

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: May 23, 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. **Approval of Previous Month’s Executive Session Minutes**
6. **Welcome – Dr. Robert Lucky, Vice-Chairman**
7. **Secretary’s Report**
8. **Treasurer’s Report**
9. **Public Comment Regarding Board Action Items**
10. **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
11. **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

12. **Board Actions**

1. Consideration of Approval of Plan Amendment #14 Permitting Alternative Development Scenario in Oceanport.
2. Consideration of Approval of the First Amendment to the Purchase and Sale & Redevelopment Agreement with KKF Enterprises, LLC for the Squier Hall Complex.
3. Consideration of Approval of the Third Amendment to the Purchase and Sale Agreement with Triumphant Life Church for the Chapel Parcel in Oceanport.
4. Consideration of Approval a Purchase and Sale & Redevelopment Agreement and Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown.

13. **Other Items**

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

- Responses to questions submitted online or in writing

15. **Adjournment**

**Fort Monmouth Economic Revitalization Authority
Board Meeting
April 23, 2019
FMERA Offices, 502 Brewer Avenue, Oceanport, NJ**

MINUTES OF THE MEETING

Members of the Authority present:

- Robert W. Lucky – Vice-Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Lillian Burry – Monmouth County Freeholder Deputy Director – V
- Gary Baldwin – Tinton Falls Borough Council President – V
- Anthony Talerico – Mayor of Eatontown – V
- Jay Coffey – Mayor of Oceanport – V
- Adam Sternbach – Associate Counsel, Authorities Unit, Office of the Governor – V
- Donna Sullivan – Vice President of Real Estate, NJ Economic Development Authority – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection
- Sean Thompson, Director, Division of Local Planning Services, NJ Department of Community Affairs
- Baden Almonor, Central Regional Chief, NJ Department of Labor & Workforce Development
- William Riviere, Principal Planner, NJ Department of Transportation

V – Denotes Voting Member

Members of the Authority not present:

Also present:

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

The meeting was called to order by Vice-Chairman Robert Lucky at 7:00p.m., who led the meeting in the Pledge of Allegiance to the Flag of the United States of America.

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

The first item of business was the approval of the March 20th regular meeting minutes. A motion as made to approve the minutes by Lillian Burry and seconded by Gary Baldwin.

Motion to Approve: LILLIAN BURRY Second: GARY BALDWIN
AYes: 7

WELCOME

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

Dr. Lucky noted he would not repeat the protocol regarding the two opportunities for the public to address the Board, with the 3-minute and 5-minute limits, respectively, because he was sure all the attendees were accustomed to it, and that it had not changed from the many previous meetings.

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 the Board would be entering into Executive Session to discuss contract negotiations. Mr. Steadman stated that the Executive Session minutes are not anticipated to become available to the public until the negotiations are concluded and FMERA determines that the need for confidentiality no longer exists.

TREASURER'S REPORT

Jennifer Lepore, Manager of Accounting, stated that FMERA staff is preparing the first quarter financial and operational summary for 2019. Staff will be meeting to review the quarter and assess the quarter's performance against the 2019 organization goals and budget.

FMERA's independent accounting firm, CliftonLarsonAllen, LLP, completed the 2018 audit and reported their findings to the Audit Committee at their April 10th meeting. The auditors issued an unmodified opinion, with regard to FMERA's financial statements, which is their highest opinion. The Annual Report and the audited financial statements serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 and the June 2012 and October 2016 Economic Development Conveyance agreements with the Army. Based on the Audit Committee's review, the Committee recommended the presentation of the 2018 Comprehensive Annual Report for Board approval at tonight's meeting.

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 three water main extension projects in process on the Main Post. The first phase, designated as Phase IIIB, 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, New Jersey American Water put the project out for bid and has an apparent low bidder. The next phases will follow in the coming months.
- Remedial design continues by the Army Corp. of Engineers and their contractor, AECOM, on the capping of 9 closed landfills totaling approximately 50 acres. Field work will commence in late summer. The project will be completed in two to three years.
- FMERA has accepted a bid for the repair of the former commissary roof, which suffered wind damage in late winter. Work is scheduled to start within a week.
- Presently, the facility and infrastructure team continue to assist the development team, monitoring environmental concerns, and maintaining 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. As FMERA starts 2019, about three-quarters of the Fort's 1,126 acres are sold, under contract, in negotiations, or entering the request for proposals process.

- In March, FMERA closed on Parcel C in Tinton Falls, to Lennar Corporation. Lennar will begin work this spring on 243 homes and approximately 58,000 sf of commercial space on the 40-acre site.

- FMERA plans to close in April with Family Promise, the non-profit purchaser of Building 501 on Malterer Avenue in Oceanport. Family Promise will operate a daytime counselling and assistance center for families in need.
- Staff expects to sell the Pistol Range and 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 this year.
- FMERA issued Requests for Offers to Purchase (RFOTPs) on the Pulse Power Building and Building 2719 in Tinton Falls on April 11th. The properties are slated for commercial redevelopment. Proposals are due on June 10th. Please visit our website, www.fortmonmouthnj.com to review our open RFOTPs in greater detail
- FMERA is planning on issuing two RFOTPs/RFBs on or about May 1st: - The Expo Theater in Eatontown and the Fort's cell tower in Oceanport.
- Staff is in discussions and/or negotiations over 8 parcels, including Parcel B, Howard Commons and the Bowling Center 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 spring and 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 as noted on tonight's agenda, FMERA has completed its comprehensive Annual Report, which will be made available to the public in early May, subject to Board approval. Hard copies will be available at the FMERA Board's May meeting.

