

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: December 18, 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 Marketing & Fort Monmouth Redevelopment
 - 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 FMERA's Draft 2019 Budget.
2. Consideration of Approval of Financial Advisor Services Contract.
3. Consideration of Approval of Fort Monmouth Special Liquor License Award Recommendation Criteria.

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
November 13, 2019
FMERA Offices
502 Brewer Avenue, Oceanport, NJ**

MINUTES OF THE MEETING

Members of the Authority present:

- Robert W. Lucky – Vice-Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Jay Coffey – Mayor of Oceanport – V
- Vito Perillo – Mayor of Tinton Falls – V
- John Tobia – Monmouth County Director of Public Works – V
- Stephanie Brown – Associate Counsel, Authorities Unit, Office of the Governor – V
- Juan Burgos – Director of Real Estate Development & Finance, NJ Economic Development Authority – V
- Kenneth J. Kloo, Director, Site Remediation Program, NJ Department of Environmental Protection
- Baden Almonor, Central Regional Chief, NJ Department of Labor & Workforce Development
- Sean Thompson, Director, Division of Local Planning Services, NJ Department of Community Affairs

V – Denotes Voting Member

Members of the Authority not present:

- Anthony Talerico – Mayor of Eatontown – V
- William Riviere, Principal Planner, NJ Department of Transportation

Also present:

- Bruce Steadman, FMERA Executive Director and Secretary
- Laura Drahushak, 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.

Assistant Secretary Kara Kopach announced that 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 September 18th regular meeting minutes. A motion as made to approve the minutes by Jay Coffey and seconded by Juan Burgos.

Motion to Approve: JAY COFFEY Second: JUAN BURGOS
AYes: 6

The second item of business was the approval of the September 18th Executive Session meeting minutes. A motion as made to approve the minutes by Jay Coffey and seconded by Juan Burgos.

Motion to Approve: JAY COFFEY Second: JUAN BURGOS
AYes: 6

The first item of business was the approval of the October 4th regular meeting minutes. A motion as made to approve the minutes by Vito Perillo and seconded by Juan Burgos.

Motion to Approve: VITO PERILLO
AYes: 6

Second: JUAN BURGOS

The first item of business was the approval of the October 4th Executive Session meeting minutes. A motion as made to approve the minutes by Jay Coffey and seconded by Juan Burgos.

Motion to Approve: JAY COFFEY
AYes: 6

Second: JUAN BURGOS

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 seven 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

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

TREASURER'S REPORT

Jennifer Lepore, Manager of Accounting, stated that the budget process for 2020 continues. Once complete, the draft 2020 FMERA budget will be presented to the Audit Committee for their review. The 2020 FMERA budget is scheduled to be brought to the Board for its consideration and approval at the December meeting.

The Monmouth County Improvement Authority and FMERA's Board have approved the issuance of approximately \$23.5 million in subsequent taxable notes related to the financing of FMERA's 2016 purchase of the Phase 2 Economic Development Conveyance properties from the Army. The notes will be issued in one series, with a one-year term. The notes will be backed by a Monmouth County guaranty and will be rolled over this week.

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

Sandy Craig of Oceanport stated that she was disappointed that the Board Action regarding the Nurses Quarters with RPM Development was on the agenda. Ms. Craig asserted that RPM has not satisfied their obligations with the issues at the Liberty Walk property and that the Board should not grant RPM another project.

Vice-Chairman Lucky acknowledged that Oceanport had voiced concerns about RPM's operation of the affordable housing units but said that it has been months since this project was first introduced and it was time for it to be voted on.

EXECUTIVE DIRECTOR'S REPORT

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

- The facilities, environmental, and maintenance teams continue to monitor environmental concerns, and work with the Army Corp on the cleanup of carve-outs and landfills. The team regularly inspects remaining sanitary

lift stations, maintains the sanitary infrastructure, and monitors the electrical power grid to provide our developers the best possible service. Our team has also been systematically shutting down and abandoning the old water system. Presently, only 2% of the water supply infrastructure left by the Army remains active. The preservation of buildings slated for sale or reuse is moving toward preparation for winter operations. The team also supports the real estate development team with RFOTP's, MCR's, tours, and development plans.

Dave Nuse, 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. To date, FMERA has sold 19 properties, and another 14 parcels are under contract or have Board-approved contracts.

So far this year, FMERA has sold 3 properties:

- A major redevelopment site, Parcel C in Tinton Falls, to Lennar Corporation. Lennar began site work this spring for 243 homes and about 58,000 sf of commercial space on the 40-acre site. The company is also currently constructing 45 single family homes on the 15-acre Parcel C-1 site in Tinton Falls that it purchased from FMERA last year;
- Building 501 in Oceanport, which we conveyed to a non-profit, Family Promise, which is now operating a daytime counselling and assistance center for families in need at that location;
- Telecommunications Tower and Land in Oceanport sold last month to Global Signal Acquisitions, LLC.

Staff hopes to sell the Fabrication Shops in Tinton Falls and 2 parcels in Oceanport, the Marina and Squier Hall, to our contract purchasers by the end of this year.

FMERA staff is currently in contract negotiations over the sale of 3 additional parcels, Parcel B, Howard Commons and the Expo Theater, all located in Eatontown.

Contracts for 2 Oceanport properties, the Commissary & PX Complex and the Nurses Quarters, are scheduled for Board consideration this evening.

Sarah Giberson, Senior Marketing Officer stated that FMERA is currently advertising the Tinton Falls Commercial Development Site via the Request for Offers to Purchase process. This 31-acre parcel of land includes the Pulse Power Building, Building 2719, and the Pistol Range. This site is envisioned for commercial reuse and proposals are due back by December 2nd. Please visit our website to review the RFOTP in its entirety.

FMERA has also completed its review of four proposals received for the Expo Theater and has begun negotiations with the highest scoring proposer. The Expo Theater is envisioned for commercial redevelopment as an arts, entertainment or recreation facility.

At tonight's Board meeting, FMERA's Board will review a request to make the 400 Area available through the RFOTP process. Planned as Oceanport's town center, this future, transit-oriented development is envisioned as a pedestrian-friendly neighborhood with water views, a dynamic mix of amenities, and attractive residential living. As one of the largest remaining parcels within the Fort's boundaries, this is an exciting milestone for both Fort Monmouth and the Borough of Oceanport. FMERA hopes to make this parcel available before the end of the year. Staff will continue to facilitate meetings and tours related to the redevelopment of the Fort's remaining property.

Business and activity on the Fort continue to flourish, with numerous events taking place in both October and November, including the Monmouth County Fall Craft Show at the Fort Monmouth Recreation Center, Trunk-or-Treat at Commvault, and a groundbreaking ceremony at the future Oceanport Municipal Complex in October, and the dedication of the East Gate Park Memorial – honoring Fort Monmouth's veterans and the ribbon cutting at the new Monmouth County Homeless Shelter this November.

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

Mr. Steadman stated that tonight's meeting will be the last FMERA Board meeting for Dave Nuse in his current position at FMERA. Mr. Steadman stated that Dave has accepted a position as Executive Vice President of Real Estate and Community Development at NJEDA and will act as the liaison between FMERA and NJEDA and will be the designee for NJEDA at the FMERA Board meetings. Mr. Steadman stated that FMERA's time with Dave has been outstanding and he does not know many individuals, if any, with more character and integrity. Mr. Steadman stated that the team has learned a lot from Dave due to his many experiences around the state and his outstanding knowledge of redevelopment projects. He thanked Mr. Nuse for his accomplishments and efforts at FMERA and noted that most of FMERA's success to date can be traced to Dave's involvement in one manner or another.

