

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: August 21, 2019

SUBJECT: Agenda for Board Meeting of the Authority

1. **Call to Order – Dr. Robert Lucky, Vice-Chairman**
2. **Pledge of Allegiance**
3. **Notice of Public Meeting - Roll Call – Bruce Steadman, Secretary**
4. **Approval of Previous Month’s Board Meeting Minutes**
5. **Welcome – Dr. Robert Lucky, Vice-Chairman**
6. **Secretary’s Report**
7. **Treasurer’s Report**
8. **Public Comment Regarding Board Action Items**
9. **Executive Director’s Report:**
 - Update on Utilities and Infrastructure
 - Update on Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – Robert Lucky
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Sean Thompson, Chairman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman

11. **Board Actions**

1. Consideration of Approval of a Second Loan from the New Jersey Economic Development Authority.
2. Consideration of Approval of Making the Tinton Falls Commercial Parcel available through the Offer to Purchase Process.
3. Consideration of Approval of a Purchase and Sale Agreement with Global Signal Acquisitions IV, LLC for the Telecommunications Tower & Land in Oceanport.
4. Consideration of Approval of the Second Amendment to the Purchase and Sale & Redevelopment Agreement with KKF University Enterprises, LLC for the Squier Hall Complex.

There will be no action at tonight's meeting on the following items:

5. Consideration of Approval of the Second Amendment to the Purchase and Sale & Redevelopment Agreement with Fort Partners Group, LLC for the Fitness Center Parcel.
6. Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with RPM Development for the Nurses Quarters Parcel in Oceanport.

12. **Other Items**

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

- Responses to questions submitted online or in writing

14. **Adjournment**

**Fort Monmouth Economic Revitalization Authority
Board Meeting
July 17, 2019
Russel Hall, 1000 Sanger Avenue, Oceanport, NJ**

Note: FMERA staff was available at both entrances at Russel Hall and at the entrance of the FMERA building to direct the Public to the Russel Hall location.

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
- Jay Coffey – Mayor of Oceanport – V (via phone)
- Gary Baldwin –Tinton Falls Borough Council President – V
- Patty May Kelly – Eatontown Councilwoman – V
- Brian Wilton – Deputy Chief 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 June 19th regular meeting minutes. A motion as made to approve the minutes by Jay Coffey and seconded by Lillian Burry.

Motion to Approve: JAY COFFEY Second: LILLIAN BURRY
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 two board actions.

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

The Vice-Chairman continued by stating that in his role he is required to conduct an orderly meeting and complete the meeting agenda in a reasonable time period. The Vice-Chairman continued by stating that FMERA continues to welcome the public's constructive comments and ideas.

SECRETARY'S REPORT

Bruce Steadman stated that the Board Action regarding the Nurses Quarters Purchase and Sale and Redevelopment has been removed from the agenda.

TREASURER'S REPORT

Dave Nuse, on behalf of Jennifer Lepore, stated that the FMERA staff presented the second quarter Financial and Operational Summary to the members of the Audit Committee at their July 9th meeting. Staff compared actual expenditures to the approved budget, as well as projected out to year-end to monitor spending and ensure we stay on or under budget. FMERA controls spending to the extent possible, until land sales occur, and proceeds are received, at which point, we determine which projects in our budget can be completed. As of the end of the second quarter, FMERA is, and is targeted to remain, on or under budget in all categories through year-end.

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:

- Phase 3B water main extension is complete. This phase originates on Main Street at Anson Avenue, and serves the County Homeless Shelter, the Oceanport Municipal Complex, and future development along Murphy Drive. The next phase is Phase 2A, which originates in College Avenue, off Broad Street and will serve development along Wilson Avenue, including the bowling center. As with Phase 3A, when complete, this main will be owned and operated by New Jersey American Water. Five additional phases are either planned, or in design. In the end the Main Post will be served by a New Jersey American Water owned and operated system that is fed from four directions; Oceanport Avenue and Main Street in the Borough of Oceanport, and Broad Street and Route 35 in the Borough of Eatontown.
- FMERA continues to coordinate with Two Rivers Water Reclamation Authority (TRWRA) and Maser Consulting to progress the work outlined in the TRWRA MOU approved by this Board in April. The work involves finalizing the design of sanitary lines which serve Horseneck Point, the Allison Hall Parcel, and the Lodging Parcel through the 400 area toward the proposed TRWRA lift-station along Riverside Drive. This design will eliminate a force-main currently traversing the Addison Hall and Lodging Parcels, allowing the developers of those parcels to proceed with design plans.
- The Army received a No Further Action ("NFA") determination letter, dated June 18, 2019, from the NJDEP for soils found at environmental carve-out parcel 16, the former lime pit located in the courtyard of the Myer Center building.
- The facilities team, along with the on-site maintenance contractor, Chenega, has 30+ ongoing projects and operations. Facilities also continues to support the development team, monitor any environmental concerns, and maintain properties slated for sale or reuse.
- Thank you to the Monmouth County District 6 Team, the Monmouth County Shade Tree Commission and the Oceanport Police Department for their response and services during the July 8th storm.

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

FMERA continues to make good progress on the fort's redevelopment, with about three-quarters of the Fort's 1,126 acres sold, under contract, in negotiations, or entering the request for proposals process. FMERA has sold 18 properties to date, and another 11 parcels are under contract or have Board-approved contracts.

To date, FMERA has sold a major development site, Parcel C in Tinton Falls, to Lennar Corporation. Lennar began site work this spring for 243 homes and about 58,000 sf of commercial space on the 40-acre site. Lennar is also currently constructing 45 single family homes on the 15-acre Parcel C-1 site in Tinton Falls that they purchased from FMERA last year.

This spring FMERA deeded Building 501 on Malterer Avenue in Oceanport to Family Promise. The non-profit is operating a daytime counseling and assistance center for families in need at that location.

Staff expects to sell the Fabrication Shops in Tinton Falls, the Artist Live/Work Barracks and the Golf Course in Eatontown, and the Marina, Squier Hall and the Cell Tower in Oceanport to our contract purchasers this year.

FMERA staff is currently in negotiations over the sale of seven additional parcels, including Parcel B and Howard Commons in Eatontown, and Barker Circle, the Nurses Quarters, the Commissary, the Warehouse District and the Post Office Area in Oceanport.

The Warehouse District and Post Office Area are scheduled for Board consideration this evening, and staff hopes to bring Parcel B, the Commissary, the Nurses Quarters and Barker Circle to the Board later this summer.

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

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

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

FMERA continues to increase its visibility to the public and potential purchasers, rolling out its new Instagram account the week of July 8th. Please follow us at [@fortmonmouthnj](https://www.instagram.com/fortmonmouthnj) for historical tidbits, development updates, and other exciting announcements. We look forward to connecting with our stakeholders online.

Bruce Steadman gave an update on FMERA action items:

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 William Riviere as the NJDOT designee and stating that FMERA staff had a good meeting with NJ Transit on July 10th.

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

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

Mr. Steadman thanked Monmouth County District #6 and the Monmouth County Shade Tree Commission for their continued support with the maintenance and upkeep of the Fort property.

Action Items for Next Month.

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

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

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

- Discussion regarding the Six month Financial and Operational summary for the FMERA Budget which included:
 - Projected Operating Revenue
 - Operating Revenue
 - Non-Operating Revenue
 - FMERA's General & Administrative Expenses & Program Costs
 - Capital Budget

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

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

- Discussion regarding First Amendment to the PSARA with the Borough of Eatontown for 1123 Parcel. The Borough has begun their Due Diligence on the property and the First Amendment will allow an extension of the Due Diligence period until November 29th, 2019 and then there would be an approval period not to exceed six (6) months. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding a PSARA with RPM Development for the purchase of the Nurses Quarters Parcel in Oceanport. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Discussion regarding a PSARA with OPort Partners, LLC for the purchase of the Warehouse District and Post Office Area Parcels in Oceanport. The Committee reached a consensus and agreed to recommend to the Board for approval.
- Other Issues
 - a. Fitness Center
 - b. NJEDA Loan
 - c. Squier Hall
 - d. Myer Center
 - e. Parcel B
 - f. Howard Commons
 - g. Commissary & PX
 - h. Update on RFOTPs

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

Kenneth J. Kloo stated that the Committee did not meet this month but will be meeting on August 5th.