FMERA will continue to market the Expo Theater, McAfee Complex, 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 throughout the Spring and Summer of 2019.

The development team continues to schedule speaking engagements and tours with various professional groups and organizations, including Monmouth University's Kislak Real Estate Institute; AFCEA, which focuses on information technology, communications, and electronics for the defense, homeland security and intelligence communities; and the New Jersey Alliance for Action (Monmouth County Chapter), whose mission is to improve New Jersey's economy through the promotion of capital construction and infrastructure investment. Additionally, FMERA plans to host the Commercial Real Estate Women of New Jersey (CREW) for a presentation and tour, kicking off at the Marina, in late May. Special thanks to FMERA's outside marketing consultant, the Riddle Team, for helping to organize this event.

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.

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.

Mayor Talerico thanked Bruce Steadman and Dave Nuse for attending the Eatontown Industrial Park Association (EIPA) meeting on April 9th. Mayor Talerico stated that over sixty companies attended and were given an update on the Fort's redevelopment. FMERA will be hosting an EIPA meeting and tour in the coming months.

Mr. Steadman noted that Senator Gopal convened a meeting to discuss implementation issues associated with the new law regarding Liquor Licenses for Fort Monmouth property. The meeting was attended by numerous people and groups, including FMERA, and also including Mayor Coffey and Mayor Talerico.

Lillian Burry noted that she recently attended an event at Gibbs Hall and said that the facility was a great place to hold such events, and she said there is expectation that the new owner will be investing in renovations to the building. She inquired whether a liquor license would be issued to the new owner. Mr. Steadman responded that the new owner would be determining the need for a liquor license based on forecasted use of the Gibbs Hall facility in the future.

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

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

- Discussion regarding the Authority's 2018 Comprehensive Annual Report. The Authority presents the Annual Report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. The Annual Report is combined with the audited financial statements and serves as FMERA's comprehensive annual report for 2018. The independent accounting firm of CliftonLarsonAllen LLP has issued an unmodified opinion with regard to the 2018 financial statements which is their highest opinion. The Committee reached a consensus and agreed to recommend to the Board for approval.

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

Robert Lucky stated that the Committee met on April 9th and discussed the following:

- Discussion regarding the approval of Plan Amendment #13 regarding the Squier Hall parcel in Oceanport. The Committee reviewed the comments received from the Boroughs and the responses compiled by the Authority's planner PPG in response to Oceanport's comments. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding a Service Agreement MOU between FMERA and TRWRA. FMERA and TRWRA seek to enter into this Service Agreement MOU to establish the terms and conditions under which the TRWRA will provide necessary and ongoing service in the form of transportation and treatment of sewage for FMERA. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding an MOU with TRWRA which will confirm the mutual understanding and intention between the FMERA and TRWRA regarding the interagency agreement for funding and construction of the necessary new Pump Station, Force Main and East Interceptor to provide sewer service for the eastern portion of the Fort located within the Borough of Oceanport. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding Approval of an Agreement with New Jersey American Water (NJAW) to install new water mains on the Main Post. The Committee reached a consensus and agreed to recommend to the Board for approval.

Other Issues

- Plan Amendment #14
- Squier/NJCU
- Nurses Quarters
- Parcel B
- Howard Commons
- Update on RFOTPs

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

Kenneth J. Kloo stated that the Committee met on February 4th and discussed the following:

- Discussion regarding Carve-out Parcels Update
 - a) Former Dry-Cleaning Facility – Army has completed the collection of two rounds of chemical injections and ground water samples. The preliminary results indicate that there are no soil vapors of concern for downgradient structures. The Army will complete a Feasibility remediation report which will indicate the final treatment system.
 - b) Neutralization Pit at Myer Center – Army removed the underground vault and contaminated soils and is working on an NFA request for soils which was submitted to the DEP in February. The Army performed two rounds of ground water chemical injections in March. The groundwater area will be monitored for two years for compliance, and then a No Further Action (NFA) by the DEP may be issued.
 - c) Former AFFES Gas Station – The Army has completed a Remedial Action Work Plan for the site. The Army proposes to dismantle and remove the existing treatment system. Soil vapor extraction and air sparge wells will be closed out. The Army will remove the oil from the five hydraulic lifts which are found inside the garage area of Building 699. FMERA has asked the Army to remove the lifts due to the unknown condition of the vessels and the immediately adjacent subsurface soil.
 - d) Building 1122 & 1123 – The Army submitted a Remedial Action Work Plan to the DEP in March. The carveout is located at Building 1122, the former auto craft shop, which has been demolished. The two underground storage tanks (USTs) have received NFAs from the DEP. The Army will prepare a Remedial Investigation & Feasibility Study (RIFS) to also address the hydraulic lifts, a fuel oil spill, and two storage sheds.
 - e) Commissary/PX Parcel:
 - 1) Parcel 55 – Army has completed soil and concrete remediation and has received an NFA from the DEP.
 - 2) Parcel 57 – Army is currently preparing a RIFS and may perform remedial actions prior to issuing a FOST and transferring title to FMERA.
 - 3) Parcel 64 – Army has received an NFA for groundwater in April 2017. The Army is currently preparing an NFA request for site soils.
 - f) Landfill Capping Project – Army has awarded a contract for the capping of the nine landfills, which will place a 2-foot vegetative soil cap across all the landfills beginning with the M2 and M8 landfills.
- Update on Myer Center Demolition Project. The EDA demolition of the four quadrants has been completed as well as the removal of the asbestos and universal wastes.
- Discussion regarding Allison Hall. The developer's contractor has performed the environmental due diligence on the property and has concluded that no further investigation is required on the property.
- Discussion regarding the North sewer main and water system projects. The sanitary line installation along Sherrill Avenue is complete. The design of the next two water main projects is at 90% and has been sent to New Jersey American Water (NJAW) for review.
- 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 did not meet this month.