Dave Nuse stated that it has been an honor and a real privilege to work as part of the FMERA team for the last seven years. Mr. Nuse stated and that the team has accomplished a great deal which is largely due to the leadership of the FMERA Board and Bruce Steadman. Mr. Nuse stated that there is an outstanding team at FMERA and he does not believe that the team will miss a beat and will carry on the FMERA mission and do an outstanding job. Dave stated that he is happy that he will be the NJEDA designee which will enable him to stay deeply involved as an advocate for the Fort's redevelopment.

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

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

Bruce Steadman gave an update on FMERA action items:

Action Items for Next Month.

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

COMMITTEE REPORTS

1. AUDIT COMMITTEE (ROBERT LUCKY, CHAIRMAN)

Robert Lucky stated that the Committee will be meeting in December.

2. REAL ESTATE COMMITTEE (ROBERT LUCKY)

Robert Lucky stated that the Committee met on October 29th and discussed the following:

- Discussion regarding Making the 400 Area Parcel in Oceanport available through the Offer to Purchase Process. The Reuse Plan contemplates the redevelopment of the property as the Oceanport Village Center, including a mix of uses such as residential, retail, and other commercial uses and amenities that will create a community hub for Oceanport. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Discussion regarding the First Amendment to the PSARA with OPort Partners for the Warehouse District and Post Office Area Parcels. OPort has requested a 90-day due diligence extension to complete the environmental site investigation. The Committee reached a consensus and agreed to recommend it to the Board for approval.

- Discussion regarding a PSARA with OPort Partners, LLC for the Commissary & PX Complex and 1000 Parking Area Parcels. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Discussion regarding Second Amendment to the PSARA with Fort Partners Group, LLC for the Fitness Center Parcel. The Amendment consists of the retention of the water tower and a new completion date of July 2020. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Discussion regarding a PSARA with RPM Development for the Nurses Quarters Parcel in Oceanport. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Discussion regarding a Second Amendment to the Assignment and Assumption Agreement with RWJ Barnabas Health, Inc. and FMERA. The Second Amendment provides for a due diligence extension for RWJBH to access the location. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Discussion regarding a Memorandum of Understanding between FMERA and NJIT regarding the interagency agreement for the planning and development of a technology campus and associated incubator at the McAfee Complex. The Committee reached a consensus and agreed to recommend it to the Board for approval.
- Other Issues
 - a. Parcel B
 - b. Howard Commons
 - c. Permanent Supportive Housing Obligations
 - d. Update on RFOTPs

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

Kenneth J. Kloo stated that the Committee met on November 7th and discussed the following:

- FMERA's Land Use Rules vs. Local Zoning Rules to reaffirm Committee members' understanding that the Environmental Staff Advisory Committee serves as the Exclusive Environmental Commission for all Land Use Matters and Approvals within the Fort Monmouth Project Area. It was noted that the respective environmental committees for each of the three Boroughs may still make project comments to its Planning Board, outside of the FMERA Mandatory Conceptual Review process.
- FMERA staff provided an update on the Group 2 and Group 3 Findings of Suitability to Transfer (FOSTs). These are groups of Environmental Carve-out Parcels that the Army is working to remediate with the goal of receiving a No Further Action (NFA) determination from the DEP. The NFAs would then be incorporated into the FOST and, upon completion of the FOST, the deeds will be completed, and the parcels will be transferred from the Army to FMERA.
- The developer has completed the Phase I due diligence for the Lodging Parcel, during which the contractor conducted soil sampling at 13 locations and ground water sampling at 6 locations throughout the property. The Phase II due diligence work is ongoing. A Licensed Site Remediation Professional (LSRP) would be responsible for implementing any remediation that may be required by DEP standards. The developer is also working to complete a Coastal Area Facility Review Act (CAFRA) evaluation.
- FMERA staff then led a discussion regarding the following Carve-out Parcels:
 - Commissary parcel – The Army is in the process of completing remediation with the goal to obtain a No Further Action (NFA) from the NJDEP. FMERA intends to acquire title for the building only from the Army for the purpose of transferring it alone to the prospective buyer in order to begin renovation as soon as possible within the building. The remainder of the parcel would be transferred later via a separate deed.
 - Neutralization Pit at Myer Center – The Army completed one round of chemical injections in April and will be performing a second round of chemical injections in January 2020. The Army performed two rounds of ground water sampling. The groundwater area will be monitored for two years for compliance, with a goal that a No Further Action (NFA) may be issued by the DEP.
 - Former Dry-Cleaning Facility - The Army has completed the demolition of the facility, ground water sampling and two rounds of chemical injections. The preliminary results indicate that there are no soil vapors of concern for downgradient structures. The Army is compiling a Remedial Investigation Report that will identify contaminants of concern and delineate their horizontal and vertical distribution. A Feasibility study will then be completed which will identify a final remedial approach for the site with the DEP's input.

- Former AFFES Gas Station – The Army has removed the two aboveground storage tanks, the fuel dispensers were dismantled, the underground fuel lines were removed, and the dispenser islands were demolished. The remedial system was also dismantled and taken off site. Soil samples collected adjacent to the building and down-gradient of the five hydraulic lifts inside the garage area of Building 699, were completed and the results indicated no exceedances of standards.
- Building 1122 & 1123 – The Army submitted a Remedial Action Work Plan to the DEP in March. The carveout is located at Building 1122, the former auto craft shop, which has been demolished. The two historical underground storage tanks have received NFAs from the DEP. The Army is preparing a Remedial Action Report to address the hydraulic lifts, a fuel oil spill, and two storage sheds which will be submitted to the DEP. It is expected this parcel will be conveyed to the Borough of Eatontown in early 2020 once the NFAs have been received from the DEP.
- A Remedial Action Work Plan for capping each of the nine landfills has been submitted to the DEP. The project will place a 2-foot vegetative soil cap across all the landfills beginning with the M2 and M8 landfills. Five of the landfills have received an NFA for ground water and for the remaining four landfills, the Army will recommend monitored natural attenuation to the DEP.
- FMERA has received a Depredation permit from the DEP which allows FMERA to address the 18 osprey nests that are located on active electrical poles while the nests are inactive. FMERA will be installing devices which will deter the ospreys from building nests on the electrical poles during the next nesting season.

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

Jay Coffey stated that the Committee met on September 24th and discussed the following:

Per FMERA's statute, the Authority's Historical Staff Advisory Committee shall be the exclusive historic preservation commission, for all land use matters and approvals with the Fort Monmouth Project Area, therefore a public meeting is required for all projects that are included within the Historic areas on the Fort. The Public portion of the meeting was called to order by Chairman Jay Coffey at 4:00p.m.

Discussion regarding the proposed development at the Suneagles Golf Course.

- The developer will reuse Gibbs Hall as a banquet facility and proposed a new rear covered porch which will be attached to the existing ballroom. The Committee reached a consensus and agreed that the proposed rear porch to Gibbs Hall does not compete or negatively affect the original Gibbs Hall architecture as it is being added to an addition that was built after the period of historic significance.
- The developer has proposed to preserve the historic stone wall and construct a formal garden between the historic stone wall and Gibbs Hall.
- The addition of the proposed new housing, site improvements and parking. The Committee reached a consensus that the addition of the construction of the new housing, site improvements and parking will not detrimentally impact the historic character of the area and are in line with other allowable uses in the historic development.
- The existing restaurant building will be renovated in the interior. The Committee reached a consensus and agree that the renovation will not detrimentally impact the historic character of the area as a restaurant was constructed after the era of historic significance.

