 - Riddle Company contract
 - NJAW Tank Location
 - Parcel B
 - Squier Hall
 - Myer Center
 - HabCore
 - Allison Hall
 - Howard Commons
 - Upcoming closings
 - Parcel C & C1
 - JCP&L
 - Eatontown Barracks
 - Update on RFOTPs

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

Kenneth J. Kloo stated that the Committee met on August 6th and discussed the following:

- Update on the Finding of Suitability to Transfer (FOST) for the fourteen Group 2 Environmental Carve-out Sites. The 30-day public comment period has expired with no public comment, and the Army has begun to prepare the deed to FMERA.
- Discussion on the Environmental Carve-out at the Former Auto Craft Shop, Building 1122, which has been demolished. The Army will address two underground storage tanks and the hydraulic lifts, among other items, prior to obtaining a No Further Action determination from the DEP.
- Discussion on the following Carve-out parcels:
 - FMERA has taken ownership of 5.2-acre parcel that includes Squier Hall (Building 283) and Building 288. The Army completed the remediation in the courtyard and has received an unrestricted use NFA

determination from the DEP. The remaining parcel contains two environmental carve-out areas which have been impacted by polycyclic aromatic hydrocarbons (PAHs) in soil, which the Army will remediate.

- The Army has submitted a work plan to the DEP to perform chemical injections at the Former Dry-Cleaning facility in Oceanport. The Army will continue to monitor the site and will receive an NFA when the ground water complies with the remediation standards.
- In January 2018, the Army submitted a Remedial Investigation Report/Remedial Action Workplan for the former AAFES gas station (Building 699) to the DEP for review. The DEP has asked the Army to investigate five hydraulic lifts which were found inside the garage area of the building.
- The Army has begun the PCB hot-spot soil removal at the M2 and M8 landfills. The Army has received proposals for the landfill capping, which will place a two-foot vegetated, soil cap over each of the nine landfills.
- The DEP inspected the potable water and sanitary waste systems on June 19th and FMERA was found to be in compliance.
- The Economic Development Authority demolition activities have begun at the Myer Center and are scheduled to be completed by April 2019. Removal of the asbestos waste and universal wastes have been completed in Quadrant 1, and removal of non-asbestos materials has commenced in Quadrants 2 and 3. The Army has awarded a to remove the concrete vault, excavate impacted soils and perform in-situ groundwater treatment associated with the Neutralization Pit.
- The Phase 1 work on the new water supply system on the Main Post is complete and design work for Phases 2 and 3 is underway. The new sanitary sewer line installation along Sherril Avenue is complete.
- Update on Recent Property Closings and RFOTPs which have been issued and will be issued in 2018.

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

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

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

Sean Thompson stated that the Committee met on August 13th and discussed the following:

- Discussion regarding Parcels C & C1. FMERA has executed a PSARA with Lennar Corporation and anticipates closing on the properties in August.
 - Parcel C1 will be developed with up to 49 residential units.
 - Parcel C will be developed to accommodate up to 239 residential units and up to 58,000 sq. ft. of retail development. 20% affordable housing results in 57 units on Parcel C which includes the affordable units for Parcel C1 as well.
- Discussion regarding a Transit Oriented Development (TOD) and the criteria necessary to incorporate at the Fort.
- Discussion regarding Howard Commons status.
- Discussion regarding Suneagles Golf Course. Martelli Signature Homes' proposed redevelopment includes the reuse of the Golf Course; construction of up to 60 residential units within the 10-acre former Megill Housing, and 15 units affordable immediately adjacent.
- Discussion regarding Parcel B. FMERA staff is in negotiations with the second highest proposer. Parcel B will include retail and/or commercial development on the parcel with the number of housing units at 302, with 20% affordable (60 units).
- Discussion regarding the Nurses Quarters in Oceanport. The buildings will be developed as 24 to 34 one and two-bedroom apartments with 20% affordable.
- Discussion regarding the Lodging Area in Oceanport, FMERA executed a PSARA with Somerset Development for 185 townhomes with 20% affordable, and the reuse of the two historical buildings.
- Discussion regarding Barker Circle. FMERA staff is in negotiations with the lead proposer. Barker Circle includes the development of 75 housing units with 20% affordable units.
- Discussion regarding Habcore. FMERA is working with Habcore for potential sites under FMERA's Legally Binding Agreement obligation.

- Discussion regarding the total number of housing units set forth in the Reuse Plan for Oceanport at 720. With the projects on the drawing board at present, the balance to be constructed in the 400 area is in the range of 225-250^{+/-}.
- Mr. Thompson noted that there was a brief discussion regarding the time it takes to get building permits in the Borough of Oceanport, and that delays may be attributed to the limited number of inspectors in the Borough and the fact that they only work part-time.

Councilperson Cooper stated that some of the delays associated with the RPM project were because RPM had not completed certain punch-list tasks that had to be completed before a final inspection could be conducted.

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

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

BOARD ACTIONS

A) The first item before the Board was Consideration of Approval of the First Amendment to the Purchase & Sale Agreement with Triumphant Life Church Assembly of God for the Chapel Parcel in Oceanport.

