

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: July 17, 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 the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown for 1123 Parcel in Eatontown.
2. Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with RPM Development for the Nurses Quarters Parcel in Oceanport.
3. Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse District and Post Office Area Parcels in Oceanport.

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Executive Session: OPMA EXEMPTION N.J.S.A. 10:4-12b(5, 7).**

- Discussion regarding Contract Negotiations

15. **Adjournment**

**Fort Monmouth Economic Revitalization Authority
Board Meeting
June 19, 2019
FMERA Offices
502 Brewer Avenue, Oceanport, NJ**

MINUTES OF THE MEETING

Members of the Authority present:

- Kenneth J. Kloo, Director, Director, Remediation Management, NJ Department of Environmental Protection
- Teri O'Connor – Monmouth County Administrator – V
- Jay Coffey – Mayor of Oceanport – V (via phone)
- Gary Baldwin – Tinton Falls Borough Council President – V
- Adam Sternbach – Associate Counsel, Authorities Unit, Office of the Governor – V
- Donna Sullivan – Vice President of Real Estate, NJ Economic Development Authority – V
- William Riviere, Principal Planner, NJ Department of Transportation

V – Denotes Voting Member

Members of the Authority not present:

- Robert W. Lucky – Vice-Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Anthony Talerico – Mayor of Eatontown – V
- Sean Thompson, Director, Division of Local Planning Services, NJ Department of Community Affairs
- Baden Almonor, Central Regional Chief, NJ Department of Labor & Workforce Development

Also present:

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

The meeting was called to order by Secretary Bruce Steadman at 7:00p.m.

Bruce Steadman 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, 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.

Due to Vice-Chairman Lucky's absence, Mr. Steadman called for a motion to appoint Kenneth J. Kloo, the NJDEP Designee, as the Chairperson Pro Tem for the June 19th meeting.

A motion was made to appoint Kenneth J. Kloo as the Chairperson Pro Tem for the meeting by Donna Sullivan and seconded by Gary Baldwin.

Motion to Approve: DONNA SULLIVAN Second: GARY BALDWIN
AYes: 5

Mr. Kloo then chaired the meeting. The first item of business was the approval of the May 23rd regular meeting minutes. A motion was made to approve the minutes by Adam Sternbach and seconded by Donna Sullivan.

Motion to Approve: ADAM STERNBACH Second: DONNA SULLIVAN
AYes: 5

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.

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. We've sold 18 properties to date, and another 11 parcels are under contract or have Board-approved contracts.
- So far this year, we've sold a major development site, Parcel C in Tinton Falls, to Lennar Corporation. Lennar began site work this spring for 243 homes and about 58,000 sf of commercial space on the 40-acre site. The company is also currently constructing 45 single family homes on the 15-acre Parcel C-1 site in Tinton Falls that they purchased from FMERA last year.
- Last month 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 at that location.
- Staff expects to sell the Fabrication Shops in Tinton Falls, the Artist Live/Work Barracks and the Golf Course in Eatontown, and the Marina, Squier Hall and the Cell Tower in Oceanport to our contract purchasers this year.
- 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. We hope 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 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 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. Additionally, we're planning to issue RFOTPs for the 400 Area and the McAfee Center later this year.

FMERA recently wrapped up its work on the Innovation Challenge Grant in collaboration with the New Jersey Innovation Institute and Monmouth County. NJII's goal was to determine and recommend a sustainable economic model for attracting high-growth private and public organizations to a proposed 50-acre technology campus at Fort Monmouth and develop an action plan for delivering the proposed economic model. This work consisted of evaluating the effectiveness of a variety of entrepreneur support facility models, identifying a target industry sector, and developing appropriate RFP framework to attract the best user to the future McAfee tech campus. The County has received a draft of NJII's findings and a final report will be submitted for review on or before June 24th. FMERA would like to thank the Monmouth County Board of Chosen Freeholders for their support and sponsorship of this grant initiative as well as recognize Monmouth County's Director of Economic Development, John Cuifo, for his efforts on this project.

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Last week, FMERA celebrated another successful Flag Day ceremony in the Fort's historic district. The staff and Board would like to extend a special thank you to all of our guests who expressed their gratitude and respect for the nation's flag and military heroes. Thank you to the Monmouth County Freeholders, Sheriff Shaun Golden, and Oceanport Mayor Jay Coffey for participating in this notable occasion.

Lastly, 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.

Bruce Steadman thanked Gary Baldwin for his participation at the Flag Day ceremony. Mr. Steadman also asked Teri O'Connor to convey his appreciation to Freeholder Lillian Burry for her participation and the outstanding speech she presented at the Flag Day ceremony.

Mr. Steadman thanked Mr. Kloo and the NJDEP for their ongoing support of the redevelopment of the Fort, through their work with the Army on various environmental projects that the Army has underway, and on several other projects including water, sewer, and others.

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

Mr. Steadman thanked Donna Sullivan on behalf of the EDA for the demolition on the Myer Center and other FMERA-related projects.