There being no further business regarding Suneagles Golf Course, the public portion of the meeting was closed at 4:25p.m.

Other Items of Discussion

- Squier Hall
- Barker Circle

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

Sean Thompson stated that the Committee will be holding a meeting in December.

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

John Tobia, on behalf of Lillian Burry, stated that the Committee did not meet this month. Mr. Tobia stated that Ms. Burry was attending the Tinton Falls Planning Board meeting in support of the Soldier On project in Tinton Falls.

BOARD ACTIONS

1. The first item before the Board was Consideration of Approval of Making the 400 Area Parcel in Oceanport available through the Offer to Purchase Process.

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 Vito Perillo.

Jay Coffey stated that the 400 Area RFOTP is the last bulk area of the redevelopment of the Oceanport section of the Fort. Mr. Coffey stated that despite the great volume of rumors and murmurings in Oceanport, there will not be a train station on the site, and that Oceanport is especially looking forward to seeing the redevelopment of this area of Oceanport due to its visibility and appearance. He said Oceanport continues to be vigilant about the impact of Fort redevelopment overall on Oceanport, but the Borough would look forward to hearing about the proposals received by FMERA for the 400 Area, and to participating in discussion and planning going forward.

Motion to Approve: JAY COFFEY Second: VITO PERILLO

AYes: 6

2. The second item before the Board was Consideration of Approval of a Memorandum of Understanding between the Fort Monmouth Economic Revitalization Authority and the New Jersey Institute of Technology.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 2.

A motion was made by Vito Perillo and was seconded by John Tobia.

Motion to Approve: VITO PERILLO Second: JOHN TOBIA

AYes: 6

3. The third item before the Board was Consideration of First Amendment to the Purchase and Sale & Redevelopment Agreement with OPort Partners for the Warehouse District and Post Office Area Parcels.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 3.

A motion was made by Juan Burgos and was seconded by Jay Coffey.

Motion to Approve: JUAN BURGOS Second: JAY COFFEY

AYes: 6

4. The fourth item before the Board was Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Commissary & PX Complex and 1000 Parking Area Parcels.

Ms. Kopach noted that after approval by the Real Estate Committee, there were two changes to the PSARA which included (1) additional uses have been added that include flex and warehouse space as ancillary uses and not primary uses to support the other uses already proposed; and (2) both deposits may be refunded if all approvals are not received due to some environmental issues on the site.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 4.

A motion was made by Vito Perillo and was seconded by Juan Burgos.

Motion to Approve: VITO PERILLO Second: JUAN BURGOS
AYes: 6

5. The fifth item before the Board was Consideration of Approval of a Second Amendment to the Purchase and Sale & Redevelopment Agreement with Fort Partners Group, LLC for the Fitness Center Parcel.

Ms. Kopach noted that after approval of the Real Estate Committee, there is one change to the Second Amendment which includes that the completion date of the project is being extended to July 31, 2020.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 5.

A motion was made by Jay Coffey and was seconded by Vito Perillo.

Motion to Approve: JAY COFFEY Second: VITO PERILLO
AYes:

6. The sixth item before the Board was Consideration of Approval of a Second Amendment to the Assignment and Assumption Agreement with RWJ Barnabas Health, Inc. and FMERA.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 6.

A motion was made by John Tobia and was seconded by Juan Burgos.

Motion to Approve: JOHN TOBIA Second: JUAN BURGOS
AYes: 6

7. The seventh item before the Board was Consideration of Approval of a Purchase and Sale & Redevelopment Agreement with RPM Development, LLC for the Nurses Quarters Parcel in Oceanport.

Kara Kopach read a summary of the Board memo.

The resolution is attached hereto and marked Exhibit 7.

Jay Coffey stated that over the last several months, RPM Development has done a lot to improve the situation at Liberty Walk to respond to Oceanport's concerns over the managed units. Mr. Coffey stated that the proposed development at the Nurses Quarters does not lend itself to managed units nor to the type of financing RPM utilized for the Liberty Walk housing. Mr. Coffey stated that in discussions with RPM's President and CEO, on whether he can provide assurances on the tax credits for the Nurses Quarters development, RPM will continue to work with Oceanport on the issues. Mr. Coffey stated that he was adamant with RPM that Oceanport will not allow RPM's development of the Nurses Quarters to revisit the burdens that have occurred at Liberty Walk.

Bruce Steadman stated that he spoke to Ed Martoglio, RPM CEO, regarding the situation of the managed units. Mr. Steadman stated that the disconnect comes between RPM and the 3rd-party company responsible for these types of managed units and that there was a misunderstanding regarding the handling of the units. This caused extra efforts on the part of Oceanport's Police Department and EMS personnel. Mr. Steadman stated that Mr. Martoglio assured him that he would direct RPM's team to find appropriate ways of minimizing or eliminating this disconnect with their 3rd-party management company that would ease or eliminate the burden on Oceanport.

Further, Mr. Steadman stated that RPM has had an outstanding reputation for many different projects throughout New Jersey for decades, and FMERA's experience with RPM otherwise has been excellent. Mr. Steadman stated that he did not want this situation regarding the affordable housing at the Fort and the 3rd-party management firm, to sully RPM's otherwise excellent reputation for the fine work they have done, and the type of investment they have made to the Fort's redevelopment, as well as in many residential projects throughout New Jersey.

A motion was made by Vito Perillo and was seconded by Jay Coffey.

Motion to Approve: VITO PERILLO Second: JAY COFFEY
AYes: 6

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

Jeff Oakes of Oceanport stated that he is an advocate of medical cannabis. Mr. Oakes asked if FMERA has been approached by any New Jersey organizations licensed to sell medical cannabis for the purpose of redevelopment at the Fort.

Mr. Steadman stated that FMERA has not been contacted.

There being no further business, on a motion by Jay Coffey and seconded by Juan Burgos and unanimously approved by all voting members present, the meeting was adjourned at 8:00p.m.

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



Bruce Steadman – Secretary

ADOPTED
November 13, 2019

Resolution Regarding
Approval to Make the 400 Area in Oceanport 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 400 Area is an approximately 79.3± acre parcel of land containing approximately 63 buildings including former residential, administrative and R&D buildings, warehouses, workshops and additional general purpose facilities located to the east of Oceanport Avenue and west of the NJ Transit railway, bound by Parkers Creek to the north and Riverside Avenue to the south in the Oceanport Reuse Area of the Main Post of the Fort ("the Property"), and the 400 Area is located approximately 0.5 miles from the Little Silver train station, which provides direct access to New York City via the NJ Transit North Jersey Coast Line, as well as to other regional destinations; and

WHEREAS, the Fort Monmouth Reuse & Redevelopment Plan ("Reuse Plan") contemplates the redevelopment of the Property as the Oceanport Village Center, including a mix of uses such as residential, retail, and other commercial uses and amenities that will create a community hub for Oceanport; and

WHEREAS, the property is included within a portion of Horseneck Center development district in the Land Use Rules, which allows for a variety of residential housing types and mixed-use development as well as civic/institutional uses; and

WHEREAS, in keeping with FMERA's vision for the development of a unique town center in each of the three host municipalities, FMERA staff believes that the highest and best use for the 400 Area parcel is the development of a vibrant, transit-oriented mixed-use development, and so staff recommends that the 400 Area be developed with a minimum of 234 residential units and complementary commercial uses that exemplify "Main Street" character; and

WHEREAS, subject to the completion of nearby residential development, the unit count has the potential to increase; however, the total number of residential units within the Oceanport section of the Fort is not to exceed 720 units; any increase to the residential unit count for the 400 Area will be a direct result of the decrease in units at an alternate Oceanport development parcel; and