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

Sean Thompson stated that the Committee did not meet this month.

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

Lillian Burry stated that the Committee did not meet this month. She also noted that soon there would be an announcement regarding the planned Soldier On project in Tinton Falls (outside of the Fort property) that she, Tinton Falls Council President Gary Baldwin, and several other people have been working on.

BOARD ACTIONS

1. The first item before the Board was Consideration of Approval of the 2018 Comprehensive Annual Report.

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 Lillian Burry.

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY

AYes: 7

2. The second item before the Board was Consideration of Approval of Plan Amendment #13 Permitting Alternative Development Scenario in Oceanport.

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 Lillian Burry.

Bruce Steadman conducted a roll call vote.

Name	Yes	No	Abstain
Robert Lucky	X		
Lillian Burry	X		
Gary Baldwin	X		
Jay Coffey	X		
Anthony Talerico	X		
Donna Sullivan	X		
Adam Sternbach	X		

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY

AYes: 7

3. The third item before the Board was Consideration of Approval of a Service Agreement Memorandum of Understanding with Two River Water Reclamation Authority (TRWRA) for the necessary and ongoing service of sewage for FMERA.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 3.

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

Motion to Approve: GARY BALDWIN Second: DONNA SULLIVAN

AYes: 7

4. The fourth item before the Board was Consideration of Approval of a Memorandum of Understanding with Two River Water Reclamation Authority (TRWRA) regarding the interagency agreement for funding and construction of a new Pump Station, Force Main and East Interceptor.

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

5. The fifth item before the Board was Consideration of Approval of an Agreement with New Jersey American Water (NJAW) to install new water mains on the Main Post.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 5.

Prior to the vote, Mr Steadman notified the Board to a math error in the NJAW outline of costs, advised the Board as to the change totaling approximately \$18,000, and asked that the revised amounts be inserted into the motion and associated documents.

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

Motion to Approve: GARY BALDWIN Second: DONNA SULLIVAN
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.

Mr. Steadman thanked Jennifer Lepore, FMERA Manager of Accounting, Dave Nuse, Treasurer, and Regina McGrade, Administrative Manager, for their work on the successfully completed audited financial statements; and thanked Sarah Giberson, Senior Marketing & Development Officer, and Regina McGrade for their work on finishing the Annual Report. Both items should be available for the public in early May after the 10-day veto period expires. Mr. Steadman noted that the entire staff helped with both items, but that the named people were the primary originators.

The Vice-Chairman announced that the Board was to adjourn the Public Session of the meeting and enter into Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(5) and (7).

The Vice-Chairman asked for a motion to go into executive session to discuss contract negotiations.

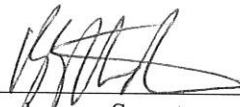
A motion was made by Jay Coffey and was seconded by Lillian Burry.

The Board adjourned the Public Session of the meeting and entered into Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(5) and (7): Discussion regarding Contract Negotiations.

On a motion by Jay Coffey, seconded by Lillian Burry and unanimously approved by all voting members present, the Board adjourned the Executive Session at 8:10p.m. and opened the Public Session.

There being no further business, on a motion by Donna Sullivan and seconded by Jay Coffey and unanimously approved by all voting members present, the meeting was adjourned at 8:15p.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its Board meeting.



Bruce Steadman – Secretary

ADOPTED
April 23, 2019

Resolution Regarding
Approval of Fort Monmouth Economic Revitalization Authority 2018 Comprehensive Annual
Report

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

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

WHEREAS, the Authority's independent auditors audited and accepted the Authority's financial statements for January 1, 2018 to December 31, 2018, and issued an unmodified opinion regarding the financial statements; and

WHEREAS, the certification and accompanying financial statements have been executed by the Executive Director and the Accounting Manager confirming that FMERA has followed its standards, procedures and internal controls

WHEREAS, on April 10, 2019 and pursuant to Executive Order No. 122 (McGreevey), the Audit Committee reviewed the draft comprehensive annual report, including the 2018 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also, pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit did not result in any findings of significant deficiencies or material weaknesses; and

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

THEREFORE, BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority's 2018 Comprehensive Annual Report and approve submitting the Report to the Governor's Authorities Unit, the State Treasurer, the United States Department of the Army and posting it on the Authority's website.
2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: April 23, 2019

EXHIBIT 1

**Resolution Regarding
Approval of Plan Amendment #13 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 #13, 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 #13 to the host municipalities at its December 12, 2018 meeting; and

