

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: June 19, 2019

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 Utilities and Infrastructure
 - 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**

1. Consideration of Approval of the First Amendment to Purchase and Sale and Redevelopment Agreement with TetherView Property Management, LLC for the Allison Hall Parcel in Oceanport

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Adjournment**

to give the public the opportunity to review the information in advance of the meeting. Dr. Lucky stated that the Board would consider four board actions.

Dr. Lucky noted the protocol regarding the two opportunities for the public to address the Board, with the 3-minute limit for agenda items, and the 5-minute limit for all other FMERA business.

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.

SECRETARY'S REPORT

Bruce Steadman stated that there was no Secretary's report.

TREASURER'S REPORT

Jennifer Lepore, Manager of Accounting, stated that the 2018 Comprehensive Annual report of the Authority, approved by the Board at the April meeting, has been issued, distributed and posted to the Authority's website in accordance with Executive Order No. 37.

On a quarterly basis, staff compares actual expenditures to the approved budget, as well as projecting out to year-end to monitor spending and ensure the Authority stays on or under budget. FMERA controls spending to the extent possible, until land sales occur, and proceeds are received, at which point, we determine which projects in our budget can be completed. As of the end of the 1st quarter, FMERA is, and is targeted to remain on or under budget through year-end.

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

There was no public comment regarding agenda items.

EXECUTIVE DIRECTOR'S REPORT

Kristy Dantes, Director of Facilities and Infrastructure gave the following update:

- FMERA has several water main extension projects in process on the main post. The next water main extension to be installed, designated as "Phase 3B", originates on Main Street at Anson Avenue, and will serve the County Homeless Shelter, the Oceanport Municipal Complex, and future development along Murphy Drive. Using a design developed by FMERA and T&M Associates, NJAW put the project out for bid and has selected a contractor. The second half of Phase 3 will occur later this year. Meanwhile, FMERA and T&M Associates are working with NJAW to split the Phase 2 design into two Phases (2A and 2B) to serve the Eatontown Barracks, the Eatontown DPW parcel, and the Bowling Center.
- Remedial design continues by the Army Corp. of Engineers and their contractor, AECOM, on the capping of nine closed landfills totaling approximately 50 acres. Field work will commence in late fall. FMERA is working closely with the Army Corp. of Engineers to ensure a mutually beneficial outcome. The project will be completed in two to three years.
- Facilities is working with the Army Corp. of Engineers on the placement of additional monitoring wells associated with the environmental clean-up effort at the former dry cleaner site.
- Demolition of above-ground structures at the Myer Center is complete. Removal of remaining foundations and debris is nearing completion.
- The repair of the former commissary roof, which suffered wind damage in late winter, has been completed.
- FMERA is coordinating with Two Rivers Water Reclamation Authority (TRWRA) and Maser Consulting to begin the work outlined in the TRWRA MOU approved by the Board in April. The work involves finalizing the design of sanitary lines to outfall Horseneck Point, the Allison Hall Parcel, and the Lodging Parcel through the

400 area toward the proposed TRWRA lift-station along Riverside Drive. The design will eliminate a force-main currently traversing the Allison Hall and Lodging Parcels, allowing the developers of those parcels to proceed with design plans.

- Facilities continues to repair the street lights along Avenue of Memories. The age and condition of the street light infrastructure is problematic and requires near constant attention.
- Presently, the facilities team has additional projects and operations ongoing. Facilities continues to support the development team, monitor environmental concerns, and maintain properties slated for sale or reuse.

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

- FMERA continues to make good progress on the Fort's redevelopment, with about three-quarters of the Fort's 1,126 acres sold, under contract, in negotiations, or entering the request for proposals process. There are 18 sold properties to date, and another 9 parcels are under contract or have Board-approved sale agreements.
- In 2019, FMERA sold a major development site, Parcel C in Tinton Falls, to Lennar Corporation. Lennar began site work this spring for 243 homes and about 58,000sf of commercial space on the 40-acre site. The company is also currently constructing 45 single family homes on Parcel C-1 in Tinton Falls.
- In May, FMERA deeded Building 501 on Malterer Avenue in Oceanport to Family Promise. The non-profit is operating a daytime counselling and assistance center for families in need.
- Staff expects to sell the Fabrication Shops in Tinton Falls, the Artist Live/Work Barracks and the Golf Course in Eatontown, and the Marina and Squier Hall in Oceanport to our contract purchasers later this year.
- FMERA had hoped to close this fall on the Pistol Range in Tinton Falls, but the contract purchaser opted to terminate its contract earlier this month. FMERA plans to issue a new RFOTP for the Pistol Range property in the coming months.
- Staff will be asking for Board approval at tonight's meeting to enter into a contract to sell the Bowling Center in Eatontown to Parker Creek Partners.
- FMERA staff is currently in negotiations over the sale of 7 additional parcels, including Parcel B and Howard Commons in Eatontown, and Barker Circle, the Nurses Quarters, the Commissary, the Warehouse District and the Post Office Area in Oceanport. Staff hopes to bring these projects to the Board for contract approval this summer.

Please visit FMERA's website, www.fortmonmouthnj.com, for more information on our projects and our Requests for Offers to Purchase.

Sarah Giberson, Senior Marketing & Development Officer, stated that FMERA made the Pulse Power Building and Building 2719 available through the Requests for Offers to Purchase (RFOTP) process on Thursday, April 11th. Both parcels, located in the Tinton Falls section of the Fort, are planned for commercial redevelopment. However, recent changes to the status of the adjacent Pistol Range parcel may result in the issuance of one or more addendums to the Pulse Power and Building 2719 RFOTPs. Please visit our website to review any important updates impacting these RFOTPs.

FMERA will continue to market the Expo Theater, McAfee Complex, and the 400 Area to qualified leads including developers, site selectors and other organizational decision-makers. RFOTPs for these properties are expected to be made available in the next several months.

The development team continues to schedule speaking engagements and tours with various professional groups and organizations. This month, FMERA plans to host the Commercial Real Estate Women of New Jersey (CREW) for a presentation and tour, kicking off at the Marina. Special thanks to FMERA's outside marketing consultant, the Riddle Team, for helping to organize this event.

In an effort to broaden our reach and better engage the public, FMERA plans to roll out new social media accounts this summer, which will feature historical tidbits, showcase FMERA's progress-to-date, and advertise upcoming development opportunities. We look forward to connecting with our stakeholders online.

FMERA's comprehensive Annual Report is now available for review in both hard copy and on FMERA's website. Please take a moment to review some of our exciting development highlights and memorable moments from 2018.

FMERA will continue the Army's Flag Day tradition on Friday, June 14th, honoring the 244th birthday of the U.S. Army and 102 years of the Army's presence at the Fort. Please join our celebration in Cowan Park, in front of Russell Hall at 10:30a.m.

Bruce Steadman gave an update on FMERA action items:

Action Items for Next Month.

- a) Continued work with the N.J. Department of Environmental Protection and U.S. Army to identify and resolve environmental issues of concern
- b) Continued meetings and tours with interested prospective employers and investors
- c) Continued outreach to our stakeholders in the 3 host municipalities, the County and others
- d) Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities
- e) Continued work on the water, sewer, and electric system improvements.
- f) Continued drafting and revisions of documents for the 30+ projects underway

Jay Coffey asked for the status of the Marina sale. Dave Nuse stated that the Army continues to own the 4-acre Marina parcel, and has now obtained final environmental clearances, a No Further Action (NFA) determination from the NJDEP, and a Finding of Suitability to Transfer (FOST) at the federal level. The Army provided a draft deed to FMERA that deviated from their standard environmental provisions, so FMERA's attorneys are working with the Army to arrive at acceptable language. FMERA expects to receive title to the property in approximately thirty days, which will allow us to deed the property to the redeveloper this summer.