WHEREAS, alternative mixed-used development scenarios will be considered; however, proposals embodying the transit-oriented development concept and the preferred design elements included within the Request for Offers to Purchase ("RFOTP") will receive greater weight in the evaluation process than those that do not and the development of a mixed-use, town center is both consistent with the Reuse Plan as well as complementary to the existing community at Fort Monmouth; 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 use variance, and in this instance, because the 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 use variance; and

WHEREAS, Authority staff recommends proceeding with the offer to purchase process for the 400 Area rather than sealed bids based on several factors: first, potential purchasers have expressed interest to FMERA staff in acquiring and redeveloping the property for both residential and commercial 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; and

WHEREAS, the Real Estate Committee has reviewed making the 400 Area in Oceanport 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 400 Area in Oceanport 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: November 13, 2019

EXHIBIT 1

Resolution Regarding
Approval of a Memorandum of Understanding between the Fort Monmouth Economic Revitalization
Authority and the New Jersey Institute of Technology

WHEREAS, earlier this year, a New Jersey Institute of Technology (“NJIT”) owned not-for-profit corporation, the New Jersey Innovation Institute (“NJII”), in collaboration with the County of Monmouth and FMERA, prepared a feasibility study under the New Jersey Economic Development Authority’s (“NJEDA”) Innovation Challenge Grant Program (the “Feasibility Study”) with the mission to apply the intellectual and technological resources of NJIT to challenges identified by government and industry partners; and

WHEREAS, the Feasibility Study confirmed the viability of redeveloping the 46± acre McAfee Complex as a technology campus anchored by the McAfee Center building and potentially including an adjacent technology incubator; NJEDA intends to release the Feasibility Study imminently; and

WHEREAS, NJIT, through NJII, has agreed to assist FMERA in planning the technology campus and the potential incubator, and NJII’s assistance will primarily consist of the following three tasks: (i) Creation of an incubator model including operating parameters, budget, staffing objectives and strategy; (ii) Recruiting efforts toward the creation of a consortium/coalition with the aim of creating an incubator located within the McAfee Complex; and (iii) NJII’s collaboration with FMERA and recommendations on communicating FMERA’s vision and requirements through the creation of a Request for Offers to Purchase (“RFOTP”); and

WHEREAS, NJIT/NJII will perform these tasks over the next six (6) months at a cost not to exceed \$80,000.00; and

WHEREAS, the attached MOU and Scope of Work are in substantially final form. The final document will be subject to the approval of FMERA’s Executive Director and the Attorney General’s Office; and

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

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons expressed in the attached memorandum, the Board authorizes the execution of a Memorandum of Understanding that will confirm the mutual understanding and intention between the Fort Monmouth Economic Revitalization Authority and New Jersey Innovative Institute for the planning and development of a technology campus and associated incubator at the McAfee Complex, located within the Boroughs of Oceanport and Eatontown.

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: November 13, 2019

EXHIBIT 2

ADOPTED
November 13, 2019

**Resolution Regarding
First Amendment to the Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the
Warehouse District and Post Office Area Parcels**

WHEREAS, on July 17, 2019, the Board authorized the execution of the PSARA between FMERA and OPort for the Property, an approximately fourteen-acre parcel consisting of two areas that are located along Rasor, Murphy, Alexander and Todd Avenues: the Warehouse District consists of approximately eight acres and includes seven buildings and the Post Office Area consists of approximately six acres and includes four buildings. The PSARA was executed on September 26, 2019; 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 within three Class A office buildings totaling approximately 86,250 sf.; 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 within 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, pursuant to the terms of the PSARA, OPort was provided a sixty-day Due Diligence Period commencing on the effective date of the PSARA, and OPort has 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

WHEREAS, the Approval Period shall run for fourteen months and Purchaser has the option of extending its fourteen-month Approval Period by an additional six-month extension period so long as it is proceeding in good faith; and

WHEREAS, closing(s) on the Warehouse District and the Post Office Area may occur in phases within thirty days upon satisfaction or waiver of all conditions precedent and closing on the environmental carveout known as Parcel 57 shall occur no later than Purchaser's receipt of all final and non-governmental approvals or ten days after all title and environmental obligations are satisfied, whichever is later; and

WHEREAS, Purchaser has retained EcolSciences for the purposes of conducting environmental site investigations along with Kennedy Consulting Engineering for engineering site investigations; and

WHEREAS, due to existing constraints of the site, OPort has requested a Due Diligence extension of ninety days to complete its investigation of the suitability of the Property for redevelopment and OPort is proceeding in good faith and therefore, FMERA staff requests a Due Diligence extension until February 23, 2020; 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 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 First Amendment with the Purchase and Sale & Redevelopment Agreement with OPort Partners, LLC for the Warehouse District and Post Office Area parcels 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: November 13, 2019

EXHIBIT 3

ADOPTED
November 13, 2019

**Resolution Regarding
Approval of a Purchase and Sale Agreement & Redevelopment Agreement (“PSARA”) with
OPort Partners, LLC for the Commissary & PX Complex and 1000 Parking 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 Commissary & PX Parcel consists of the 53,700± sf Commissary, completed in 1998 and the Post Exchange (PX) complex, a series of four circa 1970 wood-frame buildings totaling 45,626± sf, along with Building 812, a 5,563± sf building; and

WHEREAS, the Reuse Plan envisions the Commissary as a future retail building that could serve the residential and commercial occupants of the Oceanport Education/Mixed-Use Neighborhood. Reuse Plan Amendment #2 envisions the demolition of both the PX and Building 812 for future low- and medium-density housing, along with ancillary open space; and

WHEREAS, due to an altered surrounding landscape and renewed interest in the Commissary and the PX for reuse as office/R&D space, active recreation or for other commercial uses, staff recommended, and the Board approved broadening the allowable uses for the Commissary site to include more appropriate and potentially higher uses, and therefore these additional uses would require a Reuse Plan amendment; and

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

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

WHEREAS, located between the Post Office Area and the Commissary and PX, and across Razor Avenue from the Warehouse District, the 1000 Area Parking (“Parking Area”) is a 6± acre lot. Due to anticipated environmental restrictions, staff recommended the 1000 Area Parking be reused as surface parking. This parcel was offered for off-street parking as an optional sub-parcel available to parties bidding on the Commissary and PX and/or the Warehouse District. This recommended use is consistent with the property’s commercial zoning in the Reuse Plan and in Amendment #2; and

WHEREAS, OPort’s proposal for the Commissary & PX Complex calls for the reuse of the Commissary, the potential rehabilitation of Building 1000 for adaptive reuse, and the demolition of the remaining existing buildings. OPort proposes to develop the Project for retail, office, recreational, entertainment, craft production, research & development, and/or culinary-related uses and to improve the existing Parking Area for continued parking use and/or alternate uses consistent with the RFOTP

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 \$3,000,000 for the entirety of the Property. The proposed purchase price for the Commissary & PX Complex and the Parking Area were \$2,325,000 and \$675,000, respectively. Purchaser is responsible for all building demolition and associated costs and purchaser's total Capital Investment, including the Purchase Price, will be no less than \$23,000,000; and

WHEREAS closing(s) on the Property shall occur within thirty days after satisfaction or waiver of the Conditions Precedent to Closing. Purchaser shall have a Due Diligence Period of sixty days commencing upon execution of the PSARA and will be permitted two thirty-day extensions of the Due Diligence Period, provided Purchaser is operating in good faith, 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 Parcels 55, 57, 64, and 65; and the consent of the NJEDA Board; and