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

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

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

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

Bruce Steadman, on behalf of Robert Lucky stated that the Committee met on June 11th and discussed the following:

- Discussion regarding First Amendment to the PSARA with Tetherview Property Management, LLC for the Allison Hall Parcel in Oceanport. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Other Issues
 - a. NJEDA Loan
 - b. Parcel B
 - c. Howard Commons
 - d. Warehouse District

- e. Commissary & PX
- f. Barker Circle
- g. Fitness Center
- h. 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.

Per FMERA's statute, the Authority's Environmental Staff Advisory Committee shall be the exclusive environmental commission for all land use matters and approvals within the Fort Monmouth Project Area, therefore, a public meeting is required for all Mandatory Conceptual Reviews, or MCRs.

The Public portion of the meeting was called to order by the Committee Chairman at 4:30p.m.

The first item on the agenda was a discussion of the MCR Environmental Checklist for the Fitness Center, which included the following requirements:

- A Soil Erosion & Sediment Control Plan is required due to the disturbance of more than 5,000 sq. ft. of soil.
- A Stormwater General Permit is required due to the disturbance of more than 1 acre of soil.
- A CAFRA permit is required due to the construction of the 53 additional parking spaces.

The second item was a discussion of the MCR Environmental Checklist for the Main Post Chapel, which included the following requirements:

- A Soil Erosion & Sediment Control Plan is required due to the disturbance of more than 5,000 sq. ft. of soil.
- A Stormwater General Permit is required due to the disturbance of more than 1 acre of soil.

There being no further business regarding the MCR discussion, the public portion of the meeting was closed at 4:47p.m.

- Committee members and FMERA staff discussed role of the Committee with regard to the MCR reviews and FMERA Land Use Rules vs. Local Zoning Rules.
- FMERA staff provided an update on the various Carve-out Parcels and the Landfill Capping Project, however, there have been no significant changes worth reporting since the last meeting.
- In 2004, the Army performed a site investigation and found pesticides and polycyclic aromatic hydrocarbons, or PAHs, at ECP Parcel 15. The Army has addressed the PAH detections. This year, the Army collected additional samples to better characterize the pesticides levels and, based on that effort, has determined that the area can be blended and regraded without having to excavate soils for off-site disposal.
- FMERA is working with the NJDEP with regards to the osprey nesting platforms and the nests that have been constructed atop power poles.
- FMERA staff concluded the meeting with an update on Recent Property Closings & RFOTPs which have been issued and will be issued in 2019.

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

Jay Coffey stated that the Committee will be meeting in July.

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

Bruce Steadman, on behalf of Sean Thompson stated that the Committee will be meeting on June 25th.

6. 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

1. The only item before the Board was Consideration of Approval of the First Amendment to the Purchase and Sale and Redevelopment Agreement with Tetherview Property Management, LLC for the Allison Hall Parcel 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 Jay Coffey and was seconded by Gary Baldwin.

Motion to Approve: JAY COFFEY Second: GARY BALDWIN

AYes: 5

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

Jill Curran of East Gate, Oceanport stated that the stop sign on Sherril Avenue has come down and is lying on the ground and needs to be repaired.

Sandy Craig, 22 Russel Avenue at East Gate, Oceanport stated that she serves on the East Gate Association Board. Ms. Craig stated that she has been told that Greely Field, the former parade grounds, would be given to Oceanport for \$1 to be used for sporting events. Ms. Craig stated that she was advised when she purchased her home that the field is sacred ground and would never be developed. Ms. Craig asked where attendees of the sporting events would park, who will be responsible for maintaining the War memorial on Greely Field and why the two abandoned ball fields on the Fort property cannot be used instead of Greely Field.

Karen Bright, 18 Russel Avenue at East Gate, Oceanport stated that she was advised when she purchased her home that Greely Field was sacred ground. Ms. Bright stated that she was advised that she cannot plant trees in her backyard because it would block the view of the scared grounds. Ms. Bright stated that the parking, lights and noise on the field will be a distraction to the East Gate residents. Ms. Bright stated that she read a 2019 document that Greely Field would be used for events. Ms. Bright stated that she was under the impression that the Monmouth County Parks System (MCPS) was maintaining the fields but it was determined that there was a conflict between the FMERA Board and the MCPS and therefore the MCPS was unable to take ownership of the Greely Field.

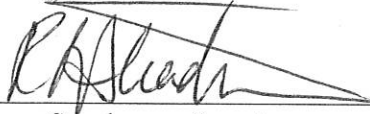
Kristy Dantes stated that she will contact FMERA's Property Management team to have the stop sign replaced.

Bruce Steadman stated that Greely Field is listed in the Fort Monmouth Reuse Plan to be used as active recreation and green space, was never perceived to be totally passive recreation, and has never been termed as sacred ground. Mr. Steadman stated that the future disposition and ownership of Greely Field has not yet been determined. Mr. Steadman stated that FMERA has consulted with the Borough of Oceanport and with Monmouth County regarding future ownership, as well as with private developers. Mr. Steadman stated that the decision regarding ultimate Greely Field ownership will not be decided for at least another year as FMERA works on the many other redevelopment projects in the meantime.