Gary Baldwin stated that it was nice to see Lennar working on Parcel C and asked what will happen to the small former chapel located on the parcel. Dave Nuse stated that the chapel will be demolished due to its lack of use and poor condition.

Gary Baldwin asked for the status of the Fabrication Shops closing. Bruce Steadman stated that there are three other parcels with common access to this parcel located on Pinebrook Road. The issues are related to which of the three adjacent parcels would be responsible for storm water design and control, and who would be responsible for upgrading the access road (Satellite Drive) to borough standards. There are also electric distribution, water and sewer issues to be identified between the three parties. When these issues are all rectified, FMERA will then be able to close with the prospective owner of the Fabrication Shops.

Lillian Burry asked if Parcel C-1 had been closed on. Dave Nuse responded that roughly two-thirds of the parcel had been closed on with Lennar, and that 11 single family lots were still not closed on due to ongoing work associated with relocating electrical poles and lines. This work should be completed in 60 days so that closing may occur.

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

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

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

Robert Lucky stated that the Committee met on May 7th and discussed the following:

- Discussion regarding the approval of Plan Amendment #14 regarding the Lodging parcel in Oceanport. The Committee reviewed the comments received from the Boroughs and the responses compiled by the Authority's planner in response to Oceanport's comments. The Committee reached a consensus and agreed to recommend to the Board for approval.

- Discussion regarding the First Amendment to the PSARA with KKF Enterprises, LLC for the Squier Hall Parcel. The Committee reviewed the terms of the Amendment. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding Third Amendment to the PSARA with Triumphant Life Church with regards to the installation of a new parking lot. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding the PSARA and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown. The Committee reached a consensus and agreed to recommend to the Board for approval.

Other Issues

- a. Pistol Range
- b. Parcel B
- c. Howard Commons
- d. Update on RFOTPs

3. 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 June 3rd.

4. HISTORICAL PRESERVATION STAFF ADVISORY COMMITTEE (JAY COFFEY, CHAIRMAN)

Jay Coffey stated that the Committee did not meet this month but will be meeting in June.

5. HOUSING STAFF ADVISORY COMMITTEE (SEAN THOMPSON, CHAIRPERSON)

Sean Thompson stated that the Committee did not meet this month but will be meeting in June.

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

Lillian Burry stated that the Committee did not meet this month.

BOARD ACTIONS

1. The first item before the Board was Consideration of Approval of Plan Amendment #14 Permitting Alternative Development Scenario in Oceanport.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 1.

A motion was made by Gary Baldwin and was seconded by Donna Sullivan.

During Discussion of the Motion, Jay Coffey made several comments.

Jay Coffey stated that Plan Amendment #14 is a contentious issue with Oceanport, and Oceanport provided a rather voluminous response to the Amendment. Mayor Coffey stated that Oceanport had three major issues with Plan Amendment #14 which include height, density and the number of school age children that the new development might generate, and that all of these are valid concerns and were properly raised by Oceanport’s representatives.

Mayor Coffey stated that these are issues that Oceanport cannot get around because of the existing FMERA statute and the approved Fort Monmouth Reuse Plan which include for Oceanport: 720 residential units, of which 144 of the

units must be affordable housing units, and that FMERA has zoning/planning control over development which trumps Oceanport's zoning/planning laws.

Mayor Coffey stated that to be fair, FMERA's only concession to the issues raised by Oceanport was that FMERA reduce the density per acre from 12.5 to 12, which is the maximum allowable under FMERA's Land Use Rules. As far as the height issue (44 feet versus Oceanport's general limit of 35 feet) is concerned, Oceanport does have a Waterfront Development Zone that allows for 45-foot buildings as long as, like the Somerset Development, there is interior parking.

Mayor Coffey stated that his vision of how the Oceanport section of the Fort is going to look differs greatly from that of five of the six Oceanport council members. With four liquor licensed facilities, 720 homes within 430 acres, a gym, a church, hundreds of thousands of square feet of commercial space, a college, a medical facility and a major roadway running through it, it will have a much different look and vibe than the rest of Oceanport, and that is okay with him.

Mayor Coffey stated that there are different neighborhoods in Oceanport: Port Au Peck looks different than the Racetrack area, Main Street looks different from the Pemberton area, which looks different from the Burnt Mill Circle area. As far as the height of the buildings is concerned, Mayor Coffey pointed out that the height of the proposed Somerset Development buildings does not add any additional living space, it just increases the volume of the rooms in that the proposal is to have 9 and 10-foot ceilings because the developer believes that this will add value to the units and make them more attractive to purchasers. While the majority of the Oceanport Municipal Council believes that allowing for 44-foot-high units is unfair to the rest of Oceanport, which is limited to 35 feet, the fact that Oceanport has a Waterfront Development District that allows for 45-foot-high units undercuts this argument.

Mayor Coffey stated that a more valid concern for Oceanport is the potential for more school age children to be introduced into the Oceanport School system. The RPM development proved to be problematic for Oceanport in that RPM's rental section produced an inordinate amount of school age children, but he pointed out that all of RPM's rentals are three-bedroom units. Three-bedroom units will generate more school children and it is hoped that Somerset's rental section will have no three-bedroom units or a minimum of the three-bedroom units.

Mayor Coffey further pointed out that Oceanport is obligated to have 144 affordable units. Under the law, a maximum of 20% can be 1 bedroom, 30% can be 2 bedrooms, 20% can be three bedroom and the remainder can be either 2- or 3-bedroom units. Under these conditions, Oceanport is required to generate 29 three-bedroom units out of the total 144 affordable obligation. RPM has already generated 24 of the 29. Mr. Coffey stated that in 2002 the Oceanport school system had over 800 children, but today the school system has only 630 children; similarly Shore Regional High School has had a dramatic reduction in the number of students and this is consistent with a Statewide trend for rural and suburban school systems.

Mr. Coffey stated that while the RPM rental units produced an inordinate number of school children, RPM's for sale units have produced no school age children as far as Oceanport is aware of. In as much as Somerset's for sale units are going to be offered at a higher price point than RPM's, Mayor Coffey assumes that Oceanport will not see a lot of school children from Somerset's for sale units. Even assuming if the units do produce school children, the tax revenue from the units should offset the costs.

By way of example, Mayor Coffey performed a tax analysis of the RPM for sale units. Based on assessments of \$30,571,700, Mayor Coffey calculated that these for sale units generate \$546,927 in gross tax revenue for Oceanport. Mayor Coffey pointed out that this analysis is based on assessed value only. Mayor Coffey then read actual sales data from the tax rolls evidencing that there is not one RPM sale that sold for less than its assessed value and, for the most part, the houses sold for far in excess of their assessed values. Mayor Coffey then performed an analysis of the proposed Somerset Development: assuming a \$750,000 sales price for 140 units (and the developer is hoping to sell them at \$900,000) that would total \$105,000,000 in ratables and \$1,878,450 in gross tax revenue per year.