WHEREAS, the 45-day comment period commenced on January 9, 2019; and

WHEREAS, the comment period expired on February 22, 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

WHEREAS, the Real Estate Committee has reviewed the responses to the comments from the three host municipalities and was sent the Reuse Plan Amendment #13 and recommends adoption of Amendment #13 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 #13 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: April 23, 2019

EXHIBIT 2

**Resolution Regarding
Approval of a Service Agreement Memorandum of Understanding between the Fort Monmouth Economic
Revitalization Authority and the Two Rivers Water Reclamation Authority**

WHEREAS, on January 18, 2017, the FMERA Board approved staff's execution of a Memorandum of Understanding ("2017 MOU") with TRWRA for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design for the replacement of the sanitary sewer system located within the Oceanport section of the Fort, and;

WHEREAS, included in the 2017 MOU were terms for service charges and connection fees; and

WHEREAS, on October 2018, FMERA and TRWRA through this prior interagency cooperation completed the replacement of over 3,000 LF of new sanitary sewer mains in the Oceanport section of the Fort, and;

WHEREAS, in February 2019 the 2017 MOU expired; and

WHEREAS, on March 20, 2019, the FMERA Board approved staff's execution of two MOUs ("March 2019 MOUs") with TRWRA, the first of which called for an interagency agreement for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design of modifications to the existing sanitary system and a sanitary sewer interceptor to service a portion of the Oceanport section of the former Fort Monmouth in continuation of terms of the 2017 MOU, and the second MOU created an interagency agreement detailing the plan to provide sanitary sewer service to the "Nurses Quarters" Property. However, neither of the March 2019 MOUs addressed changes to the terms of service charges and connections fees; and

WHEREAS, FMERA and TRWRA, in continued cooperation, seek to enter into this Service Agreement MOU to establish the terms and conditions under which the TRWRA will provide necessary and ongoing service in the form of transportation and treatment of sewage for FMERA; and

WHEREAS, as part of the service agreement MOU, FMERA, at its sole cost and expense, will be responsible for maintaining and operating the Local Sewer System serving the Fort property throughout the term of this MOU and until such time as the entire replaced system has been fully constructed and accepted by TRWRA; and

WHEREAS, FMERA and TRWRA have agreed to the terms for service charges and connection fees as described in the attached memorandum; and

WHEREAS all other terms and provisions of the Agreement shall be performed in accordance with industry standards and specifically in accordance the TRWRA Rules and Regulations and regulations and standards of the NJDEP; and

WHEREAS, the attached Service Agreement MOU is in substantially final form. The final document 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 it to the Board for approval; and

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes execution of a Service Agreement Memorandum of Understanding which will establish the terms and conditions under which the Two Rivers Water Reclamation Authority will provide necessary and ongoing service in the form of transportation and treatment of sewage for the Fort Monmouth Economic Revitalization Authority.

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: April 23, 2019

EXHIBIT 3

ADOPTED
April 23, 2019

**Resolution Regarding
Approval of a Memorandum of Understanding between the Fort Monmouth Economic Revitalization
Authority and the Two Rivers Water Reclamation Authority ("TRWRA") regarding the interagency
agreement for funding and construction of a new Pump Station, Force Main and East Interceptor.**

WHEREAS, on January 18, 2017, the FMERA Board approved staff's execution of a Memorandum of Understanding ("MOU") with TRWRA for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design for the replacement of the sanitary sewer system located within the Oceanport section of the Fort, and on October 2018, FMERA and TRWRA through this prior interagency cooperation completed the replacement of over 3,000 LF of new sanitary sewer mains in the Oceanport section of the Fort, and;

WHEREAS, on March 20, 2019, the FMERA Board approved staff's execution of two MOUs with TRWRA; the first MOU called for an interagency agreement for the planning (including preparation of all applications and associated, prerequisite environmental and engineering services), survey and design of modifications to the existing sanitary system and a sanitary sewer interceptor to service a portion of the Oceanport section of the former Fort Monmouth and. the second MOU created an interagency agreement detailing the plan to provide sanitary sewer service to the "Nurses Quarters" Property; and

WHEREAS, FMERA and TRWRA in continued cooperation seek to explore the modification of the Fort's existing sewer system and the identification of potential locations for replacement sewer interceptors in the Oceanport section of the Fort in order to further redevelop and reuse the property, enter into this MOU to construct and install a new Pump Station, Force Main and East Interceptor serving the north eastern portion of the Oceanport section of the former Fort; and

WHEREAS, the Project consists of the construction and installation of the East Interceptor to service the area adjacent to Oceanport Avenue, a new Pump Station into which the East Interceptor will flow, along with such other future lines as the Parties may hereafter determine are needed, and a new Force Main connecting the new Pump Station into TRWRA's system north of Parker's Creek in Little Silver; and

WHEREAS, the Project will proceed in accordance with the Plans prepared by Maser Consulting entitled "New Regional Sewage Pump Station, Force Main and East Interceptor for the Oceanport Section of Fort Monmouth for Two Rivers Water Reclamation Authority" dated February 15th, 2019 and any alternate Maser design as a result of the March 20, 2019 Board approved MOU; and