WHEREAS, the parties will endeavor to satisfy these contingencies prior to the expiration of Purchaser's Approval Period. 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. OPort will have an Approval Period of fourteen months and will have the option of extending its fourteen-month approval period by one six-month extension period so long as OPort is proceeding in good faith; and

WHEREAS, OPort will commence demolition of the applicable buildings upon receipt of all applicable permits and complete demolition and site work within three months of closing. OPort shall commence construction, including the rehabilitation of the Commissary building within ninety days of the completion of demolition and site work and will complete construction as evidenced by Certificate of Occupancy, within twenty-seven months of closing; and

WHEREAS OPort estimates that it will create approximately one hundred eleven part-time and/or full-time permanent jobs within twenty-four 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 five hundred (500') linear feet of new water main and five hundred (500') linear feet of new sewer main along Razor and Anson Avenues, or in such other off-site location as directed by FMERA. Abutting developers will be obligated to install or fund additional water and sewer infrastructure to complete the connection of the Property to off-site public utilities. 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 a 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 Commissary & PX Complex and Parking Area; and

WHEREAS, the attached PSARA between FMERA and OPort is in substantially final form. The final terms of the PSARA 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: November 13, 2019

EXHIBIT 4

ADOPTED
November 13, 2019

**Resolution Regarding
Second Amendment to Purchase and Sale and Redevelopment Agreement with Fort Partners Group, LLC
for the Fitness Center Parcel**

WHEREAS, the Fitness Center parcel consists of 7.174 acres of land and Building 114, the 32,250 sf Fitness Center (the "Property"). The Property excludes Building 562, a New Jersey Natural Gas Company facility, and Building 752, a sewage lift station. The Property also includes a water tower. The parcel is divided into two sub-parcels by a 0.654-acre strip of land owned by Jersey Central Power & Light Company, which runs through the property just south of Building 114. Title to the Property is subject to: (i) an easement for future use of the existing sewage lift station; and, (ii) an easement for New Jersey Natural Gas Company's continued use of the existing natural gas facility. The Fort Monmouth Reuse and Redevelopment Plan ("Reuse Plan") calls for the reuse of the Fitness Center as a health club; and

WHEREAS, at the Authority's June 17, 2015 meeting, the Board authorized FMERA staff to enter into a PSARA with FM Partners, LLC. The PSARA was executed on August 11, 2015 and FM Partners subsequently began their due diligence investigations. These investigations required an expanded timeline to complete due diligence, which was extended through May 15, 2016 via the Executive Director's authority as granted by the Board in approving the PSARA. Further investigations produced significant new findings that limited the redevelopment of the parcel as described in the attached memorandum; and

WHEREAS, at the Authority's April 20, 2016 meeting, the Board approved the First Amendment to the PSARA with the following revisions to material terms in the PSARA: (1) termination of the due diligence period and acceptance of the property in as-is condition; (2) reduction of the purchase price to \$2,300,000; and (3) agreement by FMERA to clear or cause to be cleared the State's Tidelands claim on the property, which may occur before or after closing. All other material terms of the PSARA remained unchanged; and

WHEREAS, the First Amendment was executed on June 23, 2016. The redevelopment of the Fitness Center parcel also required an amendment to the Reuse Plan. In August 2016, the Board approved Plan Amendment #7 which included a specific definition of commercial recreational uses permitted at the Fitness Center, to include training, indoor sports courts and ancillary retail uses, among others. The amendment also reconfigured the road network to take advantage of the existing streets surrounding the parcel and allow for adjacent parking. The amendment also retained the water tower for certain limited signage, and the amendment clarified the bulk, area and use-guidelines governing the parcel; and

WHEREAS, on September 19, 2017, FM Partners, LLC assigned all rights, title and interest in the Agreement, as amended, to Fort Partners, LLC by way of the Agreement to Assign between FM Partners, LLC and Fort Partners Group, LLC; and

WHEREAS, Under Paragraph 51.4 of the PSARA, Fort Partners shall demolish and remove the existing water tower on the Property no later than five years from taking title to the Property. Fort Partners now wishes to retain the existing water tower on the Property and display its business logo thereon. FMERA staff proposes the attached Second Amendment to the PSARA with revisions to its material terms as described in the attached memorandum; and

WHEREAS, except as modified in the Second Amendment, the PSARA is hereby ratified and remains in full force and effect. The terms and provisions of the Second Amendment shall be reconciled with the terms and provisions of the PSARA to the fullest extent reasonably possible, provided however, in the event of any irreconcilable conflict between any term or provision of this Second Amendment and any terms or provisions of the Agreement, such term or provision of this Second Amendment shall control; and

WHEREAS, all other material terms of the PSARA as presented to the Board will remain unchanged. The attached Second Amendment to the PSARA is in substantially final form. The final terms of the Amendment will be subject to the approval of Purchaser's Counsel, 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 Second Amendment with Fort Partners Group, LLC for the Fitness Center parcel on terms substantially consistent to those set forth in the attached memorandum and with final terms acceptable to the Executive Director and the Attorney General's Office and authorizes the Executive Director to execute the Agreement.

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

Attachment

Dated: November 13, 2019

EXHIBIT 5

ADOPTED
November 13, 2019

**Resolution Regarding
Second Amendment to the Agreement to Assign**

THIS SECOND AMENDMENT TO AGREEMENT TO ASSIGN (hereinafter the "Second Amendment") is made and entered into the ____ day of November 2019 (the "Effective Date"), by and among:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 1974, C.80, N.J.S.A. 34:1 B-1 et seq., with an address at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625 (hereinafter referred to as the "Assignor"); and

RWJ BARBABAS HEALTH, INC., a New Jersey non-profit corporation with an address at 95 Old Short Hills Road, West Orange, New Jersey 07052 (hereinafter referred to as the "Assignee"); and

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c.51, N.J.S.A. 52:27I-18 et seq., whose address is 502 Brewer Avenue, P.O. Box 267, Oceanport, New Jersey 07757 (hereinafter referred to as the "Seller" or "FMERA, and together with Assignor and Assignee, the "Parties").

WITNESSETH:

WHEREAS, Assignor and FMERA previously entered into that certain Purchase and Sale Agreement, dated as of October 30, 2017, as amended (the "Purchase Agreement"), a copy of which is attached hereto as **Exhibit A**, pursuant to which Assignor has agreed to acquire certain real property identified in Paragraph 3 and Exhibit B of the Purchase Agreement (the "Property"); and

WHEREAS, the Parties previously entered into that certain Agreement to Assign, dated as of August 10, 2018, a copy of which is attached hereto as **Exhibit B**, pursuant to which Assignor agreed to assign to Assignee all of Assignor's rights, title and interest in the Purchase Agreement by way of separate document; and

WHEREAS, the Agreement to Assign provided for a Due Diligence Period commencing on the Effective Date and concluding one hundred twenty (120) days thereafter; and

WHEREAS, the Due Diligence Period expired on December 10, 2018; and

WHEREAS, the Parties previously entered into that certain First Amendment to Agreement to Assign dated June 5, 2019 extending the Due Diligence Period as set forth therein a copy of which is attached hereto as **Exhibit C** (the Agreement to Assign and the First Amendment are collectively referred to as the "Assignment Agreement"); and

WHEREAS, pursuant to the notice required by the First Amendment following the completion of the demolition Assignee commenced testing to assess subsurface environmental conditions on the surface or beneath the area of Buildings 2700 and 2705; and

WHEREAS, the Additional Environmental Testing Period set forth in the First Amendment has expired; and

WHEREAS, Assignee desires to conduct additional testing to assess subsurface environmental conditions at the Property on the surface or beneath the lime pit area; and

WHEREAS, the Army Corps of Engineers (the "Army") has not yet granted access to the Seller for the Assignee to assess the subsurface environmental conditions on the surface or beneath the area of the lime pit area but this access is anticipated to be granted by the Army during the month of November 2019; and

WHEREAS, the Parties have agreed to further modify and amend the Assignment Agreement as hereinafter set forth.