Mayor Coffey pointed out, with regards to density, that development in Oceanport and Monmouth Beach, two towns in which he has lived, development is usually met with opposition and complaints that the development is going to ruin the town. He highlighted the change in Monmouth Beach over the last 30 years from a small town with small homes and a lower socio-economic base than surrounding towns into “Spring Lake North.” Mayor Coffey also pointed out how his own house was built on swamps where he used to ice skate as a kid and when houses were built there and in the swamps at the entrance of Oceanport by the bridge that leads over to Little Silver, there were a lot of people who were upset about the developments who felt that the town would be ruined by these developments. Oceanport was not ruined by these developments.

Mayor Coffey also read into the record the gross real estate taxes being generated per year by the properties that have been sold on the Fort: RPM Development Fort Monmouth Historic Housing - \$70,579; Tetherview (Russel Hall) – \$23,473; AcuteCare (former Patterson Army Hospital) –\$139,493; Fort Partners (Fitness Center) - \$41,000.

Mayor Coffey stated that there is an inherent conflict of interest that the FMERA statute has baked into it in that the Mayors who sit as FMERA Board members have their own vote, not a vote that is subject to the advice and consent of their councils.

Mayor Coffey pointed out that Somerset is not an insubstantial developer, they are developing Bell Works, and they are willing to invest \$17MM dollars to purchase the property and millions more in development costs. If we do not move forward with development, Oceanport risks the possibility that the market will change, and development will cease. That would mean that FMERA would not be going away any time soon and that is not something that Mayor Coffey finds comforting.

Mr. Coffey allowed for the fact that 5 of the 6 Councilmen in Oceanport are against the approval of Plan Amendment #14, but he believes that it is in the best interest of Oceanport to move forward with this development and that both Oceanport and the overall development of the Fort property will be positively impacted by this development. Mayor Coffey stated that for all these reasons, he would be voting yes for the approval of Plan Amendment #14.

Gary Baldwin commended Mayor Coffey for his research and sensibility with regards to Plan Amendment #14, and his comments.

Bruce Steadman conducted a roll call vote.

Name	Yes	No	Abstain
Robert Lucky	X		
Lillian Burry	X		
Gary Baldwin	X		
Jay Coffey	X		
Patty May Kelly	X		
Donna Sullivan	X		
Adam Sternbach	X		

Motion to Approve: GARY BALDWIN Second: DONNA SULLIVAN
AYes: 7

2. The second item before the Board was Consideration of Approval of the First Amendment to the Purchase and Sale & Redevelopment Agreement with KKF Enterprises, LLC for the Squier Hall Complex.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 2.

A motion was made by Jay Coffey and was seconded by Gary Baldwin.

Motion to Approve: JAY COFFEY Second: GARY BALDWIN
AYes: 7

3. The third item before the Board was Consideration of Approval of Third Amendment to the Purchase and Sale Agreement with Triumphant Life Church for the Chapel Parcel in Oceanport.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 3.

A motion was made by Donna Sullivan and was seconded by Lillian Burry.

Motion to Approve: DONNA SULLIVAN Second: LILLIAN BURRY
AYes: 7

4. The fourth item before the Board was Consideration of Approval Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 4.

A motion was made by Lillian Burry and was seconded by Jay Coffey

Motion to Approve: LILLIAN BURRY Second: JAY COFFEY
AYes: 7

OTHER ITEMS

There were no other items before the Board

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 Jay Coffey and seconded by Lillian Burry and unanimously approved by all voting members present, the meeting was adjourned at 8:03p.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

**Resolution Regarding
Approval of Plan Amendment #14 Permitting Alternative Development Scenario in Oceanport**

WHEREAS, the FMERA Act, P.L. 2010, c.51, in N.J.S.A. 52:27I-26(c), and the Land Use Rules, in N.J.A.C. 19:31C-3.27, authorize FMERA to amend the Reuse Plan from time to time as development progresses; and

WHEREAS, pursuant to the Land Use Rules, FMERA must transmit any proposed Reuse Plan amendment to the governing body of the three municipalities for a 45-day comment period and then consider any comments prior to the Board approving or disapproving the amendment; and

WHEREAS, the proposed Amendment #14, prepared by the Authority's planning consultant, Phillips Preiss Grygiel Leheny Hughes, LLC (PPGLH) envisions the redevelopment of the Oceanport Reuse Area for approximately 1.75 million square feet of non-residential space and 720 residential units which would include a high-tech/green-industry cluster, education/medical campus, a neighborhood center, a boutique hotel and spa, and expansive green space including the historic Parade Ground; and

WHEREAS, in accordance with the FMERA Act and the Land Use Rules, the Board approved transmitting the proposed Reuse Plan Amendment #14 to the host municipalities at its January 16, 2019 meeting; and

WHEREAS, the 45-day comment period commenced on February 5, 2019; and

WHEREAS, the comment period expired on March 21, 2019 and correspondence was received from Eatontown, Oceanport and Tinton Falls; and

WHEREAS, FMERA staff reviewed the correspondence and provided responses to all comments to the Real Estate Committee and recommended that Plan Amendment #14 be modified in response to certain comments from the Borough of Oceanport; and

WHEREAS, the Real Estate Committee has reviewed the responses to the comments from the three host municipalities for the Reuse Plan Amendment #14 and recommends adoption of Amendment #14 to the Board.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority adopts the responses contained in the attached memorandum, to the comments from the Boroughs of Eatontown and Oceanport, Tinton Falls.
2. As expressed in the attached memorandum, the Authority approves Amendment #14 to the Fort Monmouth Reuse and Redevelopment Plan that would permit an alternative development scenario in the Oceanport Reuse Area.
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: May 23, 2019

EXHIBIT 1

**Resolution Regarding
First Amendment to Purchase and Sale Agreement with KKF University Enterprises, LLC for the Squier
Hall Complex**

WHEREAS, Squier Hall is a two-story, 76,538 sf administration building located on Sherrill Avenue on the Main Post. Squier Hall is part of a complex of seven buildings totaling 153,835 sf and covering approximately 26.8 acres (the Property). FMERA acquired a ±5.73-acre portion of the overall Property (the Phase I Parcel) containing Squier Hall and Building 288 from the Army in the spring of last year. Army transferred a second parcel containing the balance of the buildings (the Phase II Parcel) in December 2018; and

WHEREAS, at its August 2014 meeting, the Board authorized staff to offer the Squier Complex through the Request for Offers to Purchase (RFOTP) process, and FMERA received one proposal in response to its April 29, 2016 RFOTP, from KKF; and

WHEREAS, an evaluation committee reviewed the proposal and found it to be compliant with the RFOTP, and recommended proceeding with negotiations for a PSARA; and

WHEREAS, KKF's proposal called for the renovation of Squier Hall for lease to New Jersey City University (NJCU) for a baccalaureate completion site for upper division educational coursework, and those programs would be relocated to Squier Hall; and

WHEREAS, KKF's proposal included Phase I, which included renovation of Squier Hall, demolition of Building 288 and installation of a new parking lots, Phase II that required the demolition of all of the existing buildings on this parcel and the potential for a future residence hall and possible future additional athletic and academic buildings on site to accommodate the newly established student body of up to 800 students, and Phase III for a potential future parking and recreational uses on the landfill areas; and

WHEREAS, KKF will invest a minimum of \$10,440,748 in renovating approximately 46,000 sq. ft of Squier Hall and demolishing the other buildings as permitted in Reuse Plan Amendments #6 & #13. Any additional development for Phase II and III will require a Reuse Plan Amendment; and