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

Bruce Steadman, on behalf of Jay Coffey stated that the Committee met on July 10th and discussed the following:

- Discussion regarding the Historic Application for Exterior Permit Approval Process. A permit application must be completed by residents of the East Gate residents who wish to make improvements to the exterior or their property. Pursuant to the Historic Guidelines, and FMERA's Land Use Regulations and Development and Design Guidelines, the Historical Committee's review is required to review the homeowner's application for an external permit application. This Permit Application will serve to provide a baseline of standards for review by the Historical Committee.

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

Sean Thompson stated that the Committee met on June 25th and discussed the following:

- Discussion regarding FMERA's Affordable Housing obligations.
- Discussion regarding Parcels C & C1. FMERA has closed on both Parcels.
- Parcel C1 – The parcel will be developed with up to 45 residential units.
- Parcel C will be developed to accommodate up to 243 residential units and up to 58,000 sq. ft. of retail development. 20% affordable housing results in 57 units on Parcel C which includes the affordable units for Parcel C1 as well.
- Discussion regarding Howard Commons status.
- Discussion regarding Suneagles Golf Course. Martelli Signature Homes' proposed redevelopment includes the reuse of the Golf Course; construction of up to 60 residential units within the 10-acre former Megill Housing, and 15 units affordable immediately adjacent.
- Discussion regarding Parcel B. Parcel B will include retail and/or commercial development on the parcel with the number of housing units at 302, with 20% affordable (60 units).
- Discussion regarding the Nurses Quarters in Oceanport. The buildings will be developed as 24 one and two-bedroom apartments and 10 three to four-bedroom townhouses with 20% of the site being affordable housing.
- Discussion regarding the Lodging Area in Oceanport, The Lodging Area will be redeveloped with 180 residential units with 20% affordable, and the reuse of the two historical buildings.
- Discussion regarding Barker Circle. Barker Circle includes the development of 75 housing units with 20% affordable units.

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

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

BOARD ACTIONS

1. The first item before the Board was Consideration of Approval of the First Amendment to the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown for 1123 Parcel in Eatontown

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

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

OTHER ITEMS

There were no other items before the Board.

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

Sandy Craig of East Gate, Oceanport asked for a status of the completion of the Fitness Center. Mr. Steadman stated that due to many unforeseen issues during the redevelopment of the property, the developer anticipates full completion of the project by March 2020.

Ms. Craig asked if the Monmouth County Parks Department would be willing to take over the Parade Grounds in order that it would remain as green space and not be used for sporting events.

Ms. Craig asked about the extension of Route 537 as a one-way from Russel Avenue to Sherril Avenue to Wilson Avenue. Mr. Steadman stated that FMERA has negotiated with the County for the County to take over Avenue of Memories from Route 35 to Oceanport Avenue. Due to the inability to widen Russel and Sherril Avenues through the Historic District, Russel and Sherril Avenues would become a one-way going west from Oceanport Avenue (via Russel and Sherril Avenues) to Wilson Avenue where it would then connect back onto Avenue of Memories.

Erin Feeley of East Gate, Oceanport asked why the Sherril Avenue plan is not on the County Master road plan or on any County proposed road plans. Mr. Steadman stated that Ms. Feeley should contact the Monmouth County Administrator.

Joyce Murphy of East Gate, Oceanport asked for clarification of the new Route 537 route. Ms. Murphy stated that it was indicated to her that Russel Avenue would be turned over to the Borough of Oceanport. Mr. Steadman stated that the road was deeded over to Monmouth County in 2016.

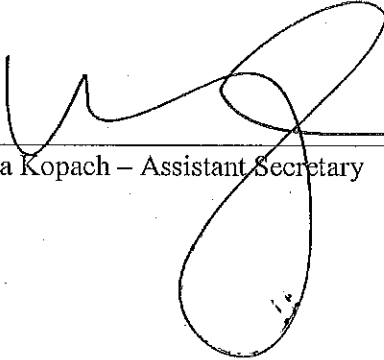
John Ward of East Gate, Oceanport asked if there is a target date for the transfer of the substation to JCP&L. Mr. Steadman stated that the transfer should occur within the next 3-5 years and due to the costs associated with the transfer, FMERA will need to have closings completed to purchase the new substation.

A resident of East Gate, Oceanport asked what the plans are for the former track and field located in Eatontown and the field at the former Army Prep School. Mr. Steadman stated that the fields at the Army Prep School will be transferred to the developer of Parcel B and that Parcel B will be redeveloped as the Eatontown Town Center as stated in the Reuse Plan. Mr. Steadman stated that the plans for the former track and field have yet to be determined. Mr. Steadman stated that per the Reuse Plan, each town is required to have a certain number of residential units and in Eatontown the number of units is 577. Mr. Steadman stated that due to the Army's former treatment of the Howard Commons property with pesticides, the number of houses to be built on the property may be reduced. If the Howard Commons developer determines that fewer housing units will need be built on the property, then the next best site that the housing units would be moved to would be the former track and field property.

Gary Merzer of East Gate, Oceanport asked if the Parade Grounds are deemed historic. Mr. Steadman stated that the Parade Grounds are historic and are included in the Programmatic Agreement. Mr. Steadman stated that the disposition of the Parade Grounds has yet to be determined.

There being no further business, on a motion by Gary Baldwin and seconded by Lillian Burry and unanimously approved by all voting members present, the meeting was adjourned at 8:20p.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.



Kara Kopach – Assistant Secretary

ADOPTED
July 17, 2019

**Resolution Regarding
First Amendment to the Purchase and Sale & Redevelopment Agreement with the Borough of Eatontown
(the "Borough") for a Department of Public Works Complex on the 1123 Parcel**

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

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

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

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

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

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

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

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

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

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

WHEREAS, the Real Estate Committee has reviewed the request and recommends approval of the First Amendment to Purchase and Sale Agreement with the Borough of Eatontown.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the First Amendment with the Borough of Eatontown for a Department of Public Works Complex on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: July 17, 2019

EXHIBIT 1

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THEREFORE, BE IT RESOLVED THAT:

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

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

ATTACHMENT

Dated: July 17, 2019

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: August 21, 2019

SUBJECT: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) staff's monthly activities which include an Update on Utilities and Infrastructure; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort; and Action Items for Next Month.

Treasurer's Report

1. Second Loan from the New Jersey Economic Development Authority

At tonight's meeting, FMERA is requesting that the Board authorize a credit facility with the EDA for up to \$5 million. The requested loan will be utilized to fund general working capital needs. FMERA has been selling properties over the past six years, however, the timing and closing of these sales has taken longer than anticipated and created the demand for the loan. FMERA's long-term financial outlook is strong. Currently, 75% of the Fort property is engaged in one stage or another in some 30+ projects. As of 2020 and through the balance of FMERA's mission, our pro-forma shows that the Authority will remain cash flow positive and will have adequate resources available to complete the Fort's redevelopment, including repayment of this EDA loan, the first EDA loan, and satisfaction of the obligations with the MCIA. The most recent County appraisal valued the Fort's Phase 2 real property at \$90 million.

Executive Director's Report

1. Update on Utilities and Infrastructure

FMERA continues to coordinate with Two Rivers Water Reclamation Authority and Maser Consulting to progress the work outlined in the TRWRA MOU approved by this Board in April. The work involves finalizing the design of sanitary lines which serve Horseneck Point, the Allison Hall Parcel, and the Lodging Parcel through the 400 area toward the proposed Two Rivers lift-station along Riverside Drive. This design will eliminate a force-main currently traversing the Addison Hall and Lodging Parcels, allowing the developers of those parcels to proceed with design plans.