Kara Kopach, Manager of Development, read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Dennis Connelly and was seconded by Juan Burgos.

Juan Burgos asked how the value of the Promissory Note was determined.

Dave Nuse stated that the amount was determined by the estimated construction cost would be for each the 115 parking spaces.

Motion to Approve: DENNIS CONNELLY Second: JUAN BURGOS
AYes: 7

OTHER ITEMS

There were no other items before the Board.

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

Linda Zucaro of Tinton Falls stated that at the Housing Staff Advisory Committee meeting, of which she is a member, there was an update on the lottery that RPM Development held in February for the Officers Housing South Post affordable units, and in particular that all of the affordable units associated with the RPM project had been allocated as a result of this lottery. Ms. Zucaro stated that as a member of the Monmouth County A Team, which advocates for more affordable housing in Monmouth County, she was pleased to know, and would report to her group, that there was strong interest by affordable-housing seekers in the greater Fort Monmouth community, and that RPM had conducted a successful lottery of all its affordable housing units.

There being no further business, on a motion by Dennis Connelly seconded by Teri O'Connor 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
August 15, 2018

**Resolution Regarding
First Amendment to Purchase and Sale Agreement with Triumphant Life Church Assembly of God for
the Chapel Parcel in Oceanport**

WHEREAS, in September 2016, FMERA issued a Request for Sealed Bids to Purchase (“RFB”) for the Chapel Parcel in Oceanport, an approximately 5.0-acre parcel that contains Building 500 and is located on the Main Post Area of Fort Monmouth (“Property”) in the Oceanport Horseneck Center land use district and the Fort’s Historic District although the structure itself is non-contributing and not considered historic; and

WHEREAS, responses to the RFB were due on October 7, 2016 and one compliant response was received from Triumphant Life Church Assembly of God (“Triumphant Life”), a registered 501(c)(3) non-profit corporation.

WHEREAS, FMERA and Triumphant Life entered into a certain Purchase and Sale Agreement dated as of January 6, 2017 (“PSA”) whereby FMERA agreed to sell and Purchaser agreed to purchase the Property.

WHEREAS, FMERA and Triumphant Life closed on the sale of the Property on February 27, 2017

WHEREAS, Triumphant Life utilizes the Property as a house of worship and community outreach center; and the project will result in the creation of an additional ten part-time jobs at Fort Monmouth within eighteen months of completion of initial renovation and receipt of a certificate of occupancy; and

WHEREAS, the PSA approved by the Board included the following terms which will remain unchanged: Triumphant Life paid \$1,000,000 for the Property; closing occurred within thirty days of satisfaction of the conditions precedent to closing, which included Triumphant Life completing due diligence and receipt of a final remediation document; and FMERA conveyed the property to Triumphant Life in as-is condition, but with clear title and subject to the Army’s on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property; and

WHEREAS, Section 54(c) of the PSA provided Purchaser with the option to construct a 115-space parking lot on the Property within twelve months of closing. The parking lot shall be subject to review by the State Historic Preservation Officer (“SHPO”) and the Purchaser agrees any exterior renovation on the Property shall complement the architecture and design styles of the adjacent National Register Historic District and FMERA will have the right to repurchase the property if construction is not timely commenced and completed; and

WHEREAS, Triumphant Life will incur a minimum investment of approximately \$500,000 to complete the Project and will also be obligated to create 10 permanent, part-time jobs at the property within eighteen months of completing the initial renovation and receipt of certificate of occupancy; and

WHEREAS, the PSA was executed on January 6, 2017 and Triumphant Life closed on the Chapel property on February 27, 2017. Under the Executive Director’s discretion to administer the Board-approved PSA and under Section 6(c) of the PSA, which provides for an additional six months to complete the Project, the time period for construction of the parking lot was extended until August 27, 2018; and

WHEREAS, Purchaser engaged in the design process for the parking lot and has indicated to FMERA that it will require an additional seventy-five days to complete construction of the parking lot by November 10, 2018. Purchaser has also agreed to provide a promissory note in the amount of \$115,000 to FMERA guaranteeing the completion of the parking lot within that time frame. FMERA staff believes that this time period is reasonable and recommends extending the construction time for approximately seventy-five days to allow for Triumphant Life to complete the construction of its parking lot; and

WHEREAS, the Purchaser has indicated to FMERA that they will be unable to create ten (10) part-time jobs within eighteen (18) months of completing the initial renovation and receipt of certificate of occupancy, therefore FMERA staff recommends extending the job creation timeline by twelve (12) months; and

WHEREAS, FMERA and Triumphant Life have continued negotiations in order to work through the parking lot design and construction, and meeting the job creation requirements of Section 6(c) of the PSA where negotiations have led to an amendment to the PSA as described in the attached memorandum; and

WHEREAS, all other material terms of the PSA as presented to the Board will remain unchanged. The First Amendment to the PSA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office

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

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the First Amendment with Triumphant Life Church Assembly of God for the Chapel Parcel in Oceanport, on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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: August 15, 2018

EXHIBIT 1