WHEREAS, the PSARA was approved by the Board at its September 25, 2018 meeting, and executed by FMERA and KKF on October 24, 2018; and

WHEREAS, pursuant to the original terms of the PSARA, KKF would pay \$2,500,000 for the entirety of the Property, allocated as follows: \$1,500,000 for the Phase I Parcel; \$700,000 for the Phase II Parcel; and \$300,000 for the Phase III Parcel, and KKF shall take all necessary measures to ensure the National Register historic preservation covenants on the Property for Squier Hall are observed; and

WHEREAS, the conditions precedent to Phase I and Phase II closing(s) include: KKF completing due diligence and obtaining all approvals necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; and the consent of the NJEDA Board. The Phase I and II closings are not contingent on the sale of the Phase III parcel. The conditions precedent to Phase III closing include: KKF completing due diligence and the consent of the NJEDA Board. FMERA will convey the property to KKF in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address pre-existing contamination that may exist on the property; and

WHEREAS, FMERA will have a right to repurchase the Property if Phase I construction and Phase II demolition are not timely commenced or completed. KKF shall make a minimum capital investment in the Project of \$10,440,748. KKF estimates that it will create approximately fifty-eight temporary construction related jobs in connection with the Project, and that the project will create a minimum of seventy permanent full- or part-time jobs

within forty-eight months of closing or pay a penalty of \$1,500 for each permanent job not created; and

WHEREAS, KKF will also be responsible for funding a new sewer main running west from the Property along Sherrill Avenue and connecting to a meter pit in the M8 landfill, a distance of approximately twenty-two hundred feet. The cost for this has been estimated to be \$300,000; and

WHEREAS, during its due diligence period, KKF discovered several environmental concerns that required additional investigation, including: reengineering and rerouting of existing storm drainage pipes and outfalls originally installed by the Army; asbestos abatement; and roof replacement. Additionally, the New Jersey State Historic Preservation Office has required the preservation of certain historical amenities not previously identified as items for preservation, including the terrazzo floor and bronze stairwell, façade, cornice, and entryway; and installation of an interpretative display in Squier Hall's lobby; and

WHEREAS, these items for remediation and preservation were unknown at the time of KKF's proposal and would substantially increase KKF's redevelopment project costs; and

WHEREAS, KKF has requested consideration for these unknown conditions, requesting a reduction of the overall purchase price, a delay in payment to FMERA until year six, and an extension of due diligence for an additional thirty (30) days; and

WHEREAS, KKF has a 40-year lease with an option to purchase with NJCU for the satellite campus to be located on the Squier Hall Parcel. According to terms of the lease, the costs associated with the redevelopment of the Squier Complex will be amortized as part of that lease and paid for by NJCU over the 40-year term. Consequently, the additional costs associated with developing the Squier Hall Parcel will be passed on to NJCU under the terms of its lease with KKF; and

WHEREAS, NJCU leadership has indicated that it is expected to take approximately five years for the NJCU campus to be optimized with respect to student enrollment, receipt of tuition monies, management of expenses, and other operational aspects so that the net cash flow for NJCU would be positive. This timeline was taken into consideration with respect to KKF's request that payment begin in year 6; and

WHEREAS, FMERA staff has taken into consideration NJCU's financial obligations associated with the redevelopment of the Squier Complex and its status as a public entity and staff has determined there will be substantial public benefit to this price reduction and repayment timeline so long as the benefits are passed through to NJCU; and

WHEREAS, based on KKF's request for consideration of these unknown conditions and the above stated public purpose and support for a public university, FMERA staff proposes the attached contract amendment to the PSARA with the following revisions to its material terms, so long as these terms are in a manner consistent with FMERA's obligations under the agreement with the County: (1) reduction in purchase price for Phases I, II and III from \$2.5 million to \$1.3 million, if paid at closing, or \$1.5 million, if paid on an installment basis as set forth on the attached schedule and secured by a mortgage or bond; (note that KKF will still pay out of pocket for approximately \$1.7 million in additional unreimbursed costs associated with previously unknown conditions); (2) an option to acquire the landfills for \$1 at KKF's discretion within 12 months of notification by the NJDEP that the Army's landfill closure plan has been successfully completed; (3) closing on the Phase I and Phase II Parcels to occur no later than July 15, 2019; (4) construction of Phase I to commence within 90 days of closing, completion of demolition of Buildings 291 and 295 to occur within 15 months of closing, completion of demolition of Buildings 296, 292 and 293 to occur within thirty months of closing; (5) KKF to reimburse FMERA at closing for the installation of the offsite sewer line at closing (estimated at \$300,000); (6) KKF to provide FMERA with a fully executed copy of the KKF to NJCU 40-year lease; (7) KKF to provide FMERA with a fully executed copy of an agreement demonstrating all cost savings associated with any reductions in purchase price or delayed payments of same will benefit NJCU as a result of the terms of the aforementioned KKF to NJCU lease; (8) FMERA to place a restrictive covenant on the Squier Hall Property at closing running with the land and requiring that the Property be used solely for County or State-administered Higher Education purposes until the purchase price is fully paid by KKF and any mortgage in favor of FMERA is satisfied or upon FMERA's written agreement; and (9) due diligence will be extended for an

additional thirty (30) days for Phase II for to allow for additional investigation of unknown conditions; and

WHEREAS, the attached PSARA amendment is in substantially final form. The final terms of the PSARA amendment are subject to the approval of FMERA's Executive Director, KKF and the Attorney General's Office; and

WHEREAS, the Real Estate Committee has reviewed the request and recommends approval of the First Amendment to Purchase and Sale Agreement with KKF University Enterprises, LLC for the Squier Hall Complex.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the First Amendment with KKF University Enterprises, LLC for the Squier Hall Complex 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: May 23, 2019

EXHIBIT 2

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

WHEREAS, on December 14, 2016, the Board authorized the execution of the PSA between FMERA and Triumphant Life for the Chapel Parcel, an approximately 5.0-acre parcel that contains Building 500 and is located on Malterer Avenue in the Main Post Area of Fort Monmouth ("Property"). The building was used as a general house of worship for the Fort. The Property is 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, Triumphant Life is a registered 501c3 non-profit corporation that has acquired the Property and utilizes this location for its house of worship and community outreach center; and

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

WHEREAS, pursuant to the terms of the PSA, Triumphant Life paid \$1,000,000 for the Property, reflecting its proposal. Closing occurred within thirty (30) days of satisfaction of the conditions precedent to closing, February 27, 2017, which included Triumphant Life completing due diligence and receipt of a final remediation document. 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, the Project consisted of the renovation of the existing structure as a house of worship and community outreach center. Triumphant Life obtained its Certificate of Occupancy within the required twelve months of closing and has used and occupied the existing structure as a Chapel since receipt of that certificate. Under the terms of the Project, the Purchaser had the option to construct a 115-space parking lot on the Property within twelve months of closing. This parking lot is to be subject to review by the State Historic Preservation Officer ("SHPO") and Purchaser has agreed that any exterior renovation on the Property shall complement the architecture and design styles of the adjacent National Register Historic District; and

WHEREAS, under the Executive Director's discretion to administer the Board-approved PSA and under section 6 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 indicated to FMERA that it would require an additional seventy-five days to complete construction of the parking lot; and