Mr. Steadman stated that there was no "conflict" between FMERA and the MCPS. He noted that Greely Field and Cowan Park are part of the Historic District, and as such no development may occur, in accordance with the Programmatic Agreement signed by the US Army and the NJ State Historic Preservation Office (SHPO). However, no development does not mean no activity. Mr. Steadman reiterated that whomever owns the fields in the future can expect to use the fields for sports and recreation-related activities.

There being no further business, on a motion by Gary Baldwin and seconded by Donna Sullivan and unanimously approved by all voting members present, the meeting was adjourned at 7:35p.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.

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

Bruce Steadman – Secretary

**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

DATE: July 17, 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**

FMERA staff presented the second quarter Financial and Operational Summary to the members of the Audit Committee at their July 9 meeting. Staff compared actual expenditures to the approved budget, as well as projected out to year-end to monitor spending and ensure we stay 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 second quarter, FMERA is, and is targeted to remain, on or under budget in all categories through year-end.

Executive Director's Report**1. Update on Utilities and Infrastructure**

- Phase 3B water main extension is complete. This phase originates on Main Street at Anson Avenue, and serves the County Homeless Shelter, the Oceanport Municipal Complex, and future development along Murphy Drive. The next phase is Phase 2A, which originates in College Avenue, off Broad Street and will serve development along Wilson Avenue, including the bowling center. As with Phase 3A, when complete, this main will be owned and operated by New Jersey American Water. Five additional phases are either planned, or in design. 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.
- FMERA continues to coordinate with Two Rivers Water Reclamation Authority (TRWRA) 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 TRWRA lift-station along Riverside Drive. This 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.



- The Army received a No Further Action (“NFA”) determination letter, dated June 18, 2019, from the NJDEP for soils found at environmental carve-out parcel 16, the former lime pit located in the courtyard of the Myer Center building.
- 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 has occupied the 40,000 square-foot 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.
- 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 the May 2019 meeting, the Board approved 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. At the September 2018 meeting, the Board approved a PSARA with KKF University Enterprises, LLC.

FMERA is in negotiations for the sale and redevelopment of the following three 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;
- 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.

At tonight's meeting, staff will be requesting that the Board approve a PSARA with RPM Development for the Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital.

Also at tonight's meeting, staff will be requesting that the Board approve a PSARA with OPort Partners for the Warehouse District, consisting of five general purpose administrative buildings (Buildings 909 through 913) and two warehouse buildings (975 and 976) totaling 77,589± sf, and the Post Office Area, including the 7,641± sf former Post Office (Building 1005); Tickets & Tours (Building 1010), a 2,600± sf building; Building 800, a 14,964± sf administration and classroom building; and Building 801, the 9,267± sf recreation equipment checkout facility built in 1941.

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. At tonight's meeting, staff will be requesting that the Board approve the First Amendment to the PSARA with the Borough of Eatontown.
- 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 issued the following RFOTP on June 17th with responses due on August 16th for the following property:

- 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.

FMERA intends to issue the following RFOTPs in Eatontown:

- 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.

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 is in the process of rewriting the Requests for Offers to Purchase for the Pulse Power Building, Building 2719, and the Pistol Range. Based on the surrounding redevelopment and staff's evaluation of the current highest and best use of the properties, staff will make a recommendation to its Real Estate Committee to reissue these three parcels under the same RFOTP, creating potential for a larger scale project that is complementary to the surrounding uses. Each of these sites are envisioned for commercial reuse and the issuance of this RFOTP is expected late summer or early fall, subject to Board approval. On June 10th, FMERA issued a Request for Sealed Bids for the Fort's Cell Tower and issued an RFOTP for the Expo Theater and Adjacent Open Space on June 17th. The Expo Theater is envisioned for commercial redevelopment as an arts, entertainment or recreation facility. FMERA has received extensive interest in the cell tower property and has facilitated numerous tours for the Expo Theater. All open RFOTPS and RFBs can be found on our website, www.fortmonmouthnj.com.

Additionally, staff continues to facilitate meetings and tours related to two of the Fort's largest remaining parcels, The McAfee Center and the 400 Area. The properties are planned as the Fort's tech hub and Oceanport's neighborhood town center, respectively. FMERA is exploring several potential partnerships with other state agencies and universities that would both foster tech development and support the Reuse Plan's vision for a dynamic, pedestrian-friendly community.

FMERA continues to increase its visibility to the public and potential purchasers, rolling out its new Instagram account the week of July 8th. Please follow us at [@fortmonmouthnj](https://www.instagram.com/fortmonmouthnj) for historical tidbits, development updates, and other exciting announcements. 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 the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown
(the "Borough") for a Department of Public Works Complex on the 1123 Parcel**

WHEREAS, on May 18, 2016, the Board approved Evaluation Scoring for Local Beneficial Use Requests for the Borough's request to purchase a 7.2-acre tract known as the 1123 Parcel ("the Property") including Buildings 1123, 1124, 1108, 1109 and 1110 located on Echo Avenue, in Eatontown, New Jersey for municipal uses including the relocation of Eatontown's Department of Public Works; and accordingly, the Borough's proposed use of the Property was reviewed and scored by FMERA staff utilizing the Board approved LBU criteria, resulting in a 40% price reduction and sale price of \$886,461.00; and