The U.S. Army's BRAC Environmental Coordinator, personnel from the U.S. Army Corp. of Engineers (USACOE), NY District Office, FMERA staff, and staff from AECOM (a prime contractor to USACOE) participated in a regulatory compliance meeting with personnel from the NJDEP on August 15th to discuss the Army's plan to meet the substantive regulatory requirements for the proposed landfill capping project which covers 50 acres of land. At present, the Army's landfill capping project is scheduled to commence in November of 2019.

AECOM, on behalf of USACOE, NY District office, is scheduled to commence a soil removal action at environmental carve-out Parcel 57 during the last week of August. The former commissary building is found within the footprint of the Parcel.

The facilities team, along with the on-site maintenance contractor, Chenega, has 20+ ongoing projects and operations. Facilities also continues to support the development team, monitor environmental concerns, and maintain properties slated for sale or reuse.

2. Update on RFOTPs

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

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

- Officer Housing Parcels on January 13, 2017 with RPM Development, LLC. The company is renovating the 116 historic housing units, creating 68 market-rate for sale units, and 48 rental units; twenty (20%) percent of the total units will be available to low- and moderate-income households. Residents are beginning to occupy the rental units and the for-sale units.
- Main Post Chapel on February 27, 2017 when Triumphant Life Assembly of God Church purchased the approximately 16,372 square foot building for use as a house of worship.
- Russel Hall and associated property on June 23, 2017. TetherView Property Management, LLC, a private cloud computing services company has occupied the 40,000 square-foot building. Russel Hall currently houses a variety of businesses including tech companies, medical offices, and an architecture firm, among others.
- 13-acre parcel on Murphy Drive on August 16, 2017, where the Borough purchased the property for their new municipal complex.
- Fitness Center on September 26, 2017 enabling Fort Partners Group, LLC, to renovate and expand the facility to emphasize basketball and fitness programs, medically based fitness and wellness programs, and individualized and group training and classes.
- Dance Hall parcel on April 4, 2018 to The Loft Partnership, LLC. The developer plans to renovate the Dance Hall as a microbrewery, coffee house, and banquet facility.
- Building 501, an approximately 1.7-acre site identified for conveyance to Family Promise of Monmouth County via a Legally Binding Agreement (LBA).

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

- Allison Hall, the 13-acre parcel which includes the reuse of the historic building, as well as retail, office/research & development and open space/recreation uses. At the October 2018 meeting, the Board approved a PSARA with Fort Monmouth Business Center, LLC.
- Lodging Area, a 15-acre site located on Parkers Creek, where the Board approved a PSARA with Somerset Development, LLC at the May 2018 Board meeting calling for up to 185 new and renovated housing units. At the May 2019 meeting, the Board approved Plan Amendment #14 for the Lodging Area parcel.
- Marina, currently operating as a marina/public boat ramp and restaurant. At the July Board meeting, the Board approved a PSARA with AP Development Partners, LLC.
- Squier Hall Complex, an approximately 31-acre site under contract to KKF University Enterprises, LLC. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus. At the September 2018 meeting, the Board approved a PSARA with KKF University Enterprises, LLC.
- Warehouse District, consisting of five general purpose administrative buildings and two warehouse buildings totaling 77,589± sf, and the Post Office Area, including the 7,641± sf former Post Office; Tickets & Tours, a 2,600± sf building; Building 800, a 14,964± sf administration and classroom building; and Building 801, the 9,267± sf recreation equipment checkout facility. At the July 2019 Board meeting, the Board approved a PSARA with OPort Partners, LLC.

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

- Barker Circle, an approximately 19.5-acre parcel in the historic district which includes the repurposing of buildings 205, 206, 207, 208, and 287, as well as the Main Post Firehouse and Kaplan Hall, for residential, office and other commercial uses.
- Commissary, the 53,700± sf former Army supermarket;
- Post Exchange (PX) complex, a series of four wood-frame buildings totaling 45,626± sf, along with Building 812, a 5,563± sf building.
- 1000 Area Parking parcel, a 5± acre lot that will provide off-street parking for the buildings that adjoin it.

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

Also at tonight's meeting, staff will be requesting that the Board approve a PSA with Global Signal Acquisitions IV, LLC for the Telecommunications Tower and Land in Oceanport.

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

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

In **Eatontown**, FMERA has approved or executed contracts on the following four parcels:

- Eatontown Barracks, 6 buildings on Semaphore Avenue on an approximately 4.4-acre parcel, where FMERA entered into a PSARA with Kenneth Schwartz for the development of a commercial arts-related project, including studio, performance and gallery space, as well as short-term residential units for artists.
- Suneagles Golf Course, where FMERA has executed a PSARA with Martelli Development, LLC, to maintain and upgrade the existing Golf Course, renovate historic Gibbs Hall, and construct 75 new housing units. Martelli will continue to operate the course in the interim so it can remain open to the public as the redevelopment progresses.
- Building 1123, a former general office building at Avenue of Memories and Wilson Avenue with the Borough of Eatontown for the reuse of Building 1123, a former general office building at Avenue of Memories and Wilson Avenue, by the Borough's Department of Public Works. At tonight's meeting, staff will be requesting that the Board approve the First Amendment to the PSARA with the Borough of Eatontown.
- Bowling Center, an approximately 2.8-acre parcel including Building 689, an approximately 17,599 sf, 20-lane bowling alley and Building 682, a 4,720-sf wood frame building to be demolished by the selected bidder.

Also in Eatontown, FMERA is in negotiations for the sale and redevelopment of the following property:

- Parcel B for the development of a mixed-use town center along Route 35 totaling approximately 250,000 square feet of retail and 302 housing units.

FMERA issued an RFOTP on June 17th with responses due on August 16th for the following property:

- Expo Theater, an 18,883sf entertainment facility built in 1968, previously used as a live theater and cinema; and adjacent properties, including Dean Field and portions of the M3, M5, and M4 landfills, as optional sub-parcels. Four proposals were received and FMERA will begin to evaluate the proposals over the coming weeks.

FMERA intends to issue the following RFOTPs in Eatontown:

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

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

- Parcel F-3 on February 23, 2017. The Monmouth County Park System purchased the property to develop in conjunction with the adjacent Fort Monmouth Recreation Center and Swimming Pool. The former gas station and convenience store site, located along Hope Road, will allow the County to expand services and public open space amenities currently offered at the Recreation Center.

- Fort Monmouth Recreation Center on February 23, 2018, which had previously been leased by Monmouth County.
- Charles Wood Fire Station on May 22, 2018, transferring the property to Commvault Systems, Inc. for use as corporate office and training space.
- Parcel C1 on October 1, 2018 with Lennar Corporation, planned for 45 new single-family homes.
- Parcel C on March 8, 2019 with Lennar Corporation, approved for 243 residential units and up to 58,000 square feet of retail development.

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

- Fabrications Shops (Pinebrook Road Commerce Center), 45,000 square feet of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC, which is slated to close imminently.

At tonight's meeting, staff will be asking that the Board approve making the Tinton Falls Commercial Parcel, available through the Offer to Purchase Process. The Tinton Falls Commercial Parcel includes the following:

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

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

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

3. Marketing Update

At tonight's meeting, the FMERA Board will consider the approval of the issuance of a Request for Offers to Purchase for the Tinton Falls Commercial Development Site, which includes the Pulse Power Building, Building 2719, and the Pistol Range. Based on the surrounding redevelopment and staff's evaluation of the current highest and best use of the properties, staff believes offering a larger parcel for redevelopment creates maximum potential for a large-scale project that is complementary to the surrounding uses. This site is envisioned for commercial reuse and the issuance of this RFOTP is this September.