WHEREAS, the Parties intend this Project to be the only the pump station installation needed to service the Oceanport section of the former Fort. Monmouth, and this Project does not include the installation of any sewer lines from any new development on the Oceanport section of the former Fort Monmouth to the East Interceptor, as all connections to the East Interceptor shall be the responsibility of any new developer(s); and

WHEREAS, any other interceptors as may be shown on the Maser design documents are not the subject of this Project nor is the TRWRA responsible for their installation; and

WHEREAS, FMERA shall pay 100% of the costs of the Project, not to exceed Five Million Two Hundred Thousand (\$5,200,000.00) Dollars, including, but not limited to consulting fees, design fees, permit costs, and all construction costs associated with or arising from the Project; and

WHEREAS, the Parties will reserve the right to reject all bids should the costs for construction and construction observation engineering services exceed Five Million Two Hundred Thousand (\$5,200,000.00) Dollars, and the Parties understand that no TRWRA funds will be, or can be, used in advancement of the Project; and

WHEREAS, should the bids for the Construction and Installation Work, and construction observation engineering services exceed the Project Cost, and the FMERA Board agrees at its sole discretion to proceed with the bid exceedance, FMERA shall be responsible for making up any difference and depositing the same with TRWRA; and

WHEREAS, the parties understand and agree that FMERA's source of the funds to pay the \$5,200,000 shall be from FMERA's net proceeds resulting from the closing of the Lodging Project transaction with Somerset Development, which closing is expected to occur in the next twelve to twenty-four months. Should the Lodging Parcel transaction closing be delayed beyond twelve to twenty-four months, or be terminated for whatever reason, it is understood and agreed that another suitable source of funds must be identified by FMERA, and only if/when such a suitable source of funds is identified would FMERA be obligated to pay the \$5.2M; and

WHEREAS the Parties also intend to enter into a Service Agreement MOU with TRWRA to provide necessary and ongoing service in the form of transportation and treatment of sewage for FMERA; and

WHEREAS, the attached MOU and Exhibit "A" are in substantially final form. The final document 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 it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes the execution of a Memorandum of Understanding that will confirm the mutual understanding and intention between the Fort Monmouth Economic Revitalization Authority and the Two Rivers Water Reclamation Authority for funding and construction (including preparation of all applications and associated, prerequisite environmental and engineering services), of the necessary new Pump Station, Force Main and East Interceptor to provide sewer service for the portion of the former Army military post ("Fort") located with located within the Borough of Oceanport.

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: April 23, 2019

EXHIBIT 4

ADOPTED
April 23, 2019

**Resolution Regarding
Approval of an Agreement with New Jersey American Water Company (“NJAW”) to install new water
service on the Main Post to service the Oceanport Municipal Complex and Monmouth County’s
Emergency Homeless Shelter and future development.**

WHEREAS, FMERA is currently the owner and operator of the former Army water system that serves the Main Post, including the Oceanport Municipal Complex and the Monmouth County’s Emergency Homeless Shelter and future development (“Properties”); and the Purchase and Sale & Redevelopment Agreements that have been approved to date for the above Properties require FMERA to provide water service at or near the property borders; and

WHEREAS, the water mains which service this portion of the Main Post of Fort Monmouth are outdated and not suitable for future water usage requirements, and new mains must be installed to provide potable water service for current and future property owners; and

WHEREAS, in June 2018, the Board approved a Memorandum of Understanding (“MOU”) with the Borough of Eatontown to contract for the Borough’s Engineer to design the water mains for Phases II and III (A & B), of which Phase IIIB will serve the above-mentioned Properties; and

WHEREAS, upon receipt of the plans for Phase IIIB, FMERA submitted to NJAW an application for the proposed new water main construction along with an Extension Deposit Agreement (“EDA”) and a \$10,000 deposit on March 26, 2019, and NJAW put the proposed new water main construction out to bid and has selected J.F. Kiely as the contractor; and

WHEREAS, the estimated cost for the project is \$313,812.96, which will be divided between FMERA and the Borough of Oceanport, with the Borough required to contribute one-third (1/3) of the costs, not to exceed \$50,000 for a new water main to the Borough’s property. The estimated amount to be paid by FMERA is \$263,812.96 with the Borough of Oceanport to be responsible for a \$50,000 off-site contribution toward this installation; and

WHEREAS, FMERA must provide the full payment of the outstanding balance to NJAW in order to facilitate the construction and installation of the water and the timing of this payment is particularly critical as the County expects the Emergency Homeless Shelter to commence operation in June 2019; and

WHEREAS, staff requests that the Board authorize the payment of the full balance of the estimate cost for the project with the expectation that FMERA will be reimbursed \$50,000 by the Borough of Oceanport without delay; and

WHEREAS, staff recommends that the Board approve the use of delegated authority to make additional payments up to 10% of the total estimate should the project over-run the estimate; and

WHEREAS, the final terms of the agreement 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. For the reasons expressed in the attached memorandum, the Board approves an agreement with New Jersey American Water Company ("NJAW") to install new water service on the Main Post to service the Oceanport Municipal Complex and Monmouth County's Emergency Homeless Shelter and future development at a total cost of \$313,812.96.