NOW THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration, the parties hereto mutually covenant and agree as follows:

1. Recitals. The recitals set forth above are true and correct and by this reference are incorporated herein in their entirety.
2. Definitions. All terms not defined herein shall have the meaning given to them in the Agreement to Assign.
3. Amendment of Agreement to Assign. The Agreement to Assign is hereby amended as follows:

The provisions of Paragraph 3 of the First Amendment notwithstanding, Assignee shall have an additional period of time until the later of sixty (60) days from the Effective Date or February 28, 2020 to conduct additional inspection, sampling and testing to assess environmental conditions on the surface and beneath the lime pit area described in the October 14, 2019 memorandum prepared by Dewberry Engineering describing the proposed sampling scope of work, a copy of which is attached hereto as **Exhibit D** (the "Second Additional Environmental Testing Period"). Assignee shall have the right to terminate the Assignment Agreement on written notice to Assignor and Seller due to any unsatisfactory environmental condition discovered on the surface or beneath the areas described in **Exhibit D**, including soils and groundwater. Upon such termination, the Deposit shall be returned to Assignee and, except as expressly provided by in the Assignment Agreement, all rights and obligations of the Parties shall be null and void. If Assignee does not elect to terminate the Assignment Agreement within the Second Additional Environmental Testing Period for the foregoing reason, Assignee shall conclusively be deemed to have waived its right of termination.

4. Counterpart Copies. This Second Amendment may be executed in any number of counterpart copies, all of which shall have the same force and effect as if all parties hereto had executed a single copy hereof. Facsimile or PDF signatures to this First Amendment shall have the same force and effect as “ink” signatures and no “ink” copy of any facsimile or PDF signature is required to bind the party signing by facsimile or PDF to this Second Amendment.

5. Entire Agreement, Ratifications and Reconciliation. The Assignment Agreement and this Second Amendment contain the final and entire Agreement between the Parties with respect to the sale and purchase of the Property, and are intended to be an integration of all prior negotiations and understandings. Except as modified in this Second Amendment, the Assignment Agreement is hereby ratified and remains in full force and effect. The terms and provisions of this Second Amendment shall be reconciled with the terms and provisions of the Assignment Agreement to the fullest extent reasonably possible; provided, however, in the event of any irreconcilable conflict between any term or provision of this Second Amendment and any terms or provisions of the Assignment Agreement, such term or provision of this Second Amendment shall control.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the Second Amendment to the Agreement to Assign for an additional extension of the Due Diligence testing on the surface and below the lime pit area on terms substantially consistent to those set forth herein and 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 Second Amendment.

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: November 13, 2019

EXHIBIT 6

ADOPTED
November 13, 2019

Resolution Regarding
Approval of a Purchase and Sale Agreement & Redevelopment Agreement with RPM Development, LLC for the
Nurses Quarters in Oceanport

WHEREAS, FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Nurses Quarters in Oceanport on March 13, 2015; the Nurses Quarters consists of an approximately 3.75± acre parcel of land containing two buildings (Buildings 1077 and 1078) totaling approximately 18,655 gsf located on Main Street and Stephenson Avenue in the Main Post Area of Fort Monmouth and include 24 residential units; and

WHEREAS, responses to the RFOTP were due on June 26, 2015 and five responses were received and scored and RPM Development, LLC (“RPM”) was the highest ranked proposal and was compliant with the RFOTP, and so staff recommended proceeding with negotiations for a PSARA; and

WHEREAS, the Fort Monmouth Reuse and Redevelopment Plan (the “Reuse Plan”) envisions a residential reuse of the Nurses Quarters buildings, and under the Land Use Rules, the Property is included in the Oceanport Education/Mixed-Use Neighborhood Development District, which allows for the following principal land uses: low- and medium-density residential, mixed-use, retail, office/research, institutional/civic, and open space recreational uses; and FMERA determined that the redevelopment of the Nurses Quarters parcel would be best served by the allowable uses per the Reuse Plan; and

WHEREAS, RPM proposes to renovate and reuse twenty-four units within the existing buildings and construct ten additional single-family townhomes along Main Street; and

WHEREAS, the proposed development of new construction residential units is inconsistent with the Reuse Plan, and therefore, requires the adoption of either a Reuse Plan amendment or, if applicable, a “use-type” variance prior to approval of the application for development; and

WHEREAS, negotiations with RPM have resulted in terms that it wishes to present for the Board’s consideration; and

WHEREAS, pursuant to the terms of the PSARA, RPM will pay two million one hundred and fifty thousand dollars (\$2,150,000) for the property, and Purchaser proposes to use the Nurses Quarters for residential uses consisting of 34 residential units broken down into a mix of ten (10) three to four-bedroom owner-occupied townhomes and the reuse of twenty-four (24) one- and two-bedroom apartments as rentals; and

WHEREAS, seven (7) of the apartments will be designated affordable housing flats subject to confirmation that these units will satisfy Purchaser’s obligation to set aside twenty (20%) percent of the total residential units on this Parcel as housing that is affordable to low- and moderate-income households; Purchaser’s site plan and subdivision will be subject to FMERA’s Mandatory Conceptual Review and Oceanport’s planning board review; and

WHEREAS, closing will occur within thirty days of satisfaction of the Conditions Precedent to Closing, which include: RPM completing due diligence, which will last for sixty (60) days following execution of the PSARA; obtaining all approvals or waiving receipt of one or more approvals; an amendment to the Reuse Plan to accommodate the Project; and the consent of the NJEDA Board with the terms described in the attached memorandum; and

WHEREAS, the parties will endeavor to satisfy these contingencies within twelve (12) months of expiration of the Due Diligence Period; and

WHEREAS, RPM will commence construction of the Project forty-five (45) days after the satisfaction of all Conditions Precedent to Closing and Purchaser shall complete construction of the Project no later than twenty-four (24) months from the Commencement of Construction; and

WHEREAS, FMERA will have a right to repurchase the Property if construction is not timely commenced or completed, and RPM's capital investment in the Project shall be a minimum of six million six hundred and ninety thousand (\$6,690,000) dollars; and

WHEREAS, RPM estimates that it will create a minimum of thirty-eight part- or full-time, temporary construction related jobs in connection with the Project, and Purchaser represents that it will create or cause to be created a minimum of one permanent full or part-time job by Project completion or pay a penalty of \$1,500 for each permanent job not created; and

WHEREAS, FMERA and RPM agree, at a minimum, that (i) Seller is responsible for continuing to provide electrical and sewer utility service to Purchaser until such time as new connections are available to the property (ii) Purchaser is responsible for establishing service connections and accounts with Jersey Central Power and Light, New Jersey American Water, Two Rivers Water Reclamation Authority and New Jersey Natural Gas, (iii) Purchaser is responsible for the replacement, repair, maintenance and/or relocation of utilities within the Property, subject to Seller's reasonable review and reasonable approval, (iv) Purchaser shall bear all costs associated with improving Stephenson Avenue and reopening the street at its intersection with Main Street in Oceanport as a one-way northbound street, such additional improvements shall include (at minimum) resurfacing the roadway and making any required improvements to Stephenson where it abuts the Property it being understood that Seller will reasonably work with Purchaser and the abutting landowner should Purchaser seek dedication of the roadway to the Borough and (v) Purchaser is responsible for the relocation of laterals and reconnections to one of two alternatives for new sewer service, to either: (a) the new interceptor line planned along Murphy Drive ending 1300 feet away from the property just North of the former Army Hospital or (b) the existing TRWRA manhole across Main Street on Pemberton Avenue provided that the Purchaser's monetary contribution toward the offsite sewer installation and any associated upgrades to the TRWRA pumping station shall be capped at \$125,000.00, and TRWRA will determine which of these options is required; and

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

WHEREAS, the attached PSARA between FMERA and RPM is in substantially final form. The final terms of the PSARA 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 RPM Development, 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 RPM Development 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: November 13, 2019

EXHIBIT 7

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: December 18, 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. 2020 FMERA Budget

FMERA staff presented the 2020 FMERA Budget to the Audit Committee at their December 10th meeting. Based on their review, the Audit Committee recommended that the 2020 FMERA Budget be submitted to the Board for its approval at tonight's meeting.