WHEREAS, on January 16, 2019, the Board authorized the execution of the PSARA between FMERA and the Borough for the Property, and the PSARA was executed on May 8, 2019; and

WHEREAS, pursuant to the terms of the PSARA, the Borough was provided a ninety-day Due Diligence Period commencing on the Effective Date of the PSARA; an Initial Approval Period of twelve months commencing at the end of the Due Diligence period; and a six-month Approval Extension Period, subject to FMERA approval, with Closing to occur within thirty days of satisfaction or waiver of the Conditions Precedent to Closing; and

WHEREAS, the Borough has retained T&M Associates for the purposes of conducting an environmental site investigation and is proceeding in good faith; and

WHEREAS, there are two Army-owned environmental carve-out parcels located within the Property that are not currently accessible for due diligence: ECP Parcel 41 (former Building 1122, approximately 0.492 acres in size), which includes two former USTs (i.e. heating oil & waste oil) and ECP Parcel 43 (former Building 1122, approximately 0.537 acres in size) which includes former hydraulic lifts; FMERA anticipates it will receive a No Further Action letter ("NFA") from the New Jersey Department of Environmental Protection ("NJDEP") for these parcels by the last quarter of 2019; and

WHEREAS, T&M has made a recommendation to the Borough to request an extension of the Due Diligence Period, which expires on August 8, 2019 per the terms of the PSARA, and the Borough subsequently submitted to FMERA a request to extend the Due Diligence Period to November 29, 2019; and

WHEREAS, due to the existing constraints of the site, FMERA staff requests an extension of the Due Diligence Period until November 29, 2019 subject to the following terms; the Borough shall agree to: i) amend the Approval Period to run for a total period not to exceed six months, beginning at the expiration of the Due Diligence Period; and ii) close within thirty days of the expiration of the amended six month Approval Period, subject to receipt of an NFA from the NJDEP for the two environmental carve-out parcels located within the Property and regardless of whether other Conditions Precedent to Closing have been waived or satisfied; and

WHEREAS, FMERA will convey the Property to the Borough in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address certain pre-existing contamination that may exist on the Property, and the environmental carve-out parcels will be conveyed to the Borough for \$1.00 after the Army completes its remedial actions, issues a Finding of Suitability to Transfer (FOST) and transfers the property via quitclaim deed to FMERA; and

WHEREAS, as a result, there will be an Initial Closing of the Property excluding the Carve-out Parcels and up to two Subsequent Closings for Carve-out Parcels 41 and 43 within 90 days of Army completing environmental investigations and remedial actions and conveying title of Environmental Carve-out Parcels 41 and 43 to FMERA; and

WHEREAS, all other terms of the PSARA will remain unchanged and the attached First Amendment to the PSARA is in substantially final form. The final terms of the Amendment will be subject to the approval of FMERA's Executive Director, the Borough of Eatontown, 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 the Borough of Eatontown.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the First Amendment with the Borough of Eatontown for a Department of Public Works 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: July 17, 2019

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: First Amendment to the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown for a Department of Public Works Complex on the 1123 Parcel.

DATE: July 17, 2019

Request

I am requesting that the Board approve the execution of the First Amendment to the Purchase and Sale & Redevelopment Agreement (“PSARA”) with the Borough of Eatontown (“Borough”) providing for an extension of the Due Diligence Period as defined in the PSARA.

Background

On May 18, 2016, the Board approved Evaluation Scoring for Local Beneficial Use Requests for the Borough of Eatontown’s request to purchase a 7.2-acre tract known as the 1123 Parcel (“the Property”) including Buildings 1123, 1124, 1108, 1109 and 1110 located on Echo Avenue, in Eatontown, New Jersey for municipal uses including the relocation of Eatontown’s Department of Public Works. Accordingly, the Borough’s proposed use of the Property was reviewed and scored by FMERA staff utilizing the Board approved LBU criteria, resulting in a 40% price reduction and sale price of \$886,461.00.

On January 16, 2019, the Board authorized the execution of the PSARA between FMERA and the Borough of Eatontown for the Property. The PSARA was executed on May 8, 2019.

Pursuant to the terms of the PSARA, the Borough was provided a ninety (90) day Due Diligence Period commencing on the Effective Date of the PSARA and; an Initial Approval Period of twelve (12) months commencing at the end of the Due Diligence period; and a six (6) month Approval Extension Period, subject to FMERA approval. Closing would occur within thirty (30) days of satisfaction or waiver of the Conditions Precedent to Closing.

Due Diligence & Amendment

The Borough has retained T&M Associates for the purposes of conducting an environmental site investigation and is proceeding in good faith. There are two Army-owned environmental carve-out parcels located within the Property that are not currently accessible for due diligence. ECP Parcel 41



(former Building 1122, approximately 0.492 acres in size), which includes two former USTs (i.e. heating oil & waste oil) and ECP Parcel 43 (former Building 1122, approximately 0.537 acres in size) which includes former hydraulic lifts. FMERA anticipates it will receive a No Further Action letter (“NFA”) from the New Jersey Department of Environmental Protection (“NJDEP”) for these parcels by the last quarter of 2019.