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: April 23, 2019

EXHIBIT 5

ADOPTED
April 23, 2019

**Resolution Regarding
Entering into Executive Session
To Discuss Contract Negotiations**

WHEREAS, pursuant to the Open Public Meetings Act, specifically N.J.S.A. 10:4-12(5), a public body may enter into executive session to discuss “[a]ny matter involving the purchase, lease or acquisition of real property with public funds, where it could adversely affect the public interest if discussion of such matters were disclosed”; and

WHEREAS, pursuant to the Open Public Meetings Act, specifically N.J.S.A. 10:4-12(7), a public body may enter into executive session to discuss “[a]ny pending or anticipated, contract negotiation other than [a collective bargaining agreement] in which the public body is, or may become a party”; and

WHEREAS, the Authority desires to enter into executive session to discuss contract negotiations.

THEREFORE, BE IT RESOLVED THAT:

1. In accordance with the Open Public Meetings Act, the Authority shall go into executive session for the purpose of discussing contract negotiations.
2. The Authority anticipates that the minutes of the executive session will not become available to the public until after such time as the subject contract is concluded and the Authority determines that the need for confidentiality no longer exists and the matters discussed can be disclosed.

Dated: April 23, 2019

EXHIBIT 6

**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

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: First Amendment to the Purchase and Sale & Redevelopment Agreement with KKF University Enterprises, LLC for the Squier Hall Complex

DATE: May 23, 2019

Request

I am requesting that the Board approve the First Amendment to the Purchase and Sale & Redevelopment Agreement (PSARA) with KKF University Enterprises, LLC (KKF) for the sale and redevelopment of the Squier Hall Complex in the Oceanport Reuse Area.

Background

Squier Hall, also known as Building 283, is a two-story, 76,538 sf administration building located on Sherrill Avenue on the Main Post. Constructed in 1935, the building is eligible for the National Register of Historic Places and is slated for office, research & development or educational use in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan). Squier Hall is part of a complex of seven buildings (283, 288, 291, 292, 293, 295 and 296) 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, approximately ±6.1 acres, containing the balance of the buildings (the Phase II Parcel) in December 2018. The remaining land, a ±16.96 acre environmental carve-out consisting of portions of the M8 and M18 landfills (the Phase III Parcel), will likely be transferred to FMERA in 2020.

At its August 2014 meeting, the Board authorized staff to offer the Squier Complex through the Request for Offers to Purchase (RFOTP) process. FMERA received one proposal in response to its April 29, 2016 RFOTP, from KKF. An evaluation committee reviewed the proposal and found it to be compliant with the RFOTP, and recommended proceeding with negotiations for a PSARA. KKF's proposal did not include an offer to purchase Building 555, which was an optional property in the RFOTP.

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 similar to the University's current programming at the Wall Higher Education Center, known as NJCU Monmouth. Those programs, primarily including nursing, national security studies and business, would be relocated to Squier Hall. This portion of the project would be limited to the Phase I Parcel, and include renovation of Squier Hall (Building #283), demolition of Building #288, and installation of a new parking lot.

KKF's proposal also included a Phase II Parcel concept 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. The proposal included a Phase III Parcel concept for parking and recreational uses on the landfill areas.

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

The sole member of KKF University Enterprises, LLC was Kimberly J. Kaye-Fried. However, Ms. Kaye-Fried's ownership interest was transferred and her interest in KKF was assigned to Robert M. Kaye on January 31st, 2018. KKF University Enterprises, LLC, as the transitional familial successor to Robert M. Kaye, will be relying upon the strength of The Statement of Financial Condition of Robert M. Kaye relative to the Project's equity requisites, completion guarantee requirements, and in securing financing commitments.

Purchase and Sale & Redevelopment Agreement, and Plan Amendment

The PSARA was approved by the Board at its September 25, 2018 meeting, and executed by FMERA and KKF on October 24, 2018. The redeveloper designation was approved by the EDA Board on October 11th, 2018. Pursuant to the original terms of the PSARA, KKF would pay \$2,500,000 for the entirety of the Property. In the event that KKF closes on the Property by phase, the purchase price will be 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. KKF proposes to renovate Building 283, Squier Hall, and demolish Buildings 288, 291, 292, 293, 295 and 296 (the Project). KKF shall take all necessary measures to ensure the National Register historic preservation covenants on the Property for Squier Hall are observed.

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.

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 (58) temporary construction related jobs in connection with the Project, and that the project will create a minimum of seventy (70) permanent full- or part-time jobs within forty-eight (48) months of closing or pay a penalty of \$1,500 for each permanent job not created.

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 (2,200) feet. The cost for this has been estimated to be \$300,000.

On September 25, 2018, the Board authorized the transmittal of Plan Amendment #13 to the governing body of each municipality for a 45-day Public Comment Period. The municipalities received Amendment #13 on January 9, 2019, upon expiration of the Governor's 10-day veto period; the comment period ended on February 22, 2019.

Neither Eatontown nor Tinton Falls offered comments. Oceanport provided multiple pages of comments from various Borough departments. These comments were primarily related to the Phase II Parcel concept of a possible residence hall and other potential future improvements based on the anticipated success of the Project. In February, members of the Oceanport Borough Council invited the NJCU President to a meeting to discuss their concerns about the future development of the Phase II Parcel.

In response to Oceanport's comments, Plan Amendment #13 was revised to eliminate the future development on the Phase II Parcel beyond the demolition of the buildings. At its April 23, 2019, the Board approved the revised Plan Amendment #13. KKF submitted a site plan to the Oceanport Planning Board for Phase I of the Project and the Planning Board approved the site plan on March 12, 2019.