WHEREAS, on August 15, 2018, the FMERA Board approved the first amendment to the PSA to allow for Triumphant Life to have 1) a seventy-five day extension of the construction timeline to complete a 115-space paved parking lot on the Property, whereby Triumphant Life would provide a promissory note to guarantee completion of the parking lot within that timeline and FMERA would provide a short-term license to park 115 vehicles off-site during that timeline; and 2) a twelve month extension of the job creation timeline, as referenced in Section 6(c) of the PSA; and

WHEREAS, on October 17, 2018, the FMERA Board approved the second amendment to the PSA to allow for: 1) an extension of the construction timeline until May 15, 2019 to complete a 115-space paved parking lot on the Property; and 2) a promissory note to guarantee completion of the parking lot within the May 15, 2019 completion date; and

WHEREAS, Triumphant Life has continued to work with FMERA to complete the Mandatory

Conceptual Review (MCR) of the parking lot to ensure the parking lot design and construction is compliant with FMERA's Land Use Rules; and

WHEREAS, these continued efforts have led to the attached third amendment to the PSA with the following revisions to material terms: 1) an extension of the construction timeline until September 12, 2019 to complete a 115-space paved parking lot on the Property; and 2) an amended promissory note to guarantee completion of the parking lot within the September 12, 2019 completion date; and (3) an extension of the short-term license to park 115 vehicles off-site until September 12, 2019.

WHEREAS, all other material terms of the PSA as presented to the Committee and the Board will remain unchanged. The attached Third Amendment to 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 the request and recommends Board approval of the Third Amendment to the Purchase and Sale Agreement with Triumphant Life Church Assembly of God for the Chapel Parcel.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Third 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: May 23, 2019

EXHIBIT 3

**Resolution Regarding
Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the
Bowling Center Parcel in Eatontown**

WHEREAS, FMERA issued a Request for Offers to Purchase (“RFOTP”) on June 22, 2018 in connection with the sale of the 2.8-acre Bowling Center Parcel in Eatontown (the “Property”). The Bowling Center, also known as Building 689, is an approximately 17,599 sf structure located at the corner of Saltzman and Wilson Avenues. The 2.8-acre parcel also includes Building 682, a 4,720-sf wood frame building constructed in 1941, which must be demolished by Parker Creek Partners, LLC (“PCP”); and

WHEREAS, the RFOTP gave bidders the option of proposing to purchase Building 689 and ground lease all or portions of the 2.8 acres of land, rather than purchasing both the land and the building. Ground leasing the land from FMERA would make the lessee potentially eligible to obtain a special concessionaire permit from the State of New Jersey, Division of Alcoholic Beverage Control to serve alcohol on the premises. However, the PSARA and Ground Lease are not contingent on PCP’s ability to obtain a special concessionaire permit, which is at PCP’s sole risk, cost, and expense; and

WHEREAS, RFOTP responses were due on July 10, 2017 and PCP submitted the sole response and proposed to purchase the improvements on the Property and ground lease the underlying land. An evaluation committee scored the proposal and deemed it compliant. As the winning proposal, the evaluation committee recommended proceeding with negotiations for a PSARA and Ground Lease; and

WHEREAS, PCP intends to develop the Property in one or more phases for commercial, recreational, entertainment and retail uses. The Project will consist of the renovation of the existing Bowling Center and the demolition of Building 682 and install necessary site improvements at its sole cost and expense; and

WHEREAS, PCP intends to finance the Project through its equity partners as well as through conventional financing from a local or regional bank. Its total capital investment, net of the purchase price, is estimated at \$5,200,000 reflecting \$3,700,000 for Phase One and \$1,500,000 for Phase Two; and

WHEREAS, pursuant to the terms of the PSARA, PCP will pay \$1,350,000 for the Property, and ground lease all or portions of the 2.8-acre Bowling Center Parcel for ninety-nine years for \$1 per year. Closing will occur within one-hundred twenty days after satisfaction of all conditions precedent to closing, including: completion of due diligence; receipt of Mandatory Conceptual Review approval from FMERA; submission of Purchaser’s site plan application to the Borough of Eatontown; and FMERA’s receipt of title to Parcel 102D, an environmental carve-out from the Army; and

WHEREAS, the due diligence period will run for sixty days from the PSARA execution date and may be extended for an additional thirty days if necessary to complete environmental investigations. FMERA will convey title to the improvements and ground lease the land to PCP 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, Purchaser will apply for and diligently pursue the required approvals for the Project within thirty days following the completion of Due Diligence; provided, that if any such approvals are dependent upon other approvals, Purchaser shall not be required to apply for such approvals until the prerequisites therefore have been satisfied. Purchaser will have an Approval Period of up to ninety days following closing to obtain all necessary approvals. In the event Purchaser has not obtained all necessary approvals within the Approval Period despite having pursued them diligently and in good faith, Purchaser shall be entitled to a ninety-day extension; and

WHEREAS, The Project will consist of the renovation of Building 689 as a bowling entertainment center, the installation of necessary site improvements, the demolition of Building 682, and construction of a 10,000± sf expansion of Building 689. Purchaser will be responsible for the demolition of Building 682 by the date which is the earlier of: (i) twelve months after the expiration of the Approval Period or the Approval Extension Period, whichever is later; or (ii) the date Purchaser receives a certificate of occupancy or temporary certificate of occupancy for the existing Bowling Center.

Purchaser will commence the Project within ninety days of the Approval Period (and, if applicable, the Approval Extension Period) and complete the Project within twelve months thereafter; and

WHEREAS, if developed in phases, the renovation of the existing Bowling Center, the demolition of Building 682 and associated site improvements would constitute Phase One, and after Building 682 is demolished, PCP under the Land Use Rules would expand Building 689 by up to 10,000± sf, which would constitute Phase Two of the Project.

WHEREAS, at Purchaser's option, Purchaser may elect to undertake and complete construction of the Project in phases as described above, with completion of each phase evidenced by receipt of certificates of occupancy. If Purchaser elects to complete the Project in phases, it will commence Phase One within ninety days of the Approval Period (and, if applicable, the Approval Extension Period) and complete Phase One of the Project within twelve months thereafter. Purchaser will commence Phase Two of the Project within twenty-four months of Closing and complete Phase Two within twelve months thereafter; and

WHEREAS, additionally, PCP will fund or install, at its sole cost and expense, five hundred (500') linear feet of new water mains and five hundred (500') linear feet of new sewer mains outside the Property as directed by FMERA; and

WHEREAS, FMERA will have the right to repurchase the Property if construction is not timely completed, and the Purchaser also covenants to create twenty-two permanent, full-time and/or part-time jobs at the Property within twelve months of Project completion or pay a penalty of \$1,500 for each job not created; and

WHEREAS, based on the redevelopment provisions of the PSARA between FMERA and PCP, staff concludes that the essential elements of a redevelopment agreement between FMERA and PCP are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with PCP for its redevelopment of the Bowling Center Parcel; and

WHEREAS, the PSARA and Ground Lease between FMERA and PCP are in substantially final form. The final terms of the PSARA and Ground Lease are subject to the approval of FMERA's Executive Director and the Attorney General's Office. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of Parker Creek Partners, LLC as the purchaser of the Bowling Center and associated property in Eatontown on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale & Redevelopment Agreement and Ground Lease and on final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSARA and Ground Lease and take any necessary actions to effectuate the selection of Parker Creek Partners, LLC as the purchaser.