T&M has made a recommendation to the Borough of Eatontown to request an extension of the Due Diligence Period, which expires on August 8, 2019 per the terms of the PSARA. A request to extend the Due Diligence Period to November 29, 2019 was subsequently submitted to FMERA by the Borough for consideration.


Due to the existing constraints of the site, FMERA staff requests an extension of the Due Diligence Period until November 29, 2019 subject to the following terms. The Borough shall agree to: i) amend the Approval Period to run for a total period not to exceed six (6) months, beginning at the expiration of the Due Diligence Period; and ii) Close within thirty (30) days of the expiration of the amended six (6) month Approval Period, subject to receipt of an NFA from the NJDEP for the two environmental carve-out parcels located within the Property and regardless of whether other Conditions Precedent to Closing have been waived or satisfied.

FMERA will convey the Property to the Borough in as-is condition, but with clear title and subject to the Army’s on-going obligations under CERCLA to address certain pre-existing contamination that may exist on the Property. The environmental carve-out parcels will be conveyed to the Borough for \$1.00 after the Army completes its remedial actions, issues a Finding of Suitability to Transfer (“FOST”) and transfers the property via quitclaim deed to FMERA. As a result, there will be an Initial Closing of the Property excluding the Carve-out Parcels and up to two (2) Subsequent Closings for Carve-out Parcels 41 and 43 within 90 days of Army completing environmental investigations and remedial actions and conveying title to Environmental Carve-out Parcels 41 and 43 to FMERA.

All other terms of the PSARA will remain unchanged. The attached First Amendment to the PSARA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA’s Executive Director, the Borough of Eatontown, 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 PSARA with the Borough of Eatontown for the 1123 Parcel for an extension of the Due Diligence Period.



Bruce Steadman

Attachment: First Amendment to the Purchase and Sale & Redevelopment Agreement
Prepared by: Sarah Giberson

ATTACHMENT

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

**Resolution Regarding
Approval of a Purchase and Sale Agreement & Redevelopment Agreement (“PSARA”) with
OPort Partners, LLC for the Warehouse District and Post Office Area Parcels.**

WHEREAS, at the December 2017 meeting, staff recommended, and the Board approved the issuance of three separate RFOTPs -- for the Commissary and PX, the Warehouse District, and the Post Office Area with the option to propose individual or interrelated projects on one or more parcels; and

WHEREAS, the 7.7± acre Warehouse District, bounded by Razor Avenue, Murphy Drive and the Monmouth County Emergency Homeless Shelter, consists of five general purpose administrative buildings constructed in 1943 and two circa 1954 warehouse buildings totaling 77,589± sf, and all seven buildings are contemplated for demolition in the Reuse Plan and Plan Amendment #2, to be replaced by new housing; and

WHEREAS, given the institutional uses that will now lie to the east and south of this parcel, staff recommended that the Warehouse District property should be offered through the Requests for Offers to Purchase (RFOTP) process for commercial, active recreation or office/R&D use rather than residential use, and the existing improvements should be demolished, which would require a Reuse Plan Amendment; and

WHEREAS, the Post Office Area contains four buildings on 6± acres located south of the Fitness Center, bounded by Alexander, Todd and Razor Avenues., and the property is zoned for institutional use in the Reuse Plan, as the anticipated site for a new Oceanport elementary school and the parcel includes the 7,641± sf former Post Office; Tickets & Tours, a 2,600± sf building; Building 800, a 14,964± sf administration and classroom building; and Building 801, the 9,267± sf recreation equipment checkout facility built in 1941; and

WHEREAS, the Reuse Plan envisions the demolition of all four buildings on the Post Office Area site and reuse of the property as a new school location; however, Oceanport School District is no longer considering this location for a school use, and so staff recommended that the property be offered for an alternate use consistent with its anticipated surrounding uses, namely commercial, active recreation or office/R&D use, which would require a Reuse Plan Amendment; and

WHEREAS, following the evaluation and scoring process, OPort was selected as the highest-scoring potential Purchaser for the Warehouse District and the Post Office Area; and

WHEREAS, OPort’s proposal for the Warehouse District calls for the demolition of the existing buildings and proposes to develop the Warehouse District for office, research, and related product storage and distribution, with a focus on medical, biotechnology, and software development with community businesses and services may comprising a portion of the development and three Class A office buildings totaling approximately 86,250 sf planned; and

WHEREAS, OPort’s proposal for the Post Office Area calls for the demolition of the existing buildings and proposes to develop the Post Office Area with uses complementary to the Warehouse District, including office space, research uses, and related product storage and distribution and three new Class A office buildings totaling approximately 60,000 sf.; and

WHEREAS, purchaser’s total Capital Investment, net of the Purchase Price, is estimated to be a total of \$31,443,750: \$12,900,000.00 as to the Post Office Area and \$18,543,750.00 as to the Warehouse District; and

WHEREAS, OPort Partners, LLC is a development entity operating under the leadership of Denholtz Management Corp. Denholtz Management Corp.’s portfolio includes over 30 properties on the East Coast and the Midwest and includes office, flex, retail, industrial, warehouse, and residential development; and