Due Diligence

During its due diligence period, KKF discovered several environmental concerns that required additional investigation. These included: reengineering and rerouting of existing storm drainage pipes and outfalls originally installed by the Army; asbestos abatement; and roof replacement. In addition, 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. These items, which were unknown at the time of KKF's proposal, would substantially increase KKF's redevelopment project costs.

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 Phase II for an additional thirty (30) days.

Public Benefit

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.

FMERA recognizes the overall public benefit of having the NJCU secondary campus here in the Oceanport section of Fort Monmouth, as there are presently no state university campuses or satellite campuses in Monmouth County other than the distance learning programs offered through Brookdale Community College. The state university system offers high-quality education options to New Jersey residents at an affordable cost. Further, NJCU Monmouth's course offerings will focus on nursing, strengthening Monmouth County's healthcare sector, the largest employer in the County.

[According to NJCU leadership,

“...NJCU leadership has also expressed a willingness to develop tailored programs to support the area work force and business community. In particular, NJCU intends to provide healthcare/health-sciences, business/MBA, data analytics degree programs. FMERA agrees that this will strengthen the county's economy by aiding in the growth and development of the workforce, by attracting businesses to the area, and by improving the area's housing markets. Additionally, FMERA notes NJCU's citation to data that demonstrates that individuals who receive a four-year college degree are more likely to lead healthy lifestyles and contribute to their communities as civic leaders and philanthropists.”]

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.

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 during our review of KKF's request for a reduction in purchase price and a delay in payment. 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.

Contract Amendment

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 (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) an extension of due diligence for Phase II for an additional thirty (30) days.

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. The Real Estate Committee has approved the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board authorize the execution of a First Amendment to the PSARA with KKF University Enterprises, LLC for the Squier Hall Complex in Oceanport.


Bruce Steadman

Attachments: First Amendment to Purchase and Sale & Redevelopment Agreement
Installment Payment Schedule

Prepared by: Bruce Steadman

ATTACHMENT

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

**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

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

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

DATE: May 23, 2019

Request

I am requesting that the Board approve the Third Amendment to the Purchase and Sale Agreement (“PSA”) with Triumphant Life Church Assembly of God (“Triumphant Life”) for the sale of the Chapel Parcel (the “Project”) in the Oceanport Reuse Area.

Background

On December 14, 2016 the Members 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 (approximately 16,372 sf) 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.

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. Triumphant Life was previously located in Asbury Park, NJ. The Project outlined in the PSA enabled Triumphant Life to relocate staff to this location upon completion of renovations in 2017. The Project was anticipated to result in the creation of an additional ten (10) part-time jobs at Fort Monmouth within eighteen (18) months of completion of initial renovation and receipt of a certificate of occupancy.

Purchase and Sale Agreement

The PSA was executed on January 6, 2017. Triumphant Life closed on the Chapel property on February 27, 2017. The PSA approved by the Board included the following terms, which remain unchanged:

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, 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.

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 (12) 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 (12) months of closing. This parking lot shall be subject to review by the State Historic Preservation Officer ("SHPO") and Purchaser agrees any exterior renovation on the Property shall complement the architecture and design styles of the adjacent National Register Historic District.

Amendment

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 (6) months to complete the Project, the time period for construction of the parking lot was extended until August 27, 2018. Purchaser engaged in the design process for the parking lot and indicated to FMERA that it would require an additional seventy-five (75) days to complete construction of the parking lot. Purchaser also agreed to provide a promissory note to FMERA guaranteeing the completion of the parking lot within that time frame. FMERA staff believed that this time period was reasonable and recommended extending the construction time for approximately seventy-five (75) days to allow for Triumphant Life to complete the construction of its parking lot. Additionally, Purchaser indicated to FMERA that it would be unable to create ten (10) part-time jobs within eighteen (18) months of completing the initial renovation and receipt of certificate of occupancy. FMERA staff recommended extending the job creation timeline by twelve (12) months.

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 (75) day extension of the construction timeline to complete a 115-space paved parking lot on the Property, as referenced in Section 54(c) of the PSA, 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 (12) month extension of the job creation timeline, as referenced in Section 6(c) of the PSA.

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, as referenced in Section 54(c) of the PSA; and 2) a promissory note to guarantee completion of the parking lot within the May 15, 2019 completion date.


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.

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, as referenced in Section 54(c) of the PSA; 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.

All other material terms of the PSA as presented to the Committee will remain unchanged. The attached Third Amendment to the PSA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. 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 Third Amendment to the Purchase and Sale Agreement with Triumphant Life Church Assembly of God, for the Chapel Parcel in the Oceanport section of Fort Monmouth.


Bruce Steadman

Attachment: Third Amendment to Purchase and Sale Agreement
Promissory Note

ATTACHMENT

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

**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

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

DATE: May 23, 2019

Request

I am requesting that the Board approve the execution of a Purchase and Sale & Redevelopment Agreement (“PSARA”) and a Ground Lease with Parker Creek Partners, LLC (“PCP”) for the sale, renovation and expansion of the Bowling Center (the “Project”) and the lease of its underlying land in the Eatontown Reuse Area.

Background

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 PCP. The RFOTP gave bidders the option of proposing to purchase Building 689 and ground lease all or portions (i.e. the land beneath Building 689 and its 10,000± sf expansion area) 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.