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

Dated: May 23, 2019

EXHIBIT 4

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: June 19, 2019

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 Utilities and Infrastructure; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort; and Action Items for Next Month.

Treasurer's Report

1. Second Quarter 2019 Financial and Operational Summary

With the close of the second quarter on June 30th, FMERA staff will begin preparing the financial and operational summary for the first half of 2019. Staff will be meeting to assess the first six months of 2019 and assess the performance against the 2019 organization goals. FMERA staff will present the financial and operational summary report to the Audit Committee at their next meeting.

Executive Director's Report

1. Update on Utilities and Infrastructure

- FMERA has several water main extension projects in process on the main post. Phase 3B is presently being installed. This phase originates on Main Street at Anson Avenue, and will serve the County Homeless Shelter, the Oceanport Municipal Complex, and future development along Murphy Drive. Phase 3A will tie Phase 3B to the Phase 1, which was completed early last year and serves the Main Post historic district. Meanwhile, New Jersey American Water has agreed to allow the split of the Phase 2 design into 2A and 2B. Phase 2A will feed the Eatontown Barracks, Eatontown DPW parcel, and the Bowling Center. Phase 2B will connect Phase 2A to phase 1. Phases 4, 5, and 6 will, in the future, link Phase 2 to Route 35 along Avenue of Memories. In the end the Main Post will be served by a New Jersey American Water owned and operated system that is fed from four directions; Oceanport Avenue and Main Street in the Borough of Oceanport, and Broad Street and Route 35 in the Borough of Eatontown.
- Facilities is working with the Army Corp. of Engineers concerning the placement of additional monitoring wells associated with the environmental clean-up effort at the former dry cleaner carve-out site. Installation work is scheduled for completion by June 14th.
- Demolition at the Myer Center is complete. The site has been graded and stabilized.

- FMERA is coordinating with Two Rivers Water Reclamation Authority and Maser Consulting to progress the work outlined in the TRWRA MOU approved by this Board in April. The work involves finalizing the design of sanitary lines which serve Horseneck Point, the Allison Hall Parcel, and the Lodging Parcel through the 400 area toward the proposed Two Rivers lift-station along Riverside Drive. Said design will eliminate a force-main currently traversing the Addison Hall and Lodging Parcels, allowing the developers of those parcels to proceed with design plans.
- Facilities continues to repair the street lights along Avenue of Memories. The age and condition of the street light infrastructure is problematic and requires near constant attention.
- The facilities team, along with the on-site maintenance contractor, Chenega, has 30+ ongoing projects and operations. Facilities also continues to support the development team, monitor any environmental concerns, and maintain properties slated for sale or reuse.

2. Update on RFOTPs

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

In **Oceanport**, FMERA has closed on the following seven properties:

- Officer Housing Parcels on January 13, 2017 with RPM Development. The company is renovating the 116 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. Residents are beginning to occupy the rental units and the for-sale units.
- 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.
- Russel Hall 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. Russel Hall currently houses a variety of businesses including tech companies, medical offices, and an architecture firm, among others.
- 13-acre parcel on Murphy Drive on August 16, 2017, where the Borough purchased the property for their new municipal complex.
- Fitness Center on September 26, 2017 enabling Fort Partners, LLC, to renovate and expand the facility to emphasize basketball and fitness 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.
- Dance Hall parcel on April 4, 2018 to AP Development Partners/Regional Development Group. The developer plans to renovate the Dance Hall as a microbrewery, coffee house, and banquet facility.
- Building 501, an approximately 1.7-acre site identified for conveyance to Family Promise of Monmouth County via a Legally Binding Agreement (LBA).

Also in Oceanport, FMERA has executed or approved contracts on the following four properties:

- 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. At the October 2018 meeting, the Board approved a PSARA with Fort Monmouth Business Center, LLC.
- Lodging Area, a 15-acre site located on Parkers Creek, where the Board approved a PSARA with Somerset Development, LLC at the May 2018 Board meeting calling for up to 185 new and renovated housing units. At tonight's meeting, staff will be asking for Board approval for Plan Amendment #14 for the Lodging Area parcel.
- Marina, currently operating as a marina/public boat ramp and restaurant. At the July Board meeting, the Board approved a PSARA with AP Development Partners, LLC.
- Squier Hall Complex, an approximately 31-acre site under contract to KKF University Enterprises, LLC. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus. Squier Hall is eligible for the National Register of Historic Places and will be retained. FMERA received Board approval for a PSARA with the prospective purchaser at the September 2018 meeting.

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

- 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.
- 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;
- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital.
- 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.
- 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;
- 1000 Area Parking parcel, Parties bidding on the Commissary and PX and/or the Warehouse District had the option of also bidding on the, a 5± acre lot that will provide off-street parking for the buildings that adjoin it.

FMERA intends to issue RFOTPs for the following Oceanport properties in 2019:

- McAfee Center, a 90,000± sf R&D building with several related support buildings on a 47-acre site
- 400 Area, an 80± acre site east of Oceanport Avenue, zoned for housing and commercial uses.

In **Eatontown**, FMERA is in 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 the following three parcels:

- 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.
- Building 1123, a former general office building at Avenue of Memories and Wilson Avenue with the Borough of Eatontown for the reuse of Building 1123, a former general office building at Avenue of Memories and Wilson Avenue, by the Borough's Department of Public Works.
- Bowling Center, an approximately 2.8-acre parcel including Building 689, an approximately 17,599 sf, 20-lane bowling alley and Building 682, a 4,720-sf wood frame building to be demolished by the selected bidder.

FMERA intends to issue the following RFOTPs in Eatontown:

- 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 M4 landfills, as optional sub-parcels.
- Vail Hall, a 36,000± sf building on Avenue of Memories planned for office and/or commercial use
- Mallette Hall, a 57,000± sf office building across from Vail Hall slated for reuse or replacement

In **Tinton Falls**, FMERA has closed on the following five properties:

- Parcel F-3 on February 23, 2017. 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.
- Fort Monmouth Recreation Center on February 23, 2018, which had previously been leased by Monmouth County.

- Charles Wood Fire Station on May 22, 2018, transferring the property to Commvault Systems, Inc. for use as corporate office and training space.
- Parcel C1 on October 1, 2018 with Lennar Corporation, planned for 45 new single-family homes.
- Parcel C on March 8, 2019 with Lennar Corporation, approved for 243 residential units and up to 58,000 square feet of retail development.

FMERA has approved or executed a contract on one property in Tinton Falls:

- 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.

FMERA terminated the following RFOTPs and intends to reissue in the coming months:

- Pulse Power, a special purpose facility consisting of 15,690 sf of administrative offices and 10,786 sf of dry lab and testing space.
- Building 2719, consisting of 6,574 sf of administrative space and a 2,448 high-bay garage constructed in 2006.
- Pistol Range, consisting of Building 2627, situated on approximately 1 acre; the Fire and Police Training Area, including Building 2628, situated on approximately 2.3 acres; and the Satellite Road Parcel, an approximately 1.5-acre tract of land.

On June 26, 2017, the New Jersey Economic Development Authority (EDA) issued an invitation to bid on the abatement, demolition and site improvements for the former Myer Center and the adjacent building 2705. EDA selected Tricon to provide remediation and demolition services. On September 20, 2017, the Board approved a Purchase and Sale Agreement with EDA for the approximately 36-acre parcel. Demolition and abatement work began in January 2018 and has been completed. Information regarding the abatement and demolition of the former Myer Center and Building 2705 is available on our website, www.fortmonmouthnj.com.