WHEREAS, negotiations with OPort have resulted in the attached PSARA where OPort will pay \$1,950,000 for the entirety of the Property, \$950,000 for the Warehouse District and \$1,000,000 for the Post Office Area, and Purchaser is responsible for all building demolition and associated costs; and

WHEREAS, closing(s) on the Warehouse District and the Post Office Area may occur in phases within thirty days after Purchaser's receipt of all final and non-governmental approvals or ten days after all title and environmental obligations are satisfied, whichever is later, with respect to each sub-parcel and Purchaser shall have a period of sixty days commencing upon execution of the PSARA to investigate the suitability of the Property for redevelopment at its sole cost and expense; and

WHEREAS, conditions precedent to closing include OPort obtaining all approvals necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; FMERA obtaining title and a FOST to Parcel 57; and the consent of the NJEDA Board; and

WHEREAS, in the event that FMERA has not obtained title from the Army to the 0.5± acre portion of Parcel 57 extending into the Post Office Area by the Post Office Area closing date, FMERA will convey that environmental carve-out to the Purchaser at a subsequent closing; and

WHEREAS, the parties will endeavor to satisfy these contingencies within six months of the delivery of the final concept plan. Purchaser will have thirty days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence and an Approval Period of fourteen months, and OPort will have the option of extending its fourteen-month approval period by an additional six-month extension period so long as OPort is proceeding in good faith; and

WHEREAS, OPort will commence demolition of all buildings and other improvements on the Property upon receipt of all applicable permits and complete demolition and site work within four months of closing, and Purchaser may undertake and complete construction of the Project in phases, as evidenced by receipt of certificates of occupancy; and

WHEREAS, Purchaser will complete all phases within eighteen months after completion of demolition and site work not to exceed twenty-two months after closing, and OPort estimates that it will create approximately two hundred sixty-four construction related, temporary part-time and/or full-time jobs and a minimum of four hundred thirty-nine part-time and/or full-time permanent jobs within twelve months of project completion or pay a penalty of \$1,500 per permanent job not created; and

WHEREAS, OPort will also be responsible for funding a total of one thousand linear feet of new water main and one thousand linear feet of new sewer main along Razor and Anson Avenues, or in such other off-site location as directed by FMERA, and abutting developers will be obligated to install or fund additional water and sewer infrastructure to complete the connection of the Property to off-site public utilities; and

WHEREAS, Purchaser will also be responsible for running new electrical distribution lines from the Property to an upgraded JCP&L substation following FMERA's conveyance of the abutting electric substation to JCP&L at future date; and

WHEREAS; based on the redevelopment provisions of the PSARA between FMERA and OPort, staff concludes that the essential elements of a redevelopment agreement between FMERA and OPort are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with OPort for its redevelopment of the Warehouse District and Post Office Area; and

WHEREAS, the attached PSARA between FMERA and OPort is in substantially final form. The final terms of the PSARA and Lease are 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 it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of OPort Partners, LLC on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale Agreement & Redevelopment Agreement and with final terms in substantially the same form acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSARA and take any necessary actions to effectuate the selection of OPort 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.

ATTACHMENT

Dated: July 17, 2019

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse District and Post Office Area Parcels

DATE: July 17, 2019

Request

I am requesting that the Board authorize the Purchase and Sale & Redevelopment Agreement (“PSARA”) with OPort Partners, LLC (“OPort”) for the sale and redevelopment of the Warehouse District and Post Office Area Parcels (“the Project”) in the Oceanport Reuse Area.

Background and Coordination Among RFOTPs

At the December 2017 meeting, staff recommended, and the Board approved the issuance of three separate RFOTPs -- for the Commissary and PX, the Warehouse District, and the Post Office Area -- with the option to propose individual or interrelated projects on one or more parcels.

1. The Commissary & PX Parcel consists of the 53,700± sf Commissary, completed in 1998 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. The Reuse Plan envisions the Commissary as a future retail building that could serve the residential and commercial occupants of the Oceanport Education/Mixed-Use Neighborhood. Reuse Plan Amendment #2 envisions the demolition of both the PX and Building 812 for future low- and medium-density housing, along with ancillary open space. Due to an altered surrounding landscape and renewed interest in the Commissary and the PX for reuse as office/R&D space, active recreation or for other commercial uses, staff recommended, and the Board approved broadening the allowable uses for the Commissary site to include more appropriate and potentially higher uses. These additional uses require a Reuse Plan amendment.
2. The Warehouse District consists of five general purpose administrative buildings (Buildings 909, 910, 911, 912 & 913) constructed in 1943 and two circa 1954 warehouse buildings (975 and 976) totaling 77,589± sf, the 7.7± acre Warehouse District is bounded by Razor Avenue, Murphy Drive and the Monmouth County Emergency Homeless Shelter. All seven buildings are contemplated for demolition in the Reuse Plan and Plan Amendment #2, to be replaced by new housing.

Given the institutional uses that will now lie to the east and south of this parcel, staff recommended that the Warehouse District property should be offered through the Requests for Offers to Purchase (RFOTP) process for commercial, active recreation or office/R&D use rather than residential use, and the existing improvements should be demolished. These uses require a Reuse Plan amendment.