Responses to the RFOTP were due on July 10, 2017 and PCP submitted the sole response. The bidder 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.

PCP is led by James Wassel, who has over 35 years of development and operating experience in the restaurant and hospitality industries, and Russell D’Anton, who has 30 years’ experience in developing and operating restaurants. Ralph Ayles, who has 40 years’ experience in the bowling industry, will oversee daily operations. In addition, PCP has contracted with an industry leader, Brunswick Bowling,



to serve as an advisor in the planning, redevelopment and operation of the bowling facility. PCP's intention is to create a multi-faceted recreation and entertainment center with high quality food and service.

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 upgrades to the kitchen, and adding a bar, bocce courts, pool tables, shuffleboard tables and a stage. The Purchaser will be obligated to demolish Building 682 and install necessary site improvements at its sole cost and expense. If developed in phases, the renovation of the existing Bowling Center (i.e. Building 689), the demolition of Building 682 and associated site improvements would constitute Phase One. After Building 682 is demolished, PCP, under the Land Use Rules (based on the maximum floor area ratio), will expand Building 689 by up to 10,000± sf. This expansion would constitute Phase Two of the Project. 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.

Purchase and Sale & Redevelopment Agreement and Ground Lease

Pursuant to the terms of the PSARA, PCP will pay \$1,350,000 for the Property, which exceeds the \$1,000,000 minimum bid specified in the RFOTP, and ground lease all or portions of the 2.8-acre Bowling Center Parcel for ninety-nine (99) years for \$1 per year. Closing will occur within one-hundred twenty (120) 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. The due diligence period will run for sixty (60) days from the PSARA execution date and may be extended for an additional thirty (30) 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. Note that Army has obtained a No Further Action letter from the New Jersey Department of Environmental Protection with respect to Parcel 102D.

Purchaser will apply for and diligently pursue the required approvals for the Project within thirty (30) 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 therefor have been satisfied. Purchaser will have an Approval Period of up to ninety (90) days following the completion of Due Diligence to obtain all necessary approvals (the "Approval Period"). 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 (90) day extension (the "Approval Extension Period").

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 (12) 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 (90) days of the Approval Period (and, if applicable, the Approval Extension Period) and complete the Project within twelve (12) months thereafter. 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 (90) days of the Approval Period (and, if applicable, the Approval Extension Period) and complete Phase One of the Project within twelve (12) months thereafter. Purchaser will commence Phase Two of the Project within twenty-four (24) months of Closing and complete Phase Two within twelve (12) months thereafter.

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.

FMERA will have the right to repurchase the Property if construction is not timely completed. PCP represents that it will invest approximately \$5,200,000 to complete the Project. The Purchaser also covenants to create twenty-two (22) permanent, full-time and/or part-time jobs at the Property within twelve (12) months of Project completion or pay a penalty of \$1,500 for each job not created.

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.

Attached are substantially final forms of the PSARA and Ground Lease between FMERA and PCP. 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.

Recommendation

In summary, I am requesting that the Board authorize the execution of a Purchase and Sale & Redevelopment Agreement and a Ground Lease with Parker Creek Partners, LLC for the Bowling Center Parcel in Eatontown.



Bruce Steadman

Attachments: Parcel Map, PSARA and Ground Lease
Prepared by: David E. Nuse

closing, 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.

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 (12) 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 (12) months of closing. This parking lot shall be subject to review by the State Historic Preservation Officer ("SHPO") and Purchaser agrees any exterior renovation on the Property shall complement the architecture and design styles of the adjacent National Register Historic District.

Amendment

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 (6) months to complete the Project, the time period for construction of the parking lot was extended until August 27, 2018. Purchaser engaged in the design process for the parking lot and indicated to FMERA that it would require an additional seventy-five (75) days to complete construction of the parking lot. Purchaser also agreed to provide a promissory note to FMERA guaranteeing the completion of the parking lot within that time frame. FMERA staff believed that this time period was reasonable and recommended extending the construction time for approximately seventy-five (75) days to allow for Triumphant Life to complete the construction of its parking lot. Additionally, Purchaser indicated to FMERA that it would be unable to create ten (10) part-time jobs within eighteen (18) months of completing the initial renovation and receipt of certificate of occupancy. FMERA staff recommended extending the job creation timeline by twelve (12) months.

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 (75) day extension of the construction timeline to complete a 115-space paved parking lot on the Property, as referenced in Section 54(c) of the PSA, 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 (12) month extension of the job creation timeline, as referenced in Section 6(c) of the PSA.

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, as referenced in Section 54(c) of the PSA; and 2) a promissory note to guarantee completion of the parking lot within the May 15, 2019 completion date.


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.

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, as referenced in Section 54(c) of the PSA; 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.

All other material terms of the PSA as presented to the Committee will remain unchanged. The attached Third Amendment to the PSA is in substantially final form. The final terms of the amendment will be subject to the approval of FMERA's Executive Director and the Attorney General's Office. 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 Third Amendment to the Purchase and Sale Agreement with Triumphant Life Church Assembly of God, for the Chapel Parcel in the Oceanport section of Fort Monmouth.



Bruce Steadman

Attachment: Third Amendment to Purchase and Sale Agreement
Promissory Note

ATTACHMENT

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