FMERA issued an RFOTP for the Expo Theater and Adjacent Open Space on June 17th. Proposals were due on August 16th and four proposals were received. The Expo Theater is envisioned for commercial redevelopment as an arts, entertainment or recreation facility. FMERA's evaluation committee will read and score these proposals over the next several weeks.

Additionally, staff continues to facilitate meetings and tours related to two of the Fort's largest remaining parcels, The McAfee Center and the 400 Area. The properties are planned as the Fort's tech hub and Oceanport's

neighborhood town center, respectively. FMERA is exploring several potential partnerships with other state agencies and universities that would both foster tech development and support the Reuse Plan's vision for a dynamic, pedestrian-friendly community. FMERA staff plans to make a recommendation to the Real Estate Committee to approve the issuance of a Request for Offers to Purchase for the 400 Area this fall.

Please visit our website, www.fortmonmouthnj.com, or follow us on Instagram at @fortmonmouthnj for our latest updates and latest development opportunities.

4. Action Items for Next Month.

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



Approved By: Bruce Steadman

Prepared by: Regina McGrade

ADOPTED
August 21, 2019

**Resolution Regarding
Second Loan from New Jersey Economic Development Authority**

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 New Jersey Economic Development Authority (“EDA”) is an independent State authority that serves as the State’s “bank for business” by financing small and mid-sized businesses, administering tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development by providing access to training and mentoring programs, and

WHEREAS, on December 6, 2017 the Board approved the first loan from EDA of \$5 million, which was for general working capital purposes, with a 60-month term with a 12-month draw period, at an interest rate of 2.23%. This loan closed on December 28, 2017 and matures on January 1, 2023. The entire \$5 million was drawn down and the current balance is \$4,264,148. In addition to the monthly interest payments, there have been three principal payments to EDA generated from the net sales proceeds of Phase 1 parcels aggregating \$735,852. This loan is anticipated to be fully repaid from Phase 1 and 2 net sales proceeds of parcel payments of \$506,195 later in 2019 and \$3,757,953 in 2020

WHEREAS, the Second requested loan will be utilized to fund general working capital needs which will be comprised primarily of salaries, general and administrative expenses, program costs (which consist of professional services, property maintenance, utilities) and debt service; and

WHEREAS, FMERA has been selling properties over the past six years, however, the timing and closing of these sales has taken longer than anticipated and created the demand for the loan. The loan will be available at closing with an anticipated first draw of \$2.5 million in September of 2019 and a second draw, if necessary, in the first quarter of 2020 as well as the additional terms as described in the attached memorandum; and the loan will have an interest rate of the greater of the five-year US Treasury or 2% fixed at closing with a 60-month term and a 12-month draw period. Monthly payments of interest will be due on the loan and principal payments will be due at the time of closing on Phase 1 parcels, and

WHEREAS, FMERA staff is also requesting that the Members delegate to the Executive Director authority to execute any related financing documents required by EDA in connection with the loan; and

WHEREAS, FMERA proposes to pay EDA 50% of net Phase 1 sales proceeds after deducting amounts due to the Army, EDA 1st loan, and Homeless Trust (with one exception being 70% of net sales proceeds from the sale of the Phase 1 portion of Parcel B), estimated at \$0.8 million, \$3.5 million, and \$0.7 million in 2019, 2021, and 2022, respectively. FMERA anticipates repayment of the proposed loan by 2022 if fully drawn. Phase 1 and 2 parcels expected to be sold through 2022 have an estimated aggregate value of \$109 million with net proceeds to FMERA of \$60.8 million; and

WHEREAS, FMERA’s long-term financial outlook is strong. Some 75% of the Fort property is engaged in one stage or another in some 30+ projects. As of 2019 and through the balance of FMERA’s mission, our pro-forma shows that the Authority will remain cash flow positive, we will have adequate resources available to complete the Fort’s redevelopment, including repayment of this EDA loan, the first EDA loan, and satisfaction of our obligations with the MCIA; and

WHEREAS, FMERA has been selling properties over the past six years, however, the timing and closing of these sales has taken longer than anticipated and created the demand for the loan, and the NJEDA loan will become available at closing with the anticipated first draw of \$2.5 million in September 2019 and a second draw, if necessary, in the first quarter of 2020; and

WHEREAS, the Audit Committee has reviewed the terms of the credit facility for up to \$5 million and recommends it to the Authority for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves a second credit facility for up to a \$5 million loan from the New Jersey Economic Development Authority to FMERA for general working capital purposes.

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

ATTACHMENT

Dated: August 21, 2019

EXHIBIT 1

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Second Loan from New Jersey Economic Development Authority

DATE: August 21, 2019

Request

I am requesting that the Board authorize a second credit facility for up to \$5 million (“loan”) from the New Jersey Economic Development Authority (“EDA”) to FMERA for general working capital purposes. I am also requesting that the Members delegate to the Executive Director authority to execute any related financing documents required by EDA in connection with the loan.

Background

The EDA is an independent State authority that serves as the State’s “bank for business” by financing small and mid-sized businesses, administering tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development by providing access to training and mentoring programs. Under the FMERA Act, the EDA may assist the Authority by providing loans to fund approved budgets. The EDA Board approved the \$5 million credit facility at their August 13, 2019 meeting, subject to FMERA’s Board’s approval.

The requested loan will be utilized to fund general working capital needs which will be comprised primarily of salaries, general and administrative expenses, program costs (which consist of professional services, property maintenance, utilities) and debt service. FMERA has been selling properties over the past six years, however, the timing and closing of these sales has taken longer than anticipated and created the demand for the loan. The loan will be available at closing with an anticipated first draw of \$2.5 million in September of 2019 and a second draw, if necessary, in the first quarter of 2020.

The first loan from EDA of \$5 million, approved by the Board on December 6, 2017 was for general working capital purposes, with a 60-month term with a 12-month draw period, at an interest rate of 2.23%. This loan closed on December 28, 2017 and matures on January 1, 2023. The entire \$5 million was drawn down and the current balance is \$4,264,148. In addition to the monthly interest payments, there have been three principal payments to EDA generated from the net sales proceeds of Phase 1 parcels aggregating \$735,852. This loan is anticipated to be fully repaid from Phase 1 and 2 net sales proceeds of parcel payments of \$506,195 later in 2019 and \$3,757,953 in 2020.

Second Loan

The loan will have an interest rate of the greater of the five-year US Treasury or 2% fixed at closing with a 60-month term and a 12-month draw period. Monthly payments of interest will be due on the loan and principal payments will be due at the time of closing on Phase 1 parcels, with all outstanding principal and interest due upon maturity. The loan will be secured by a second mortgage behind EDA for an existing loan, on the FMERA's interest in Phase 1 properties that are not subject to sale agreements plus an assignment of net proceeds on other Phase 1 parcels that are under contract or out for signature.

FMERA proposes to pay EDA 50% of net Phase 1 sales proceeds after deducting amounts due to the Army, EDA 1st loan, and Homeless Trust (with one exception being 70% of net sales proceeds from the sale of the Phase 1 portion of Parcel B), estimated at \$0.8 million, \$3.5 million, and \$0.7 million in 2019, 2021, and 2022, respectively. FMERA anticipates repayment of the proposed loan by 2022 if fully drawn. Phase 1 and 2 parcels expected to be sold through 2022 have an estimated aggregate value of \$109 million with net proceeds to FMERA of \$60.8 million.

FMERA's long-term financial outlook is strong. Some 75% of the Fort property is engaged in one stage or another in some 30+ projects. As of 2020 and through the balance of FMERA's mission, our pro-forma shows that the Authority will remain cash flow positive, we will have adequate resources available to complete the Fort's redevelopment, including repayment of this EDA loan, the first EDA loan, and satisfaction of our obligations with the MCIA.