3. The Post Office Area contains four buildings on 6± acres located south of the Fitness Center, and bounded by Alexander, Todd and Rasor Avenues. The property is zoned for institutional use in the Reuse Plan, as the anticipated site for a new Oceanport elementary school.

The parcel includes 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.

The Reuse Plan envisions the demolition of all four buildings on this site and reuse of the property as a new school location. The Oceanport School District, however, is no longer considering this location for a school use. Staff therefore recommended that the property be offered for an alternate use consistent with its anticipated surrounding uses, namely commercial, active recreation or office/R&D use. These uses would require a Reuse Plan amendment.

Since all of these parcels were in close proximity to one another and to facilitate proposals of the highest and best use, the RFOTP scoring provided additional consideration to parties who proposed to purchase multiple parcels. Additionally, parties bidding on the Commissary and PX and/or the Warehouse District had the option of also bidding on the 1000 Area Parking (Parking Area) and received additional scoring consideration over bidders on those parcels who elected not to bid on the 1000 Area Parking.

FMERA received five (5) proposals for the Commissary and PX Parcels, four (4) proposals for the Post Office Area and five (5) proposals for the Warehouse District in response to its May 8, 2018 Requests for Offers to Purchase (RFOTP). Following the evaluation and scoring process, OPort was selected as the highest-scoring potential Purchaser of two of the three parcels, the Warehouse District and the Post Office Area. Although OPort included an offer for the 1000 Area Parking, the Commissary & PX Complex proposer scored highest in conjunction with its proposed use for the Commissary & PX Complex. Therefore, the evaluation committee recommended proceeding with negotiations with OPort for a PSARA for the Warehouse and Post Office Parcels.

Proposals

OPort's proposal for the Warehouse District calls for the demolition of the existing buildings (Buildings 974, 975, 909, 910, 911, 912 & 913) and proposes to develop the Warehouse District for office, research, and related product storage and distribution, with a focus on medical, biotechnology, and software development. Community businesses and services may comprise a portion of the development. The Warehouse District is planned for three (3) Class A office buildings totaling approximately 86,250 sf.

OPort's proposal for the Post Office Area calls for the demolition of the existing buildings (Buildings 1005, 1010, 800, and 801) and proposes to develop the Post Office Area with uses complementary to the Warehouse District, including office space, research uses, and related product storage and distribution. The Post Office Area is planned for three (3) new Class A office buildings totaling approximately 60,000 sf.

Purchaser's total Capital Investment, net of the Purchase Price, is estimated to be a total of \$31,443,750: \$12,900,000.00 as to the Post Office Area and \$18,543,750.00 as to the Warehouse District.

OPort Partners, LLC is a development entity operating under the leadership of Denholtz Management Corp. Denholtz Management Corp.'s portfolio includes over 30 properties on the East Coast and the Midwest and includes office, flex, retail, industrial, warehouse, and residential development.

Purchase and Sale & Redevelopment Agreement

FMERA staff is pleased to report that negotiations with OPort have resulted in terms that it wishes to present for the Board's consideration. Pursuant to the terms of the PSARA, OPort will pay \$1,950,000 for the entirety of the Property. The proposed purchase price for the Warehouse District and the Post Office Area were \$950,000 and \$1,000,000, respectively. Purchaser is responsible for all building demolition and associated costs.

Closing(s) on the Warehouse District and the Post Office Area may occur in phases within thirty (30) days after Purchaser's receipt of all final and non-governmental approvals or ten (10) days after all title and environmental obligations are satisfied, whichever is later, with respect to each Sub-parcel. Purchaser shall have a period of sixty (60) days commencing upon execution of the PSARA to investigate the suitability of the Property for redevelopment at its sole cost and expense. Conditions precedent to Closing include OPort obtaining All Approvals necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; FMERA obtaining title and a FOST to Parcel 57; and the consent of the NJEDA Board. In the event that FMERA has not obtained title from the Army to the 0.5± acre portion of Parcel 57 extending into the Post Office Area by the Post Office Area closing date, FMERA will convey that environmental carve-out to the Purchaser at a Subsequent Closing. The parties will endeavor to satisfy these contingencies within six (6) months of the delivery of the final concept plan. Purchaser will have thirty (30) days to apply and diligently pursue approvals following the later to occur of the final and non-appealable amendment to the Reuse Plan or completion of Due Diligence and an Approval Period of fourteen (14) months. OPort will have the option of extending its fourteen (14) month approval period by an additional six (6) month extension period so long as OPort is proceeding in good faith.

OPort will commence demolition of all buildings and other improvements on the Property upon receipt of all applicable permits and complete demolition and site work within four (4) months of Closing. Purchaser may undertake and complete construction of the Project in phases, as evidenced by receipt of certificates of occupancy. Purchaser will complete all phases within eighteen (18) months after completion of demolition and site work not to exceed twenty-two (22) months after Closing. OPort estimates that it will create approximately two hundred sixty-four (264) construction related, temporary part-time and/or full-time jobs and a minimum of four hundred thirty-nine (439) part-time and/or full-time permanent jobs within twelve (12) months of project completion or pay a penalty of \$1,500 per permanent job not created.