2. Update on Phase 2 Financing

The Monmouth County Improvement Authority issued \$23,560,000 in subsequent taxable notes related the financing of FMERA's 2016 purchase of the Phase 2 Economic Development Conveyance properties from the Army. The Notes were issued in one series, with a term of one year, and bearing an interest rate of 2.75% per annum. The Notes are backed by a Monmouth County guaranty which resulted in the Notes receiving the highest credit rating from the three rating agencies.

Executive Director's Report

1. Update on Utilities and Infrastructure

The facilities, environmental, and maintenance teams continue to monitor environmental concerns, and work with the Army Corp on the cleanup of carve-outs and landfills. The team regularly inspects remaining sanitary lift stations, maintains the sanitary infrastructure, and monitors the electrical power grid to provide our developers the best possible service. Our team has also been systematically shutting down and abandoning the old water system. Presently, only 2% of the water supply infrastructure left by the Army remains active. The preservation of buildings slated for sale or reuse is moving toward preparation for winter operations. The team also supports the real estate development team with RFOTP's, MCR's, tours, and development plans.

2. Update on the Fort's Redevelopment

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

In **Oceanport**, FMERA has closed on the following eight 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.
- 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 occupied by Family Promise of Monmouth County via a Legally Binding Agreement (LBA).
- Telecommunications Tower and Land on October 25, 2019 with Global Signal Acquisitions, LLC for 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.

Also in **Oceanport**, FMERA has executed or approved contracts on the following seven 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. At the September 2019 meeting, the Board approved a PSARA with Regional Development Group, LLC.
- 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.
- 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.
- Commissary, the 53,700± sf former Army supermarket, the Post Exchange (PX) complex, a series of four wood-frame buildings totaling 45,626± sf, along with Building 812, a 5,563± sf building and 1000 Area Parking parcel, a 5± acre lot that will provide off-street parking for the buildings that adjoin it. At the November 13th meeting, the Board approved a PSARA with OPort Partners, LLC.
- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital. At the November 13th meeting, the Board approved a PSARA with RPM Development, LLC.
- Squier Hall Complex, an approximately 31-acre site under contract to KKF University Enterprises, LLC. The developer has secured a commitment from New Jersey City University for use of the site as a satellite campus. At the September 2018 meeting, the Board approved a PSARA with KKF University Enterprises, LLC.

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

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

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.
- 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, where FMERA executed a PSARA with Parker Creek Partners, LLC.

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.
- Expo Theater, an 18,883sf entertainment facility built in 1968, previously used as a live theater and cinema; and adjacent properties, including Dean Field and portions of the M3, M5, and M4 landfills, as optional sub-parcels.

FMERA intends to issue the following RFOTPs in Eatontown:

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

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

- Parcel F-3 on February 23, 2017. The Monmouth County Park System purchased the property to develop in conjunction with the adjacent Fort Monmouth Recreation Center and Swimming Pool. The former gas station and convenience store site, located along Hope Road, will allow the County to expand services and public open space amenities currently offered at the Recreation Center.
- Fort Monmouth Recreation Center on February 23, 2018, which had previously been leased by Monmouth County.
- Charles Wood Fire Station on May 22, 2018, transferring the property to Commvault Systems, Inc. for use as corporate office and training space.
- Parcel C1 on October 1, 2018 with Lennar Corporation, planned for 45 new single-family homes.
- Parcel C on March 8, 2019 with Lennar Corporation, approved for 243 residential units and up to 58,000 square feet of retail development.

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

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

On September 27th, FMERA issued an RFOTP for the Tinton Falls Commercial Parcel, which includes the following. Two proposals were received.

- 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). At tonight's meeting, the Board will be asked to approve the Second Amendment to the Agreement to Assign.

3. Marketing Update

FMERA recently advertised the Tinton Falls Commercial Development Site via the Request for Offers to Purchase process. This 31-acre parcel of land includes the Pulse Power Building, Building 2719, and the Pistol Range. Proposals were due by December 2nd and are currently under review.

FMERA has also completed its review of four proposals received for the Expo Theater and has begun term sheet negotiations with the highest scoring proposer. FMERA hopes to bring a contract to the Board sometime in the first quarter of the new year. The Expo Theater is envisioned for commercial redevelopment as an arts, entertainment or recreation facility.

At last month's Board meeting, FMERA's Board approved a request to make the 400 Area available through the RFOTP process. In January, FMERA plans to host a redevelopment showcase to discuss its vision for the 400 Area, inviting prospective purchasers and related professionals to participate in a discussion and tour of the site. Further information will be distributed via email. Planned as Oceanport's town center, this future, transit-oriented development is envisioned as a pedestrian-friendly neighborhood with water views, a dynamic mix of amenities, and attractive residential living.

Lastly, FMERA is currently accepting donations for both the Ronald McDonald House and Family Promise. If you would like to make a donation for the holidays, please reach out to our office for a list of requests. Any contribution is highly appreciated.

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
December 18, 2019**

**Resolution Regarding
Draft 2020 Budget**

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 Draft 2020 Budget illustrates the Authority's progress in implementing the approved Phase 1 and Phase 2 Economic Development Conveyance (EDC) Agreements and embarking on the economic redevelopment of the former Fort property. This year's budget includes the EDC Budget, representing the projected 2020 financial activity under the approved Phase 1 and Phase 2 EDC Agreements; and

WHEREAS, the Draft 2020 Budget summary illustrates the Budget based on the 2020 projected parcel sales to be sold with six parcels projected to be sold with net earnings from parcel sales. The Land Costs for the parcel sales include payments on Notes due to Monmouth County and the Homeless Accommodation under the terms of the EDC Agreement; and

WHEREAS, the Audit Committee has reviewed the draft 2020 Budget and recommends it to the Board for approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the draft 2020 Budget, as described in the attached memorandum.
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: December 18, 2019

EXHIBIT 1

MEMORANDUM

To: Members of the Board

From: Bruce Steadman
Executive Director

Subject: Draft 2020 Budget

Date: December 18, 2019

Request

I am requesting that the Board approve the Authority's Draft 2020 Budget.

Background

FMERA staff has collaborated in the development of a Budget which supports and enhances FMERA's Mission *to create an atmosphere in which employers will employ and investors will invest, to maximize the jobs created and the value of the property.* The Budget is also intended to expand the Authority's sources of funding while continuing to control costs and direct spending to maximize the benefits derived.

The Draft 2020 Budget illustrates the Authority's progress in implementing the approved Phase 1 and Phase 2 Economic Development Conveyance (EDC) Agreements and embarking on the economic redevelopment of the former Fort property. This year's budget includes the EDC Budget, representing the projected 2020 financial activity under the approved Phase 1 and Phase 2 EDC Agreements.