The NJEDA Board approved the loan on August 13, 2019. FMERA's Audit Committee has reviewed the terms of the credit facility for up to \$5 million and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board authorize a credit facility for up to \$5 million from the New Jersey Economic Development Authority for general working capital purposes and delegate to the Executive Director authority to execute any related financing documents required by EDA in connection with the loan.



Bruce Steadman

Prepared by: Jennifer Lepore

Resolution Regarding
Approval to Make the Tinton Falls Commercial Development Parcel Available through the Offer to
Purchase Process

WHEREAS, in accordance with Section 19:31C-2.5(a) of FMERA's Rules for the Sale of Real and Personal Property, "the Board shall review and approve a recommendation of the Director and FMERA [staff] to offer the property for sale through the offer to purchase process"; and

WHEREAS, the Tinton Falls Commercial Development Parcel is an approximately 31.25± acre parcel of land containing nine buildings located at Pearl Harbor Avenue and Pinebrook Road in the Tinton Falls Reuse Area of the Charles Wood Area of the Fort ("the Property"); and

WHEREAS, the Pulse Power Building, (Building 2707), is a special purpose facility consisting of 15,690 sf of administrative offices and 10,786 sf of dry lab and testing space. The Fort Monmouth Reuse & Redevelopment Plan (Reuse Plan) contemplates the building reused for office and/or research & development use. Given its design as a special purpose facility, however, FMERA staff has not received interest in the Pulse Power building for continued R&D use. Consequently, staff believes that the Pulse Power building and its outbuildings should be offered as part of a larger parcel for either office/R&D or an alternate commercial use consistent with or complementing the planned uses in the area and allow either reuse of the building or demolition and redevelopment of the parcel; and

WHEREAS, Building 2719 consists of 6,574 sf of administrative space and a 2,448 sf high-bay garage. The Property also includes Building 2704, a 6,226-sf testing facility known as the Shake & Bake lab. The Reuse Plan envisioned the demolition of Buildings 2704 and 2719 for passive open space due to their location on the site and inaccessibility to other planned development. However, amendments to the Reuse Plan have substantially changed the land use plan for the Tinton Falls Reuse Area, and as a result Building 2719 is now accessible and its reuse for commercial purposes would be consistent with adjacent uses, and;

WHEREAS, the Pistol Range (Building 2627), an indoor pistol range, and the former Fire Training Area are also located within the Property. The Pistol Range is a 10-lane shooting range built in 2006, totaling 11,110 sf. It additionally includes a classroom, kitchen, bathrooms, and a gun cleaning facility. The Pistol Range parcel includes Building 2628, a 5,724-sf warehouse, and Building 2629, a fire training/burn building. Per the Reuse Plan, the Pistol Range is envisioned for reuse as a gun range and Building 2629 is envisioned for reuse as a fire training center by state, county or local governmental entities. Based on Reuse Plan amendments affecting the surrounding land and the planned, adjacent development, these prior planned uses may no longer be the highest and best use of the Property and therefore, FMERA staff recommends the Pistol Range and Fire Training Area be offered as part of a larger parcel and accept Offers for alternate uses consistent with and complementary to the surrounding development. An Offer to demolish Building 2627 or reuse and redevelop the parcel for anything other than a shooting range will require an amendment to the Reuse Plan; and

WHEREAS, given that amendments to the Reuse Plan have substantially changed the land use plan for the Tinton Falls Reuse Area, FMERA staff recommends it accept Offers that include the reuse or demolition of Buildings 2707-2710, 2719, 2627, 2628, and 2629, the demolition of Building 2704 and the redevelopment of the parcel for office/research & development, alternate commercial or open space/recreational uses consistent with or complementing the planned uses in the area. Any such Offers will require an amendment to the Reuse Plan; and

WHEREAS, the redevelopment of land and buildings on Fort Monmouth for uses other than those currently contemplated in the Reuse Plan is subject to separate Board approval of a Reuse Plan amendment or a variance. In this instance, because the Request for Offer to Purchase (RFOTP) would allow offers with uses different than those in the Reuse Plan, the RFOTP will state that changes in use will be subject to a Reuse Plan amendment or a variance; and

WHEREAS, Authority staff recommends proceeding with the offer to purchase process for the Tinton Falls Commercial Parcel rather than sealed bids. This recommendation is based on several factors. 1) potential purchasers have expressed interest to FMERA staff in acquiring and renovating the Property for commercial and related uses, and 2) as the reuse of several buildings may no longer represent the highest and best use, staff believes the RFOTP process may allow greater flexibility for selecting the scenario that would maximize the development potential and economic value of the Property. Accordingly, staff believes that negotiation with respondents may be necessary to ensure that FMERA's objectives are met, and that the value of the Property is maximized; and

WHEREAS, the Real Estate Committee has reviewed making the Tinton Falls Commercial Development Parcel available through the offer to purchase process and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves making the Tinton Falls Commercial Development Parcel available through the offer to purchase process, as set forth in the attached memorandum.
2. The Authority authorizes the Executive Director to take all necessary actions to effectuate the issuance of the Requests for Offer to Purchase and the notice of availability for sale through the offer to purchase process.
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: August 21, 2019

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Making the Tinton Falls Commercial Development Parcel Available through the Offer to Purchase Process

DATE: August 21, 2019

Request

I am requesting that the Board authorize the Fort Monmouth Economic Revitalization Authority (FMERA) staff to make the Tinton Falls Commercial Development Parcel in Fort Monmouth's Tinton Falls Reuse Area available through the offer to purchase process, in accordance with FMERA's approved Sales Rules.

The Tinton Falls Commercial Development Parcel is an approximately 31.25± acre parcel of land containing nine buildings (Buildings 2627, 2628, 2704, 2707, 2708, 2709, 2710, 2629, and 2719) located at Pearl Harbor Avenue and Pinebrook Road in the Tinton Falls Reuse Area of the Charles Wood Area of the Fort ("the Property").

The Pulse Power Building

The Pulse Power Building, also known as Building 2707, is a circa 1988 special purpose facility consisting of 15,690 sf of administrative offices and 10,786 sf of dry lab and testing space. The latter space is divided between two high-bay areas with ceiling heights of 50'. The Fort Monmouth Reuse & Redevelopment Plan (Reuse Plan) contemplates the building reused for office and/or research & development use. Given its design as a special purpose facility, however, FMERA staff has not received interest in the Pulse Power building for continued R&D use. Consequently, staff believes that the Pulse Power building and its outbuildings should be offered as part of a larger parcel for either office/R&D or an alternate commercial use consistent with or complementing the planned uses in the area and allow either reuse of the building or demolition and redevelopment of the parcel.

Building 2719

Among the last buildings constructed by the Army on Fort Monmouth, Building 2719 was completed in 2006 and consists of 6,574 sf of administrative space and a 2,448 sf high-bay garage. The Property also includes Building 2704, a 50-year old, 6,226 sf testing facility known as the Shake & Bake lab, which the Army used to test prototypes. The Reuse Plan envisioned the demolition of Buildings 2704 and 2719 for passive open space due to their location on the site and inaccessibility to other planned development. However, amendments to the Reuse Plan have substantially changed the land use plan for the Tinton Falls Reuse Area, and as a result Building 2719 is now accessible and its reuse for commercial purposes would be consistent with adjacent uses.

Pistol Range and Fire Training Area

Building 2627, an indoor pistol range, and the former Fire Training Area are also located within the Property. Building 2627 is a 10-lane shooting range built in 2006, totaling 11,110 sf. It additionally includes a classroom, kitchen,

bathrooms, and a gun cleaning facility. The Pistol Range parcel includes Building 2628, a 5,724-sf warehouse, and Building 2629, a fire training/burn building.