On June 12, 2018, the EDA Board authorized the execution of an Agreement to Assign of the Purchase and Sale Agreement among EDA, FMERA and RWJ Barnabas Health (RWJBH) for the sale of the approximately 36-acre Parcel F-1 in Tinton Falls. RWJBH has indicated that it plans to create a health campus on the property. At the Authority's June 2018 meeting, the Board approved the execution of an Agreement to Assign among FMERA, EDA and RWJBH providing for the assignment of a Purchase and Sale Agreement (PSA) between FMERA and EDA for Parcel F-1. At the Authority's September 2018 meeting, the Board approved the First Amendment to the PSA and an Agreement and Assumption Agreement. At the Authority's January 2019 meeting, the Board approved Plan Amendment #12 for the Myer Center Parcel. At the March 2019 meeting, the Board approved the First Amendment to the Agreement to Assign for Parcel F-1 (Myer Center).

3. Marketing Update

FMERA made the Pulse Power Building and Building 2719 available through the Requests for Offers to Purchase process on Thursday, April 11th, but opted to terminate both RFOTPs due to a change in circumstances regarding the availability of the abutting Pistol Range parcel. FMERA plans to reevaluate the highest and best use of these properties and re-advertise the parcels in the next 30-60 days, subject to Board approval. On June 10th, FMERA issued a Request for Sealed Bids for the Fort's Cell Tower and this week, issued an RFOTP for the Expo Theater and Adjacent Open Space. The Expo Theater is envisioned for commercial redevelopment as an arts, entertainment or recreation facility. All open RFOTPs and RFBs can be found on our website, www.fortmonmouthnj.com.

In an effort to broaden our reach and better engage the public, FMERA will be rolling out new social media accounts in the coming weeks, which will feature historical tidbits, showcase FMERA's progress-to-date, and advertise upcoming development opportunities. We look forward to connecting with our stakeholders online.

Please visit our website, www.fortmonmouthnj.com, for more information and to sign up for our 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
- Continued drafting and revisions of documents for the 30+ projects underway



Approved By: Bruce Steadman

Prepared by: Regina McGrade

**Resolution Regarding
First Amendment to Purchase and Sale and Redevelopment Agreement with TetherView Property
Management, LLC for the Allison Hall Parcel in Oceanport**

WHEREAS, Allison Hall, is a 36,665-sf administration building located on Signal Avenue on the Main Post. Constructed in 1928 to serve as the Fort's hospital, the building is listed on the National Register of Historic Places. Allison Hall is part of a complex of five buildings totaling approximately 88,129gsf and covering approximately 12.134 acres (the "Property"). FMERA acquired the Property from the Army as part of the Phase 2 closing in November 2016. The Fort Monmouth Reuse and Redevelopment Plan calls for Allison Hall to be preserved and renovated as office space, the remaining buildings to be demolished, and the balance of the 12-acre site to be developed for mixed-use (retail, office and residential uses); and

WHEREAS, at the June 2015 meeting, the Board authorized staff to offer the Allison Hall Complex for sale through the Offer to Purchase process. FMERA received one proposal in response to its December 29, 2016 Request for Offers to Purchase ("RFOTP"), from TetherView. An evaluation committee reviewed the proposal and found it to be compliant with the RFOTP, and recommended proceeding with negotiations for a PSARA; and

WHEREAS, TetherView's proposal calls for the renovation of Allison Hall and Building 210 for office, retail and/or commercial uses and the reuse of Building 210's ground floor as a restaurant and the second floor as office or retail use; the demolition of Building 196, Building 359 and Building 210's annex; the development of either 100,000± sf of office space in one building to accommodate one user, or up to 60,000± sf of business lofts and up to 30,000± sf of retail space along Oceanport Avenue; and the reuse of Building 199 for office, retail and/or commercial uses; and

WHEREAS, TetherView will also construct a 12-foot wide promenade along Parkers Creek linking the development to the west with Oceanport Avenue. TetherView's total capital investment in the Project is estimated at \$14 million. Additionally, TetherView has expressed interest in demolishing Building 199 and replacing it with a 55,000± sf hotel of up to 3 stories and 110 rooms, for which a later Redevelopment Agreement would be required; and

WHEREAS, because Buildings 199 and 210 are now projected for retention rather than demolition, and because FMERA's RFOTP removed housing from the mix of potential uses on this site, redevelopment of the Property required a Reuse Plan amendment. Amendment #11 allowed for these changes, and was adopted by the FMERA Board at the December 12, 2018 meeting; and

WHEREAS, TetherView is a privately-held property development and management company wholly owned by Michael Abboud. TetherView acquired historic Russel Hall from FMERA last year and successfully renovated the 43,000 gsf building as headquarters space for TetherView, a private cloud services provider, along with office space for smaller tenants. TetherView will purchase the Property in a cash transaction; and

WHEREAS, The PSARA approved by the Board included the terms as described in the attached memorandum and will remain unchanged; and

WHEREAS, the Effective Date of the PSARA is December 7, 2018. Under the Executive Director's discretion to administer the Board-approved PSARA & under Sections 1(o) & 13 of the PSARA, the Due Diligence Period could be extended for an additional ninety days so long as the Purchaser was utilizing good faith and reasonable efforts. Therefore, upon the March 7, 2019 expiration of the Due Diligence Period, Seller agreed to extend the Due Diligence Period for an additional ninety days until June 5, 2019.; and

WHEREAS, during this second Due Diligence Period, Seller entered into a Memorandum of Understanding with Two Rivers Water Reclamation Authority for the planning, survey, and design of a new sewer main ("sewer

design plan”) that will, in part, service the Property and be utilized in fulfillment of the obligation set forth in Section 50(c) of the PSARA. This sewer design plan has not yet been finalized; and

WHEREAS, Purchaser has indicated to FMERA that it will require an additional sixty days to complete due diligence for the limited purpose of assessing its site once the sewer design plan is received from FMERA. Purchaser confirms that it will exit due diligence except for this limited purpose and continue to pursue Approvals which will run from June 5, 2019 until June 5, 2020. FMERA staff recommends extending the Due Diligence Period for the limited purpose described above for approximately sixty days following Purchaser’s receipt of the sewer design plan. FMERA staff also recommends that as part of this Amendment, the Due Diligence Period shall be extended during the interim period following June 5, 2019 and until the Governor’s veto period following approval by the FMERA Board; and

WHEREAS, FMERA and TetherView have continued negotiations in order to work through the sewer design plan and its placement on the Allison Hall parcel. These negotiations have led to the attached amendment to the PSARA with the following revisions to material terms: A sixty-day extension of the Due Diligence Period to complete due diligence for the limited purpose of assessing its site once the sewer design plan is received from FMERA; and

WHEREAS, all other material terms of the PSARA as presented to the Board will remain unchanged. The attached First Amendment to PSARA 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; and

WHEREAS, the Real Estate Committee has reviewed the request and recommends approval of the First Amendment to Purchase and Sale Agreement with Tetherview Property Management, LLC.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the First Amendment with Tetherview Property Management, LLC for the Allison Hall Parcel 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: June 19, 2019

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: First Amendment to Purchase and Sale and Redevelopment Agreement with TetherView Property Management, LLC for the Allison Hall Parcel in Oceanport

DATE: June 19, 2019

Request

I am requesting that the Board approve the First Amendment to the Purchase and Sale and Redevelopment Agreement (“PSARA”) with TetherView Property Management, LLC (“TetherView”) for the sale of the Allison Hall Parcel (the “Project”) in the Oceanport Reuse Area.