OPort will also be responsible for funding a total of one thousand (1,000) linear feet of new water main and one thousand (1,000) linear feet of new sewer main along Razor and Anson Avenues, or in such other off-site location as directed by FMERA. Abutting developers will be obligated to install or fund additional water and sewer infrastructure to complete the connection of the Property to off-site public utilities. In the event that OPort proceeds to closing more expeditiously than the abutting developers, OPort may opt to install additional water and sewer infrastructure to complete the connections and receive reimbursement through the abutting developer(s). Purchaser will also be responsible for running new electrical distribution lines from the Property to an upgraded JCP&L substation following

FMERA's conveyance of the abutting electric substation to JCP&L at future date.

Based on the redevelopment provisions of the PSARA between FMERA and OPort, staff concludes that the essential elements of a redevelopment agreement between FMERA and OPort are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with OPort for its redevelopment of the Warehouse District and Post Office Area.

The attached PSARA between FMERA and OPort is in substantially final form. The final terms of the PSARA and 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.

Recommendation

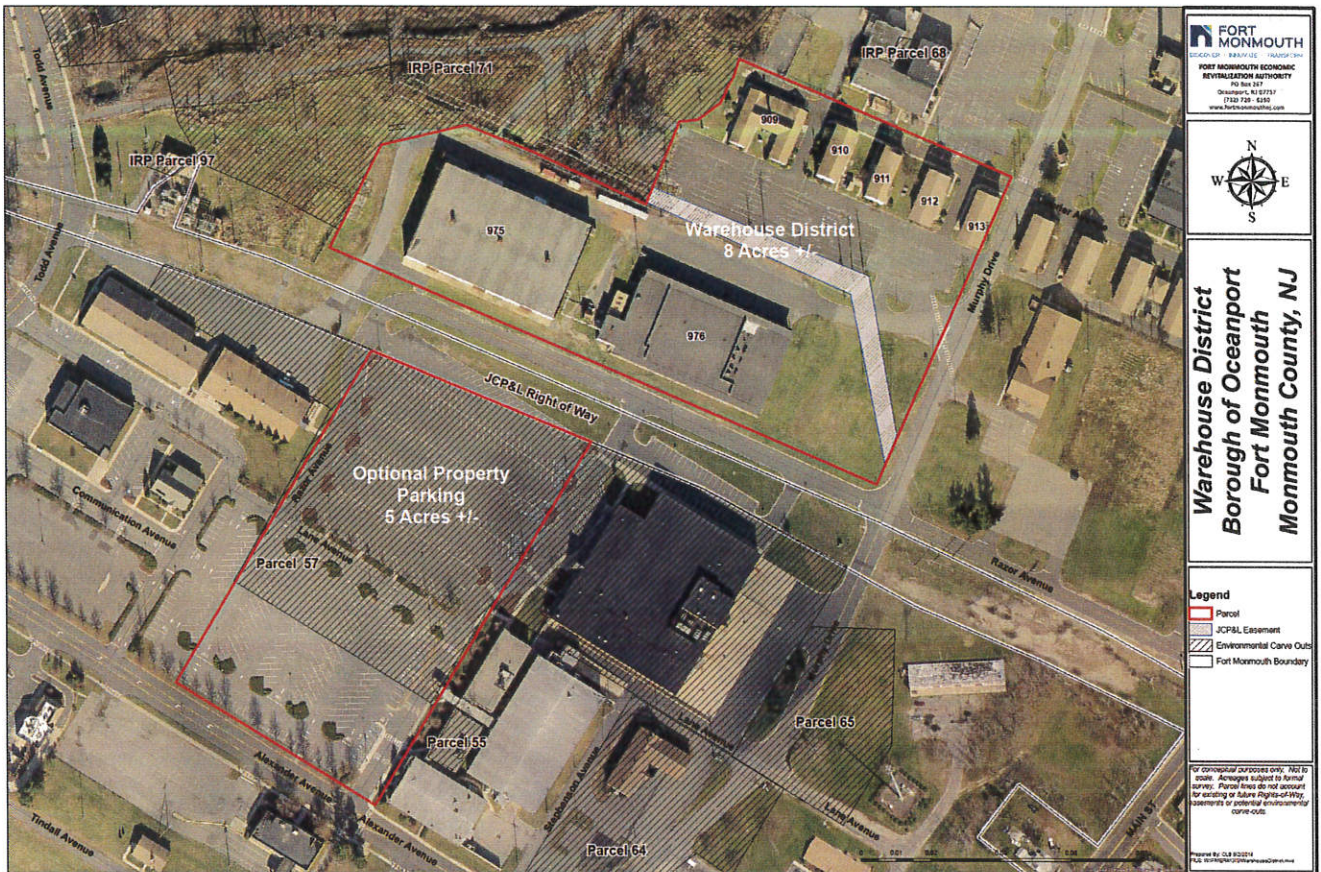
In summary, I am requesting that the Board authorize the execution of a Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse District and Post Office Area parcels in Oceanport.



Bruce Steadman

Attachments: Purchase and Sale & Redevelopment Agreement
Parcel Map
Prepared by: Sarah Giberson





ATTACHMENT

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