Per the Reuse Plan, the Pistol Range (Building 2627) is envisioned for reuse as a gun range and Building 2629 is envisioned for reuse as a fire training center by state, county or local governmental entities. The Reuse Plan was amended to accommodate this vision more fully. However, the Project was subsequently terminated. Based on Reuse Plan amendments affecting the surrounding land and the planned, adjacent development, these prior planned uses may no longer be the highest and best use of the Property and therefore, FMERA staff recommends the Pistol Range and Fire Training Area be offered as a part of a larger parcel and accept Offers for alternate uses consistent with and complementary to the surrounding development. An Offer to demolish Building 2627 or reuse and redevelop the parcel for anything other than a shooting range will require an amendment to the Reuse Plan.

Given that amendments to the Reuse Plan have substantially changed the land use plan for the Tinton Falls Reuse Area, FMERA staff recommends it accept Offers that include the reuse or demolition of Buildings 2707, 2708, 2709, 2710, 2719, 2627, 2628, and 2629, the demolition of Building 2704 and the redevelopment of the parcel for office/research & development, alternate commercial or open space/recreational uses consistent with or complementing the planned uses in the area. Any such Offers will require an amendment to the Reuse Plan.

The redevelopment of land and buildings on Fort Monmouth for uses other than those currently contemplated in the Reuse Plan is subject to separate Board approval of a Reuse Plan amendment or a variance. In this instance, because the Request for Offer to Purchase (RFOTP) would allow offers with uses different than those in the Reuse Plan, the RFOTP will state that changes in use will be subject to a Reuse Plan amendment or a variance.

The Board approved the Rules for the Sale of Real and Personal Property (the Sale Rules) at the August 17, 2011 Meeting of the Authority. In accordance with Section 19:31C-2.5(a) of the Sale Rules, before advertising a particular parcel of real property and accompanying personal property as being available for sale through the offer to purchase process, the Board shall review and approve a recommendation of the Director and FMERA to offer the property for sale through that process. In its determination to use the offer to purchase process, the Board also may consider various factors including, but not limited to, purchase price, jobs to be created and timing, to determine whether the offer to purchase process will enhance the economic value to FMERA or Fort Monmouth. After the RFOTP is issued and offers are received and negotiated, the Executive Director and FMERA staff shall present a recommendation to the Board to accept an offer, to terminate negotiations regarding offers, or to take other appropriate action.

Authority staff recommends proceeding with the offer to purchase process for the Tinton Falls Commercial Parcel rather than sealed bids. This recommendation is based on several factors. First, potential purchasers have expressed interest to FMERA staff in acquiring and renovating the Property for commercial and related uses. Second, as the reuse of several buildings may no longer represent the highest and best use, staff believes the RFOTP process may allow greater flexibility for selecting the scenario that would maximize the development potential and economic value of the Property. Accordingly, staff believes that negotiation with respondents may be necessary to ensure that FMERA's objectives are met, and that the value of the Property is maximized.

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

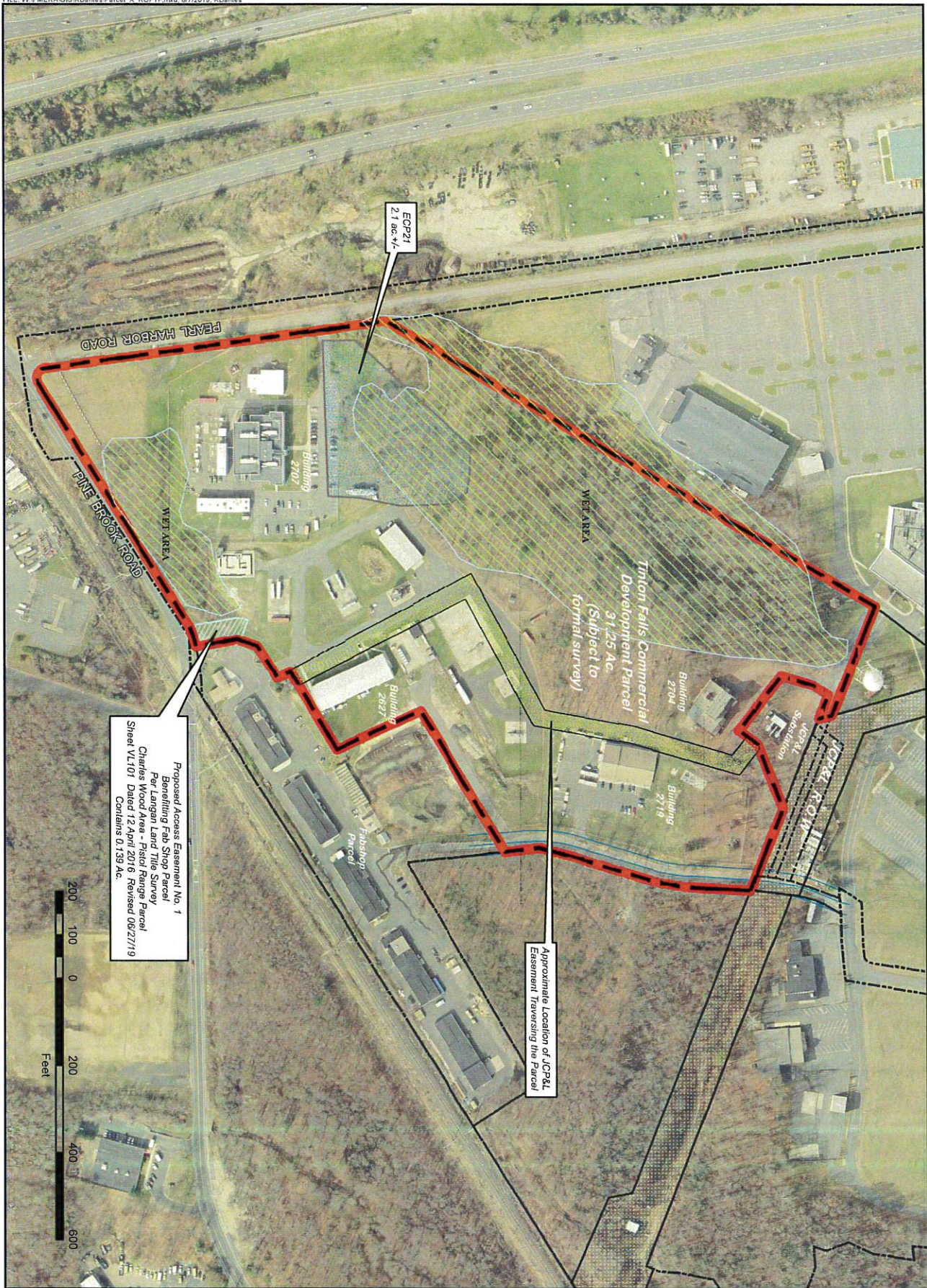
Recommendation

In summary, I am requesting that the Board authorize FMERA staff to make the Tinton Falls Commercial Parcel in Fort Monmouth's Tinton Falls Reuse Area available through the offer to purchase process, in accordance with FMERA's approved Sales Rules.