Background

Allison Hall, also known as Building 209, is a 36,665-sf administration building located on Signal Avenue on the Main Post. Constructed in 1928 to serve as the Fort’s hospital, the building is listed on the National Register of Historic Places. Allison Hall is part of a complex of five buildings (196, 199, 209, 210 and 359) totaling approximately 88,129gsf and covering approximately 12.134 acres (the “Property”). FMERA acquired the Property from the Army as part of the Phase 2 closing in November 2016. The Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) calls for Allison Hall to be preserved and renovated as office space, the remaining buildings to be demolished, and the balance of the 12-acre site to be developed for mixed-use (retail, office and residential uses).

At the June 2015 meeting, the Board authorized staff to offer the Allison Hall Complex for sale through the Offer to Purchase process. FMERA received one proposal in response to its December 29, 2016 Request for Offers to Purchase (“RFOTP”), from TetherView. An evaluation committee reviewed the proposal and found it to be compliant with the RFOTP, and recommended proceeding with negotiations for a PSARA.

TetherView’s proposal calls for the renovation of Allison Hall and Building 210 for office, retail and/or commercial uses and the reuse of Building 210’s ground floor as a restaurant and the second floor as office or retail use; the demolition of Building 196, Building 359 and Building 210’s annex; the development of either 100,000± sf of office space in one building to accommodate one user, or up to 60,000± sf of business lofts and up to 30,000± sf of retail space along Oceanport Avenue; and the reuse of Building 199 for office, retail and/or commercial uses. TetherView will also construct a 12-foot wide promenade along Parkers Creek linking the development to the west with Oceanport Avenue. TetherView’s total capital investment in the Project is estimated at \$14 million. Additionally,

TetherView has expressed interest in demolishing Building 199 and replacing it with a 55,000± sf hotel of up to 3 stories and 110 rooms, for which a later Redevelopment Agreement would be required.

Because Buildings 199 and 210 are now projected for retention rather than demolition, and because FMERA's RFOTP removed housing from the mix of potential uses on this site, redevelopment of the Property required a Reuse Plan amendment. Amendment #11 allowed for these changes, and was adopted by the FMERA Board at the December 12, 2018 meeting.

TetherView Property Management, LLC is a privately-held property development and management company wholly owned by Michael Abboud. TetherView acquired historic Russel Hall from FMERA last year and successfully renovated the 43,000 gsf building as headquarters space for TetherView, a private cloud services provider, along with office space for smaller tenants. TetherView will purchase the Property in a cash transaction.

Purchase and Sale & Redevelopment Agreement

The PSARA approved by the Board included the following terms, which remain unchanged:

Pursuant to the terms of the PSARA, TetherView will pay \$2,313,000 for the entirety of the Property. TetherView will also pay an additional \$250,000 if it identifies an office user that commits to occupy at least 80,000 sf of space. Should TetherView enter into a later Redevelopment Agreement with FMERA to build the hotel component, it has agreed to pay an additional \$250,000.

Closing will occur within sixty (60) days of satisfaction of the conditions precedent to closing, which include: TetherView completing due diligence and obtaining all approvals necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; and the consent of the NJEDA Board. The parties will endeavor to satisfy these contingencies within twelve (12) months of the expiration of the due diligence period. TetherView will have the option of extending its twelve (12) month approval period by two additional six (6) month extension periods if it has not obtained them within the initial timeframe so long as TetherView is proceeding in good faith. FMERA will convey the property to TetherView in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address pre-existing contamination that may exist on the property.

TetherView will commence construction of the Phase 1 portion of the Project not later than forty-five (45) days following the closing. Phase 1 will consist of all demolition associated with the Project, along with renovation of Buildings 199, 209 and 210. The demolition work along with exterior renovations to Building 199 will be completed within six (6) months of commencement; renovations to Buildings 209 and 210 and construction of the waterfront promenade will be completed within eighteen (18) months of commencement. Phase 2 will consist of the business lofts and retail space and construction will commence no later than eighteen (18) months either from commencement of Phase 1 construction or closing. Phase 2 construction will be completed within twenty-four (24) months of Phase 2 commencement or thirty (30) months if building is phased. Development of a future hotel on the site of Building 199 is optional and would require the execution of a separate redevelopment agreement. TetherView shall make a minimum capital investment in the Project of \$14 million, and it estimates that it will create approximately one-hundred (100) temporary construction related jobs in connection with the Project, and that the Project will create a minimum of one-hundred and fifty (150) permanent full- or part-time jobs within eighteen (18) months of the completion of Phase 2 or pay a penalty of \$1,500 for each permanent job not created.

TetherView will also be responsible funding a 500' section of a new sewer main running east from the Property along Oceanport Avenue and connecting to the Fort's new sewer system.

Amendment


The Effective Date of the PSARA is December 7, 2018. Under the Executive Director's discretion to administer the Board-approved PSARA & under Sections 1(o) & 13 of the PSARA, the Due Diligence Period could be extended for an additional ninety (90) days so long as the Purchaser was utilizing good faith and reasonable efforts. Therefore, upon the March 7, 2019 expiration of the Due Diligence Period, Seller agreed to extend the Due Diligence Period for an additional ninety (90) days until June 5, 2019. During this second Due Diligence Period, Seller entered into a Memorandum of Understanding with Two Rivers Water Reclamation Authority for the planning, survey, and design of a new sewer main ("sewer design plan") that will, in part, service the Property and be utilized in fulfillment of the obligation set forth in Section 50(c) of the PSARA. This sewer design plan has not yet been finalized. Therefore, Purchaser has indicated to FMERA that it will require an additional sixty (60) days to complete due diligence for the limited purpose of assessing its site once the sewer design plan is received from FMERA. Purchaser confirms that it will exit due diligence except for this limited purpose and continue to pursue Approvals which will run from June 5, 2019 until June 5, 2020. FMERA staff recommends extending the Due Diligence Period for the limited purpose described above for approximately sixty (60) days following Purchaser's receipt of the sewer design plan. FMERA staff also recommends that as part of this Amendment, the Due Diligence Period shall be extended during the interim period following June 5, 2019 and until the Governor's veto period following approval by the FMERA Board.

FMERA and TetherView have continued negotiations in order to work through the sewer design plan and its placement on the Allison Hall parcel. These negotiations have led to the attached amendment to the PSARA with the following revisions to material terms: A sixty (60) day extension of the Due Diligence Period to complete due diligence for the limited purpose of assessing its site once the sewer design plan is received from FMERA.

All other material terms of the PSARA as presented to the Board will remain unchanged. The attached First Amendment to PSARA 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. The Real Estate Committee has reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board approve the proposed First Amendment to the Purchase and Sale and Redevelopment Agreement ("PSARA") with TetherView Property Management, LLC ("TetherView"), for the Allison Hall Parcel in the Oceanport section of Fort Monmouth.



Bruce Steadman

Attachment: Amendment #1 to Purchase and Sale and Redevelopment Agreement
Prepared by: Kara Kopach

ATTACHMENT

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