The Draft 2020 Budget Summary illustrates the Budget based on the 2020 projected parcel sales. Six parcels are projected to be sold for \$22,625,090. The projected Net Earnings from the parcel sales are \$15,851,251. The Land Costs for the parcel sales total \$6,773,839 and consist of \$5,283,752 in payments on Notes Payable due to Monmouth County and \$1,490,087 to the Homeless Fund under the terms of the EDC Agreement.

Operating income of \$30,000 represents the amount received from the Army for maintenance of Army owned carve-outs. Non-Operating Revenue of \$22,000 consists of the following: Miscellaneous Revenue of \$20,000 represents projected revenue from the use of the property for various events and Interest from cash in the amount of \$2,000.

FMERA's 2020 proposed Budget's General and Administrative expenses of \$240,000, represents general office operating expenses and maintenance & utilities, and Direct Office expenses of \$1,381,500 represents the salary and fringe of FMERA staff. Program Costs of \$3,754,500 consist of professional services and carrying costs of the property. Carrying costs mainly consist of property maintenance, security, utilities and insurance. Interest expense on Notes Payable of \$647,900 represents the estimated 2020 interest on the subsequent notes issued relating to the financing of FMERA's 2016 purchase of the Phase 2 EDC properties from the Army. Interest expense on the Working Capital Loans of \$167,235 represents the estimated 2020 interest on the working capital loans from EDA.

The Authority's 2020 proposed Capital Budget calls for outlays totaling \$6,775,000, comprised of infrastructure projects and demolition.

Recommendation

In summary I am requesting that the Board approve the Authority's Draft 2020 Budget.



Bruce Steadman

Attachments: Draft 2020 Budget
Prepared by: Jennifer Lepore

**Fort Monmouth Economic Revitalization Authority
2020 Budget**

Operational Budget

Operating Revenue

Property Sales
Less Land Costs (payments to Army, Notes Payable, Working Capital Loan
Payable and the Homeless Fund)
Operating Income

Total Operating Revenue

Non Operating Revenue

Interest from Cash
Working Capital Loan
Miscellaneous Revenue

Total Non Operating Revenue

Total Revenue

Administrative Expenses

Direct Office Support
General and Administrative

Total Administrative Expenses

Costs

Program Costs
Interest Expense on Notes Payable
Interest Expense on Working Capital Loan

Total Costs

Total Expenses & Costs

**Excess of Revenue Over Expenses Before
Before Short-Term Capital Projects**

Capital Projects

Infrastructure
Demolition
Other

Total Capital Projects

Contribution to Cash Reserves

**Excess of Revenue Over Expenses After
Contribution to Cash Reserves**

2020	
Budget	
	2,625,090
	(6,773,839)
	<u>30,000</u>
	5,881,251
	2,000
	2,500,000
	<u>20,000</u>
	2,522,000
	<u>18,403,251</u>
	1,381,500
	<u>240,000</u>
	1,621,500
	3,754,500
	647,900
	<u>167,235</u>
	4,569,635
	<u>6,191,135</u>
	\$ 12,212,116
	6,375,000
	300,000
	<u>100,000</u>
	\$ 6,775,000
	\$ 1,000,000
	<u>\$ 4,437,116</u>

**Resolution Regarding the
Approval of Award of Financial Advisory Services**

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, FMERA issued a Request for Proposals for Financial Advisory Services on October 11, 2019 to solicit Technical Proposals and Fee Proposals from qualified firms interested in providing financial planning and related services to FMERA; and

WHEREAS, proposals were due on November 22, 2019 and two compliant proposals were received; and

WHEREAS, the two technical proposals were distributed to the Evaluation Committee; and

WHEREAS, cost proposals were analyzed by the RFP Coordinator; and

WHEREAS, the Evaluation Committee met to review the scoring of the technical proposals. The technical evaluation scoring is based upon a comparative ranking with an emphasis on relevant experience and management approach. The technical ranking ranged from a high of 168 points to a low of 159 points, and

WHEREAS, FMERA staff evaluated the fee proposals and determined that the fees of the selected firm are within 10% of the non-selected firm, and for a reasonable range in accordance with the RFP. The range for the first year of the engagement would be \$15,000 to \$150,000; and

WHEREAS, FMERA staff determined PFM’s proposal to be the most favorable to the Authority, price and other factors considered; and

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

THEREFORE, BE IT RESOLVED THAT:

1. The Board approves the selection of PFM Financial Advisors as FMERA’s Financial Advisory for a term of twelve (12) months commencing on the date of appointment. The Authority reserves the right to extend the terms of the engagement for up to two (2) additional twelve (12) months in accordance with the Request for Proposals.

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: December 18, 2019

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Secretary

DATE: December 18, 2019

SUBJECT: Appointment of Financial Advisory Services

Summary

I am requesting that the Board approve the selection of PFM Financial Advisors (“PFM”), pursuant to a Request for Proposals (“RFP”) to provide Financial Advisory Services to the Authority for a term of twelve (12) months with the Authority’s right to extend the terms of the engagement for up to two (2) additional twelve (12) months.

Background

FMERA issued a Request for Proposals for Financial Advisory Services on October 11, 2019 to solicit Technical Proposals and Fee Proposals from qualified firms interested in providing financial planning and related services to FMERA. The proposals were due on November 22, 2019 and two compliant proposals were received. The two technical proposals were distributed to the Evaluation Committee. The Committee was made up of two members of the FMERA staff. The technical proposals were scored independently by each of the evaluators. The scores were then compiled, and the Evaluation Committee met to review the scoring of the technical proposals. The technical evaluation scoring is based upon a comparative ranking with an emphasis on relevant experience and management approach.

The technical ranking ranged from 168 points to 159 points, with the highest technically ranked firm being PFM Financial Advisors. FMERA staff evaluated the fee proposals and determined that fees of the selected firm are within 10% of the non-selected firm, and for a reasonable range in accordance with the RFP. The range for the first year of the engagement would be \$15,000 to \$150,000. Ultimately, staff determined PFM’s proposal to be the most favorable to the Authority. Therefore, the evaluation committee recommends the selection of PFM as FMERA’s Financial Advisor for a term of twelve (12) months commencing on the date of appointment. The Authority reserves the right to extend the terms of the engagement for up to two (2) additional twelve (12) months.

The Financial Advisor shall provide financial planning and related services to the FMERA staff to facilitate identifying, soliciting, and securing a lender, for the purpose of establishing a credit facility that will allow FMERA to borrow sufficient funds with acceptable repayment terms. The borrowed funds will be used to repay existing loans, including the MCIA and NJEDA, fund infrastructure, renovation, and demolition projects, and/or used for other necessary expenditures for the successful operation of FMERA’s business. The estimated amount of funds to be borrowed via loan and/or credit line is up to \$50 million for a term of up to seven (7) years. FMERA anticipates paying interest on a quarterly or annual basis, with principal payments due upon each property closing. It is anticipated that any borrowing would be secured by a first mortgage on the Fort’s Phase Two properties (i.e. the bulk of the Main Post). FMERA intends to have the financing in place by October 2020.

The Audit Committee reviewed the request and recommends it to the Board for approval.

Recommendation

In summary, I am requesting that the Board approve PFM Financial Advisors to provide Financial Advisory Services to the Authority for a term of twelve (12) months with the Authority's right to extend the term of the engagement for up to two (2) additional twelve (12) months.



Bruce Steadman

Prepared by: Regina McGrade