Bruce Steadman

Attachments: Parcel Maps
Prepared by: Sarah Giberson

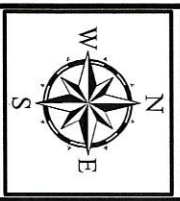


Legend

- Access Easement
- Concept Parcel
- Easement-Utility
- Partner Survey
- Remaining Lands
- Surveyed Parcel
- Wet Area
- JcpL_sls_ease

For cartographic purposes only. Aerial photos are shown as a background for all existing or future rights-of-way, easements or potential environmental corridors. Prepared by: KGD Date: 8/7/2019

Tinton Falls Commercial Development Parcel Fort Monmouth Borough of Tinton Falls



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**Resolution Regarding
Purchase and Sale Agreement with Global Signal Acquisitions IV LLC for the Telecommunications Tower &
Land in Oceanport**

WHEREAS, FMERA issued a Request for Sealed Bids (“RFB”) on June 10, 2019 in connection with the sale of an approximately 0.58 parcel of land containing the Fort Monmouth Telecommunications Tower and adjacent land. The Property is located at the corner of Murphy Drive and Lane Avenue in the Oceanport Reuse Area of the Fort; and

WHEREAS, responses to the RFB were due on July 24, 2019 and bids were received from Global Signal Acquisitions IV, LLC (“Global Signal”) and Wireless Edge Towers. An evaluation committee scored the bids and deemed they were compliant. Under Section 5.0 of the RFB, “FMERA may also seek Best and Final Sealed Bids from one or more Bidders who timely submitted a responsive bid for this RFB”, FMERA sent a letter on August 7th to both proposers seeking a Best and Final Sealed Bid limited to the proposed purchase price under Section 5.1(b) of the RFB. No other modifications to the proposal submitted would be permitted or accepted. Further, only Best and Final Sealed Bids identifying an increased proposed purchase price were considered and if the Best and Final Sealed Bid did not meet the criteria, FMERA would only reevaluate the proposals based on the original submission; and

WHEREAS, the Best and Final Bids were due on Friday, August 9th and both Global Signal and Wireless Edge Towers submitted a Best and Final Sealed Bid. The evaluation committee rescored the bids and deemed Global Signal to be the highest scored bid. The evaluation committee made a recommendation to enter into a PSA with Global Signal; and

WHEREAS, in July 2005, the Army granted to the Lessee through its agent, Omnipoint Communications, Inc., a lease for the right to erect, operate and maintain the telecommunications tower on Fort Monmouth (the “Lease”). Under the terms of the Lease, the Lessee has multiple term options which continue through September 30, 2030. FMERA acquired title to the Property via quitclaim deed from the Army in November 2016 pursuant to the terms of the EDC Agreement. The Property was transferred to FMERA subject to an existing lease and supplemental agreement between the Army and Omnipoint Facilities Network 2, LLC (the “Lessee”). FMERA issued the RFB subject to the Lease and its multiple term options. The Lease will be assigned to the future owner of the Property under the terms and conditions stipulated in the Lease and Supplemental Agreements; and

WHEREAS, the PSA between the Authority and Global Signal (the “Parties”) will be subject to the terms of the EDC Agreement; and

WHEREAS, pursuant to the terms of the PSA, Global Signal will pay \$1,100,000.00 for the Property, which exceeds the \$800,000 minimum bid specified in the RFB. Global Signal agrees to (i) comply with the expedited closing schedule and execute a PSA within fifteen days of bid approval and subject to FMERA Board approval, and (ii) close within sixty days of execution of the PSA by the Parties. Purchaser shall have thirty days to investigate due diligence items and the Due Diligence Period may be extended for an additional thirty days for Purchaser to conduct additional environmental testing or due diligence based on the agreement of the Parties.; and

WHEREAS, Crown Castle International Corporation (“Crown Castle”) is a subsidiary of Global Signal and is currently managing and/or operating the Property and the communications equipment located thereon. Crown Castle intends to continue to operate and manage the Property and the communications equipment located thereon in accordance with terms and conditions as described in the attached memorandum, and;

WHEREAS, Crown Castle has no current plans to make any material or substantive changes to the Property, however, Crown Castle will be responsible for paving/repaving the Property’s driveway known as Lane Avenue to its connection point with Murphy Drive and installing landscaping and fencing along the Property’s perimeter; and

WHEREAS, subject to the terms and conditions set forth in the PSA and the performance by the Parties of all of the obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the Property. The Seller will sell and convey to the Purchaser the Property in its as-is condition, which consists of: (a) the land and telecommunications tower, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Agreement (d) subject to the Lease; and

WHEREAS, purchaser covenants to obtain a Certificate of Occupancy, if required, and use and occupy the Property for telecommunications use consistent with the Fort Monmouth Reuse and Redevelopment Plan ("Reuse Plan"). Seller will convey the 0.195-acre portion of the Environmental Carveout to Purchaser for no additional consideration within forty-five days of Seller's receipt of a Final Remediation Document from the NJDEP, the Army's issuance of a Finding of Suitability to Transfer ("FOST") and title from the Army. In the event that Purchaser has not obtained a Certificate of Occupancy, if required, and commenced to use and occupy the Property within six months from the subsequent closing on the Environmental Carveout as contemplated by reason of force-majeure or such reasons as agreed between the Parties and provided Purchaser's efforts to obtain a Certificate of Occupancy and commence using and occupying the Property are ongoing and proceeding in good faith toward the completion of the Project, then in such event, Purchaser shall be entitled to a six month extension of the completion date; and

WHEREAS, during the interim period of Purchaser completing due diligence and obtaining any necessary Approvals, Purchaser intends to continue to use the cell tower under the existing Lease agreement; and.

WHEREAS, the PSA between FMERA and Global Signal is not in substantially final form. The final terms of the PSA are subject to the approval of FMERA's Executive Director and the Attorney General's Office, as well as Purchaser and its counsel. 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 Global Signal Acquisitions IV, LLC as the purchaser of the Telecommunications Tower and Land in Oceanport on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale Agreement and on final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSA and take any necessary actions to effectuate the selection of Global Signal Acquisitions IV, 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: August 21, 2019

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Purchase and Sale Agreement with Global Signal Acquisitions IV LLC for the Telecommunications Tower & Land in Oceanport.

DATE: August 21, 2019

Request

I am requesting that the Board approve the execution of a Purchase and Sale Agreement (“PSA”) with Global Signal Acquisitions IV, LLC, (“Global Signal”) for the sale of the Telecommunications Tower and Land (the “Property”) in the Oceanport Reuse Area.

Background

FMERA issued a Request for Sealed Bids (“RFB”) on June 10, 2019 in connection with the sale of an approximately 0.58 parcel of land containing the Fort Monmouth Telecommunications Tower and adjacent land. The Property is located at the corner of Murphy Drive and Lane Avenue in the Oceanport Reuse Area of the Fort.

Responses to the RFB were due on July 24, 2019 and bids were received from Global Signal Acquisitions IV, LLC and Wireless Edge Towers. An evaluation committee scored the bids and deemed they were compliant. Under Section 5.0 of the RFB, “FMERA may also seek Best and Final Sealed Bids from one or more Bidders who timely submitted a responsive bid for this RFB”, FMERA sent a letter on August 7th to both proposers seeking a Best and Final Sealed Bid limited to the proposed purchase price under Section 5.1(b) of the RFB. No other modifications to the proposal submitted would be permitted or accepted. Further, only Best and Final Sealed Bids identifying an increased proposed purchase price were considered and if the Best and Final Sealed Bid did not meet the criteria, FMERA would only reevaluate the proposals based on the original submission.

The Best and Final Bids were due on Friday, August 9th and both Global Signal and Wireless Edge Towers submitted a Best and Final Sealed Bid. The evaluation committee rescored the bids and deemed Global Signal to be the highest scored bid. The evaluation committee made a recommendation to enter into a PSA with Global Signal.

In July 2005, the Army granted to the Lessee through its agent, Omnipoint Communications, Inc., a lease for the right to erect, operate and maintain telecommunications tower #NJ08265D on Fort Monmouth

(the "Lease"). Under the terms of the Lease, the Lessee has multiple term options which continue through September 30, 2030. FMERA acquired title to the Property via quitclaim deed from the Army in November 2016 pursuant to the terms of the EDC Agreement. The Property was transferred to FMERA subject to an existing lease and supplemental agreement between the Army and Omnipoint Facilities Network 2, LLC (the "Lessee"). FMERA issued the RFB subject to the Lease and its multiple term options. The Lease will be assigned to the future owner of the Property under the terms and conditions stipulated in the Lease and Supplemental Agreements Lease No. DACA51-1-13-128.

The PSA between the Authority and Global Signal (the "Parties") will be subject to the terms of the EDC Agreement.

Purchase and Sale Agreement

Pursuant to the terms of the PSA, Global Signal will pay \$1,100,000.00 for the Property, which exceeds the \$800,000 minimum bid specified in the RFB. Global Signal agrees to (i) comply with the expedited closing schedule and execute a PSA within fifteen (15) days of bid approval and subject to FMERA Board approval, and (ii) close within sixty (60) days of execution of the PSA by the Parties. Purchaser shall have thirty (30) days to investigate due diligence items. The Due Diligence Period may be extended for an additional thirty (30) days for Purchaser to conduct additional environmental testing or due diligence based on the agreement of the Parties. Crown Castle International Corporation ("Crown Castle") is a subsidiary of Global Signal and is currently managing and/or operating the Property and the communications equipment located thereon. Crown Castle intends to continue to operate and manage the Property and the communications equipment located thereon in accordance with terms and conditions that are the same or substantially similar to those under the existing communications lease originally between the Secretary of the Army and the Department of the Army and Omnipoint Facilities Network 2, LLC entered into in July 2005. The use and operation of the existing equipment, including the telecommunications tower, shall continue under the terms of the Lease and through the execution of the PSA. Crown Castle has no current plans to make any material or substantive changes to the Property, however, Crown Castle will be responsible for paving/repaving the Property's driveway known as Lane Avenue to its connection point with Murphy Drive and installing landscaping and fencing along the Property's perimeter.

Subject to the terms and conditions set forth in the PSA and the performance by the Parties of all of the obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the Property. The Seller will sell and convey to the Purchaser the Property in its as-is condition, which consists of: (a) the land and telecommunications tower, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Agreement (d) subject to the Lease.

Purchaser covenants to obtain a Certificate of Occupancy, if required, and use and occupy the Property for telecommunications use consistent with the Fort Monmouth Reuse and Redevelopment Plan ("Reuse Plan"). Seller will convey the 0.195-acre portion of the Environmental Carveout to Purchaser for no additional consideration within forty-five (45) days of Seller's receipt of a Final Remediation Document from the NJDEP, the Army's issuance of a Finding of Suitability to Transfer ("FOST") and title from the Army. In the event that Purchaser has not obtained a Certificate of Occupancy, if required, and commenced to use and occupy the Property within six (6) months from the subsequent closing on the Environmental Carveout as contemplated by reason of force-majeure or such reasons as agreed between the Parties and provided Purchaser's efforts to obtain a Certificate of Occupancy and commence using and occupying the Property are ongoing and proceeding in good faith toward the completion of the

Project, then in such event, Purchaser shall be entitled to a six (6) month extension of the completion date.

During the interim period of Purchaser completing due diligence and obtaining any necessary Approvals, Purchaser intends to continue to use the cell tower under the existing Lease agreement.

The PSA between FMERA and Global Signal is not in substantially final form. The final terms of the PSA are subject to the approval of FMERA's Executive Director and the Attorney General's Office, as well as Purchaser and its counsel. 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 Agreement with Global Signal Acquisitions IV, LLC for the Telecommunications Tower and Land in Oceanport.



Bruce Steadman

Attachment: Purchase and Sale Agreement
Prepared by: Regina McGrade

ATTACHMENT

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

ADOPTED
August 21, 2019

**Resolution Regarding
Second 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 and is part of a complex of seven buildings totaling 153,835 sf and covering approximately 26.8 acres (the "Property"); and 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 and a second parcel containing the balance of the buildings (the Phase II Parcel) in December 2018; and

WHEREAS, KKF's Purchase and Sale and Redevelopment Agreement ("PSARA") calls for the renovation of Squier Hall for lease to New Jersey City University ("NJCU") for a baccalaureate completion site for upper division educational coursework known as NJCU Monmouth; 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, and 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 the redeveloper designation was approved by the EDA Board on October 11th, 2018; and

WHEREAS, 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; 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, of which cost for this was estimated to be \$300,000; and

WHEREAS, during the Due Diligence Period Purchaser, Purchaser encountered unexpected environmental and preservation costs estimated to be \$2.9 million;

WHEREAS, in response to these unexpected cost, at FMERA's May Board meeting, the Parties agreed to the First Amendment of the terms as described in the attached memorandum; the terms of the First Amendment were subject to FMERA's reimbursement agreement with the Monmouth County Improvement Authority ("MCIA") to receive twenty-five percent (25%) of FMERA's net sales proceeds toward FMERA's repayment of its Phase II debt obligation to MCIA ("MCIA payment"); and

WHEREAS, the MCIA has requested that it receive the MCIA payment at Purchaser's initial Closing; and so the Purchaser has agreed to release its Deposit for Seller to make the MCIA payment at Closing and amend the Agreement to reflect that the balance of the Purchase Price after the MCIA payment shall be \$1,176,140.25 to be paid in accordance with attached Installation Schedule; and

WHEREAS, based on this payment to MCIA, the MCIA shall provide a mortgage release (prior to closing) for the property; and

WHEREAS, the Parties further agree that Purchaser's obligation to reimburse \$295,586.09 for the new sewer main shall be split into two installment payments to reflect a payment of One Hundred and Fifty Thousand dollars (\$150,000) at Closing and another One Hundred and Forty-Five Thousand Five Hundred and Eighty-Six dollars and Nine cents (\$145,586.09) within six (6) months of Closing; and

WHEREAS, the attached Second PSARA Amendment is in substantially final form and the final terms of the Second 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 it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Second 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: August 21, 2019

EXHIBIT 5

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

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

DATE: August 21, 2019

Request

I am requesting that the Real Estate Committee recommend that the Board approve the Second 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.

KKF's PSARA calls 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 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.

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 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 was 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. 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.

First PSARA Amendment

At FMERA's May Board meeting, the Parties agreed in the First Amendment: (1) to reduce the 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 in an attached schedule and secured by a mortgage or bond; (2) to give Purchaser the discretion to acquire the landfills for \$1 within 12 months of notification by the NJDEP that the Army's landfill closure plan has been successfully completed; (3) to close on the Phase I and Phase II Parcels no later than July 15, 2019; (4) to begin construction of Phase I within 90 days of closing and complete demolition of Buildings 291 and 295 within 15 months of closing, and complete demolition of Buildings 296, 292 and 293 within thirty months of closing; (5) to reimburse FMERA at closing for the installation of the offsite sewer line (estimated at \$300,000) from the Purchaser's Initial and Second Deposit (collectively "Deposit") and to apply the remaining balance toward the Purchase Price; (6) to provide FMERA with a fully executed copy of the 40-year lease with NJCU; (7) 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 NJCU lease; (8) 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) to an extension of due diligence for Phase II for an additional thirty (30) days. The terms of the First Amendment were subject to FMERA's reimbursement agreement with the Monmouth County Improvement Authority ("MCIA") to receive twenty-five percent (25%) of FMERA's net sales proceeds toward FMERA's repayment of its Phase II debt obligation to MCIA ("MCIA payment").

Second Contract Amendment

MCIA has requested that it receive the MCIA payment at the time of Purchaser's initial Closing. To accommodate this request, Purchaser has agreed to release its Deposit for Seller to make the MCIA payment at Closing and amend the Agreement to reflect that the balance of the Purchase Price after the MCIA payment shall be \$1,176,140.25 to be paid in accordance with attached Installation Schedule. Based on this payment to MCIA, the MCIA shall provide a mortgage release (prior to closing) for the property. The Parties further agree that Purchaser's obligation to reimburse \$295,586.09 for the new sewer main shall be split into two installment payments to reflect a payment of One Hundred and Fifty Thousand dollars (\$150,000) at Closing and another One Hundred and Forty-Five Thousand Five Hundred and Eighty-Six dollars and Nine cents (\$145,586.09) within six (6) months of Closing.

The attached PSARA Second Amendment is in substantially final form. The final terms of the PSARA Second Amendment are subject to the approval of FMERA's Executive Director, KKF 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 Second 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.]